ANNUAL REPORT 2023

including the integrated report, non-financial performance declaration, management report, corporate governance report, annual and consolidated financial statements, and statutory auditors' reports

bel
for all for good

Content

ANNUAL REPORT 2023

including the integrated report, non-financial performance declaration, management report, corporate governance report, annual and consolidated financial statements, and statutory auditors' reports

A French limited company (société anonyme)
with share capital of €7,921,294.50

Registred office
2 allée de Longchamp 92150 Suresnes (France)

Nanterre Trade and Companies
Register: 542 088 067 APE/NAF code: 1 051C

1

Integrated Report

COMMITTED TO HEALTHIER AND MORE SUSTAINABLE FOOD

2023 INTEGRATED REPORT

bel for all for good

In its quest to give access to healthier and more sustainable food for all, the Bel Group is determined to develop a new food model:

- a model that respects the planet's natural resources;
- a model that benefits every facet of its ecosystem, from upstream agriculture to consumers;
- a model that enables it to take action on behalf of the generations of today and tomorrow.

The Bel Group in 2023

5TH generation of family management

Its 3 values
DARE, CARE, COMMIT

10,902 employees

6,100 suppliers

31 production sites

2023 WINNER of the “Raison d’Être” Trophy

120 countries of commercialization

99/100 on the gender equality index(1)

50 projects supported by the Bel Foundation

1,169 milk producers

Over **30** brands, 6 of them international

180 Diversity Equity & Inclusion leaders and activists

87.7% “positive” recipes(2)

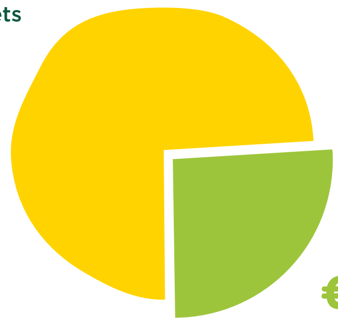
51 subsidiaries in 35 countries

Score of **81/100** on EcoVadis platinium medal

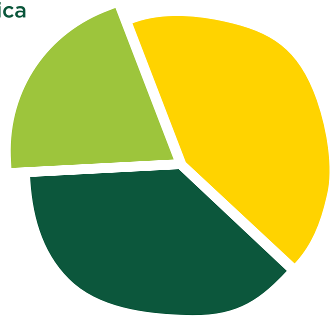
(1) Cheese business only.
(2) Portfolio of products for children and families meeting Bel Nutri+ criteria or with 0 or 1 additive.

3,645 M€
revenue in 2023

ITS MARKETS



ITS GEOGRAPHICAL PRESENCE



How can healthier and more sustainable food be ensured for all?

THE FACTS __ Food, and the questions surrounding it, have become a pressing global issue. In a global society, eating habits are quickly evolving with a clear trend toward a Westernized diet characterized by high consumption of red meat, processed foods, saturated fats and refined sugars, alongside very low consumption of fiber and vitamins. It is thus more essential than ever to guide consumers, starting from an early age, toward more sustainable habits by offering them nutritious products that are accessible and affordable.

EXPERT OPINION
ADAM DREWNOWSKI

Professor of Epidemiology and Director of the Center for Public Health Nutrition at the School of Public Health, University of Washington

"We've gone from eating meals as a family, at set times, to consuming smaller meals individually, at all hours of the day. Snacking like this cannot be limited to sweet foods alone; it has to provide us with the energy and nutrients we need. Healthy snacking, including a variety of dairy and fruit-based products, is, in my view, perfectly appropriate. Experts often repeat that the current food model is "broken" and in need of reorientation. To truly achieve sustainability, the reorientation of this model must encompass four key dimensions: health, economics, society, and the environment. Food has to be nutritious, affordable, socially acceptable and have a low impact on the environment. As a key player in food systems, Bel needs to position itself across all these dimensions, leveraging reliable indicators as it plays a major role in developing healthier, more affordable food options."

51%

of the world's population will be overweight or obese by 2035 if current trends are not stopped
(source: World Obesity Atlas 2023)

1/3

of the world's population will live in India or China by 2050

BEL'S CONVICTION

Bel's products are consumed by 400 million people all around the world. It thus has a major responsibility to provide a safe, nutritious and balanced diet to as many people as possible. This is why it is expanding in global mature markets, as well as in India and China, to offer solutions that meet the needs of consumers all around the world.

BEL'S OBJECTIVE

In 2030, 90% of recipes aimed at children and families will be "positive": either they will meet the criteria of Bel Nutri+ - its internal nutritional profiling system based on WHO recommendations - or they will contain 0 or 1 additive (currently 85%).

To learn more about Bel's actions, go to **page 44**

Can agricultural models still be changed to protect the planet?

THE FACTS __ According to the World Bank, the development of agriculture is one of the most powerful tools at our disposal for ending extreme poverty, increasing shared prosperity and feeding the planet's 9.7 billion people by 2050. But modern agriculture is also the main cause of soil depletion.

(source: "Global Land Outlook," published in 2023 by the United Nations Convention to Combat Desertification).

EXPERT OPINION
PASCAL CANFIN

Chairman of the Environment Committee of the European Parliament

"Today, the agricultural transition finds itself stuck in between those who deny its necessity and those who deny its difficulty.
To escape this deadlock, we need to rethink our approach and make sure the transition applies to the entire food chain, and not just to farmers. This entails ensuring that agro-ecological production finds industrial outlets, appropriate logistics channels, sufficient demand, and properly directed public and private funding. Taking action in this area raises major concerns for farmers. They need to be heard and supported. Bel can help them take part in the transition through long-term contracts with its suppliers, which guarantee an outlet while securing the desired changes in practices. In the end, it's about showing that the path to transition is not only relevant for the environment, but it is also economically viable. I believe that partnerships between forward-thinking political and economic actors can effectively drive substantial progress toward a better food system and a more sustainable agriculture model."

40%
of the world's land will be degraded by 2023 (compared with 25% in 2017)

70%
of the planet's land surface has already been transformed by people

BEL'S CONVICTION

Encouraging sustainable agricultural practices is one of the pillars of its strategy. In collaboration with WWF France, it has been working toward a more sustainable food model for over a decade. Today, it is taking this even further by supporting farmers in their transition toward using regenerative methods. Regenerative agriculture is a set of practices that regenerate soils, preserve biodiversity and water resources, mitigate climate change and support farm resilience.

BEL'S OBJECTIVE

100% of milk and apples in its products will be sourced from regenerative agriculture by 2030 (extended to all its key raw materials by 2035).

To find out how Bel is contributing to the transformation of agricultural models **page 40**

How can food waste and losses truly be reduced?

THE FACTS — Around 40% of food produced in the world is lost between harvest and consumption (source WWF, 2021). This waste occurs throughout the food value chain, from the production of raw materials, through food processing and distribution, right down to the consumption stage. This phenomenon has major social, economic and environmental consequences, because losing or wasting food also means wasting all the resources that were used to produce it: water, land, energy, labor and capital.

EXPERT OPINION
LIZ GOODWIN

Senior Fellow et Directrice pertes et gaspillage alimentaires au World Resources Institute

"Cutting food waste by half can significantly contribute to the reduction of global greenhouse gas emissions. While achieving this target by 2030 may pose challenges on a global scale, it remains entirely feasible at the local and individual levels. In businesses, we can take action by pinpointing where waste is happening and implementing measures to reduce it within operations and the supply chain. At home, the main cause of waste is the fact that we buy too much. There are numerous strategies to help with this, such as shopping lists, optimizing freezer use, and understanding product labeling. It's important for businesses like Bel to reduce food waste within their operations, in order to minimize losses and waste throughout the chain. Businesses can also encourage their consumers by helping them to understand product labeling and guiding them in their efforts to cut waste."

40%

of food produced is never consumed, while 1 in 9 people around the world suffers from malnutrition.

8 TO 10%

Food waste accounts for 8–10% of total greenhouse gas emissions from human activity.

BEL'S CONVICTION

It is possible to avoid and reduce food waste all throughout the value chain, from farm to fork.
This fight has been part of Bel's DNA from farm to fork, with individual portions at the heart of its business model. Indeed, the individual portion provides just the right amount of food, and it helps avoid waste at home. It is thus doing everything in its power to meet this collective challenge with its producers, its partners (carriers, retailers), etc. and its consumers.

BEL'S OBJECTIVE

Reduce food waste by half by 2030 compared to 2021.

To learn more about Bel's actions, go to **page 42**

Message from Antoine Fiévet, Chairman of the Bel Group

The Group's family business model is an asset in meeting today's challenges.
The times we are living in require new levels of commitment to meet the global challenges that touch us all. At Bel, we are privileged to operate under a family business model that stands as a formidable asset. Amid the turmoil and uncertainty of our times, we form a close-knit community, united around humanistic values and a clear cut mission: to ensure access – across our three complementary areas of dairy, fruit and plant-based products – to healthier and more responsible food for all. This ambitious mission, For all. For Good. is our obligation and our commitment. As an agri-food business, we are part of a global food chain that is responsible for around a third of the world's CO_2 emissions and half of the European Union's total methane footprint. We therefore have a key role to play in the fight against global warming, and are fully committed to it. This has notably led us to develop carbon sequestration projects and to join the Dairy Methane Action Alliance (DMAA) at COP28.We also have a special responsibility to ensure access to quality food for all, especially children. This is the goal of its corporate Foundation, which celebrated its 15th anniversary in 2023 and has helped thousands of vulnerable children thanks to its outstanding work in the field with NGOs and associations all around the world. The progress made would not have been achievable without the drive and commitment of our employees, and I would like to acknowledge them here. Their passion and efforts are indispensable, and I firmly believe they will ensure our successful transition toward a model of sustainable, responsible performance.

DRIVING FORWARD AN AMBITIOUS MISSION, FOR ALL. FOR GOOD. WE HAVE A KEY ROLE TO PLAY IN THE FIGHT AGAINST GLOBAL WARMING AND ARE FULLY COMMITTED TO IT.

Interview with Cécile Béliot, Chief Executive Officer of the Bel Group

What is your view on 2023?

Bel is consolidating its positions in its core business, while at the same time stepping up its development with Materne and the Pom'Potes, GoGo squeeZ and Mont Blanc brands. Fruit perfectly rounds out our positions on healthy snacking and is already a key growth driver. Some regions, such as North America and Asia, were particularly buoyant this year, as were e-commerce and Out-of-Home distribution channels. On top of our ambitions for growth in the dairy sector, this all confirms the relevance of our business model and our strategy of innovation and expansion in the pursuit of healthier and more sustainable food for all.

Given the challenging backdrop, what prompted you to further fortify your commitments to this new food model?

It is urgent that Bel shifts toward a sustainable food system, and this can be done without jeopardizing our model's profitability, which is always closely linked with fulfilling our responsibilities. However, to make this transition a success, we need to support our partner suppliers. The dairy upstream sector, which is crucial to our traditional business, significantly impacts natural resources and climate change. It also plays a vital social role in many local communities around the world.

How do you motivate change in practices?

In 2018, we launched an updated version of the Global Sustainable Upstream Dairy Charter. In 2023, we took a further step forward by committing all three of our businesses to regenerative agriculture. This evolving methodology seeks to conserve soil, foster biodiversity and strengthen farm resilience. While we had already begun to promote this approach, we have now formalized our efforts and launched the Alliance for Regenerative Agriculture to underscore its collaborative and global scope. Our goal is ambitious: by 2030, we want 100% of our milk and apples to come from suppliers using regenerative agriculture, which respects the planet and those who produce the food we eat.

Producing better is important but how can we avoid wasting what is produced?

According to the FAO and WWF, 40% of food produced for human consumption is wasted. The impact on natural resources is enormous and, needless to say, wasting food when millions around the globe lack food security is simply unsustainable. Addressing this challenge has always been key to our business model, given that our offer is centered around the individual portion format. But there is more we can do. We joined the "Too Good to Go" pact in 2019, and we are also joining initiatives like "10x20x30" in partnership with the Consumer Goods Forum, to cut food waste in half by 2030, compared with 2021. Thinking about the value we place on our food is key to sparking change and raising consumer awareness. If this value were truly acknowledged, we would not throw things away as we do today.

So you are optimistic about the capacity for transformation of the different players within your ecosystem?

I believe that there's a genuine awareness and a drive toward change. Bel is a family business with 10,902 employees worldwide, working closely with thousands of suppliers and 1,169 dairy producers. It is a tremendous platform for commitment that can tip the balance in the right direction, toward a positive impact for all. I'm confident in the strength of this collaborative force.

(1) Food and Agriculture Organization of the United Nations.

IT IS URGENT THAT BEL SHIFTS TOWARD A MORE SUSTAINABLE FOOD SYSTEM BY LEVERAGING THE PERFORMANCE OF OUR MODEL AND FOSTERING JOINT COMMITMENT AMONG OUR PARTNERS.

Executive Committee

CÉCILE BÉLIOT
CEO

CÉCILE BÉLIOT, CHIEF EXECUTIVE OFFICER OF THE GROUP SINCE 2022, and the Executive Committee continue to transform the Group and to activate its new drivers of sustainable growth, including accelerating innovation, strengthening the Group's international positions (in the United States of America, China and India) and the ongoing development of plant-based products in addition to the Group's fruit and cheese products.

STÉPHANE DUPAYS
Chief Operations Officer

JÉRÔME GARBI
Cheese Chief Officer & EMEAO Chief Officer

CAROLE JAIS
Trust & Ethics Chief Officer

FRÉDÉRIC MÉDARD
Chief Impact Officer

FRÉDÉRIC MOULIN
Chief People Officer

BÉATRICE DE NORAY
Chief Growth Officer

ELISABETH ELLISON-DAVIS
Chief Strategy, Transformation, Data & Tech Officer

PASCAL COLAS
Squeeze Chief Officer

EXECUTIVE COMMITTEE APPOINTMENTS, MARCH 2024

IVAN GIRAUD
Chief NorAm Officer

JEAN-CHRISTOPHE COUBAT
Chief Asia Officer

Board of Directors

ANTOINE FIÉVET
Director
and Chairman

THIERRY BILLOT
Lead Independent
Director

FATINE LAYT
Director

MARIANNE TSANIS
Director

FLORIAN SAUVIN
Director

Unibel SA,
represented by
ÉRIC DE PONCINS
Director

ALEXANDRE VERNIER
Director

43%
Proportion of independent members

33%
Percentage of women on the Board

99.97%
Average attendance rate at meetings of the Board of Directors

55 YEARS
Average age

THE MAIN TOPICS ADDRESSED BY THE BOARD OF DIRECTORS IN 2023

In 2023, as part of its missions, the Board of Directors reviewed the interim and annual financial information, (including the annual financial statements, consolidated financial statements and interim consolidated financial statements), and the processes used to prepare this information. The Directors systematically reviewed the press releases relating to this information before their release. The state of business was assessed at each meeting. Regular attention was given to the economic and geopolitical situation of the markets and its impact on the Group's business. In addition to reviewing organizational issues relating to acquisitions and disposals, the directors also discussed the Group's industrial investments and financing.

Solid fundamentals

Bel has more than just deeply held convictions. Its industrial know-how and social model are unrivaled on the market. It leverages these solid fundamentals to take action, deliver performance and anticipate the future by developing a positive and sustainable vision for food.

The recipe for success

What are the ingredients of Bel's "recipe"? The individual portion at the heart of its model, its three areas of focus to promote a healthy and diversified diet, and its brands, which are welcomed into millions of homes worldwide.

THE INDIVIDUAL PORTION – ITS SIGNATURE

- UNRIVALED INDUSTRIAL KNOW-HOW
- THE RIGHT NUTRITIONAL AMOUNT
- THE RIGHT QUANTITY TO AVOID FOOD WASTE
- AN ACCESSIBLE FORMAT THAT CAN BE TAKEN AND CONSUMED ANYWHERE

THE STRENGTH OF ITS ICONIC BRANDS

75% of sales are made on its core brands

- The Laughing Cow
- Babybel
- Pom'Potes / GoGo squeeZ
- Kiri
- Boursin
- Nurishh

ITS THREE KEY AREAS

Cheese and dairy products

Its traditional business, where innovation is a continuous process to fine-tune recipes and formats

Fruit

A major diversification in order to ramp up healthy snacking, enabled by the acquisition of Materne Mont Blanc GoGo squeeZ

Plant-based

A strategic shift, key to meeting consumer needs and social and environmental challenges

An industrial operator with strong community rooting

As an industrial group, Bel makes its products, in collaboration with local partners, as close as possible to its markets, at around 31 sites on five continents. Wherever it operates, the Group is continuously modernizing its industrial equipment to facilitate the production of innovative products, while enhancing the safety and well-being of its people. As a designer of its own production lines, the Group is responsible for the commissioning of all its new plants worldwide. As a responsible player, it actively works to reduce its environmental footprint and in particular to minimize the CO_2 emissions from its sites.

*Joint venture with Britannia Bel Foods Private Limited.

A positive business model

BEL'S RESOURCES

A solid family business structure
- 5th generation of family shareholders and managers

Its values
- Dare, Care, Commit

Brands known by all
- Over 30 iconic brands
- The individual portion, key to its products' uniqueness

Committed employees
- 10,902 employees worldwide and their know-how

A solid financial base
- A solid financial base with €1,526 million in equity

An industrial base rooted in local communities
- 31 high-performance industrial sites in 15 countries

Committed partners working alongside Bel
- 1,169 dairy producers, 6,100 suppliers
- Coalitions for a collaboration-based dynamic: Carrefour's Food Transition Pact, Consumer Goods Forum, the United Nations "Race to Net Zero" campaign, the Science-Based Targets Network for biodiversity and the "Too Good To Go" pact

Natural resources to preserve
- Nearly 1 million metric tons of apples
- Water: 4,423,242 m³ of water
- Electricity: 287,782 MWh

ITS AMBITION

By giving access to healthier and more sustainable food for all, Bel is determined to develop a food model that respects the planet's natural resources, benefits every facet of its ecosystem and enables it to take action on behalf of the generations of today and tomorrow.

ITS FARM-TO-FORK VALUE CHAIN

Bel is a major player in the food industry. It manufactures and markets dairy, fruit and plant-based "eating well" portions through six international core brands and a number of strong local brands.

ITS MISSION GIVE ACCESS TO HEALTHIER AND MORE SUSTAINABLE FOOD FOR ALL

ITS THREE KEY AREAS

- CHEESE AND DAIRY PRODUCTS
- PLANT-BASED
- FRUIT

ITS IMPACTS

FOR ITS EMPLOYEES

A caring work environment
- a motivating sense of purpose 84% of the Group's employees applaud workplace safety at Bel (best Your Voice score)
- 77% are inspired by the Group's mission

FOR ITS CONSUMERS

Healthier food for all
- The Group caters to 397 million consumers
- 88% of product volumes intended for children and families have "positive" recipes

FOR ITS CLIENTS

Innovative distribution models and a presence in over 120 markets
- Bel ranks among the top three suppliers preferred by its customers in seven countries: France, Spain, Portugal, Canada, The Netherlands, Czech Republic, Slovakia

FOR ITS PARTNERS

Sustainable and responsible relationships throughout the value chain
- Its partners' average EcoVadis score: 57.2/100
- Bel receives the EcoVadis Platinum Medal once again and sits in the top 1% of businesses by EcoVadis rating

FOR ITS FAMILY SHAREHOLDERS

A sustainable growth model creating long-term value

FOR THE PLANET

An ecosystemic approach to environmental issues and ambitious goals to be met by 2035
- Net reduction of 1/4 of greenhouse gas emissions across its value chain by 2035 (as compared to 2017, helping to limit global warming to +1.5°C)
- Reduction of water withdrawals at its production sites by 45% compared to 2017

FOR NGOS AND SCIENTIFIC EXPERTS

Our shared experience and knowledge
- 10 years of partnering with WWF France

FOR ITS LOCAL COMMUNITIES

Community rooting
- Economic and social support for communities
- Certified Global Living Wage Employer by the Fair Wage Network

A positive impact

Bel's Positive Impact Index aims to reflect the Group's ability to fulfill its corporate mission and impact its ecosystem. As a pioneer in the agri-food industry, this unique-score index conveys Bel's commitment to its key stakeholders and measures the Group's progress based on set objectives.

In 2023, the Impact Index rose by two points to 89/100 compared with 2022 (87/100). This progress can be attributed notably to achieving the employee commitment target ahead of schedule, making significant advances in agricultural practices, and maintaining consistent progress in its carbon reduction efforts.

COMMITTED CUSTOMERS

By developing partnerships with its customers and working on joint projects toward a sustainable food transition, Bel aims to become a key partner in co-creating a new model for a positive impact.

OBJECTIVE FOR 2025

To be ranked in the Top 5 in terms of customer satisfaction in its largest distribution countries.

In 2023, 8 out of 10 studies place the Group in the top 5, achieving 80% of its objective.

2020 80% 2025

ENVIRONMENTAL FOOTPRINT

By committing to a 25% reduction in CO_2 emissions throughout its value chain between 2017 and 2035, the Bel group aims to make its own contribution to limiting global warming to below +1.5°C.

OBJECTIVE FOR 2025

To limit its CO_2 emissions to 3.9 $MTCO_2$, to be in line with the 1.5°C reduction scenario approved by the SBT.

In 2022[2], the Group's emissions totaled four million metric tons of CO_2, i.e. 98% of the objective.

2020 98% 2025

REGENERATIVE AGRICULTURE

By supporting the dairy farmers and producers in its ecosystem to implement regenerative agricultural practices, Bel contributes to the resilience of farms and the restoration of the natural capacity of soils.

OBJECTIVE FOR 2025

To achieve an aggregate score of 100% on three key stakes: people, planet and animals[1].

In 2023, the Group achieved 75% of its objective.

2020 75% 2025

PRODUCTS FOR ALL

By offering just the right amount of "eating well," portion size is at the heart of Bel's model and helps to make its products available to as many people as possible.

OBJECTIVE FOR 2025

To reach 440 million consumers.

In 2023, the Group has reached 397 million, achieving 90% of its objective.

2020 90% 2025

COMMITTED EMPLOYEES

By measuring employees' commitment to the Group's mission and values, Bel's ambition is to develop their sense of pride and belonging and to make them actors for good.

OBJECTIVE FOR 2025

To have 77% of employees committed to the Group's mission, as measured by the annual Your Voice survey.

In 2023, the Group achieved its 2025 target, with a commitment rate of 100%.

2020 100% 2025

BEL'S COMMITMENT

Bel is committed to five key stakeholders: its customers, employees, farmers, consumers and the planet. The Group's impact on each is quantified using a long-term objective set for 2035, with the color of each segment corresponding to the score achieved in relation to the intermediate objective set for 2025: green if the progress score is above 90%, yellow between 60 and 90%, and red below 60%. These are then aggregated into an overall index at the center of the circle score, at the center of the circle.

(1) Upstream dairy indicators have been selected pending the release of the first figures on Regenerative Agriculture.

(2) As the Scope-3 carbon footprint is measured with a one-year delay, only the 2022 performance can be presented.

Bel as an employer: a meaningful human resources policy

With its Nurture program, Bel has made strong commitments toward its employees It continues to enhance this program to improve employee inclusion and engagement.

BELONG, A NEW MOMENTUM

Following the launch of its Diversity and Inclusion Charter in 2022, Bel's Executive Committee resolved to make Diversity, Equity and Inclusion a priority for 2023 by launching the "Belong" program. Three key priorities were defined:

- **Inclusion for all** to make Bel a place where individuals can truly be themselves, express themselves freely, and realize their fullest potential. This is fostered through an employee awareness program that encourages each employee to speak out against inappropriate behavior without hesitation.
- Achieving **gender diversity** among managers by 2030, with a minimum of 40% of management positions held by women and 40% by men. The remaining 20% will be open to all genders, providing flexibility for the organization and its various functions.
- Improving **diversity of origins** and increasing the proportion of non-French employees among corporate office teams from 11% to 30% by 2030.

DENIS GAYOUT,
Group People Engagement Director

"Communication on inappropriate behavior, e-learning on diversity, equity and inclusion (DEI), recruitment of in-house 'activists' to champion these topics and work on local actions with a sponsor, a country-level toolkit...: all this and more, our DEI project is accelerating toward local roll-out in 2024."

TO THE HIGHEST STANDARDS

The issue of economic security and fair compensation for employees is paramount for Bel, and in 2023 it entered into a partnership with Fair Wage Network, an independent benchmark organization, with a goal to obtain Global Living Wage Employer certification. The global benchmarking on 10,902 employees, and the validation study carried out with around 100 employees at four Bel sites in the United States, Poland, Egypt and Algeria at the end of 2023, revealed no gaps between Bel's practices and the Global Living Wage certification standards. Next step, in 2024: Global Fair Wage Employer certification.

Unique backgrounds committed to a common mission

The Group's ambition is to enable every talented individual to flourish within a community where performance is recognized and commitment is valued.

In 2023, the Group organized the SkillUp Festival, three days of seminars and discussion panels to help employees develop their skillsin the areas that matter most to them.

SKILL UP Festival

A QUALITY CONVERSATION BETWEEN MANAGERS AND EMPLOYEES

Employees should be given the chance to create a personalized development plan with their manager. In 2023, the time dedicated to performance reviews during annual appraisal interviews was decoupled from time set aside to discuss career development. This change allowed for separate conversations to be held on development, on top of the traditional performance reviews. For 2023, this change concerned all employees connected to the Group's Cheese business (dairy products). It will be extended to all employees in 2024. To acquaint managers and employees with this new system, which leads to the creation of individual development plans, a variety of resources were introduced, coordinated, and made available across countries. These resources included toolkits, interactive games, guides, workshops, and more.

A LEARNING ORGANIZATION

With Bel University, the Group has a powerful tool to support the growth and development of its employees. Bel University offers a catalog of training programs, online courses, and an online onboarding process for each new employee who logs on. Every year, Bel University disseminates the primary strategic themes and directions encompassing both "culture" and "business." This practice allows for the clarification of training priorities, considering employee needs, as well as the essential skills and business expertise that the Group aims to cultivate.

AI: BEL IS A RESPONSIBLE PIONEER

Bel launched an initiative in October 2023 to make the most of AI while securing its use within the business. **Objective:** make ChatGPT a key driver of performance and differentiation. To make the most this potential, the company has developed BelGPT, an online environment accessible on Teams for employees who log in. This tool features functionalities and limits similar to ChatGPT, with stringent security and confidentiality measures in place. Functionalities include content generation, translation, and data verification. With this training and awareness, teams can effectively harness the power of AI to boost their business performance.

bel GPT

15 YEAR OF ACTION ON BEHALF OF CHILDREN

The Bel Foundation celebrated its 15th anniversary in 2023. The Foundation is active in two main areas:

- **Internationally,** it supports school cafeterias in the most impoverished countries so that every child, regardless of location, can have access to a healthy, balanced meal at school. In France, it opts to support associations that are committed to reducing child food insecurity or promoting awareness of healthy eating habits.
- **Within the Bel Group,** it is a driving force in organizing "Days for Good," a solidarity week during which employees can take part in the Group's mission and get involved with an association or NGO.

36 sites - half of all Bel sites worldwide - took part in the 2023 edition of Days for Good.

SPREADING A CULTURE OF COMMITMENT

Launched in 2021, the "Actors for Good" program aims to raise employees' awareness of social and environmental responsibility and encourage their involvement in initiatives with a positive impact. As part of its commitment, the Group has pledged to provide climate change training to as many employees as feasible over a three-year period. In 2023, 2,751 employees were trained in the Fresque du Climat (climate science learning tool) and 42 became in-house trainers. In cooperation with the Bel Foundation, the Group also organized the second "Days for Good" event. During these solidarity days, employee volunteers can spend their time helping a partner association. In 2023, over 2,000 employees in 22 countries took part, devoting their time to 32 associations focused on children, food and the environment.

1/3
of Group managers have been trained on Management essentials via We@Bel

4,100
employees trained on the Climate Fresk since 2021

83%
is the 2023 participation rate in the "Your Voice" in-house survey, reflecting a 1-point increase in the employee commitment rate

In 2023,
a restored financial performance

Despite the persistently inflationary environment, Bel posted a solid performance in 2023, confirming the relevance of the strategic choices made over the past five years.

RESPONSIBILITY AND PRODUCTIVITY

In 2023, the Group generated €3,644.9 million in revenue, representing +5.8% organic growth. This solid performance notably reflects:

- robust growth in the fruit snacks business across all regions;
- resilience of the cheese portions business;
- continued strong growth trend in China;
- good momentum in North America;
- responsible and disciplined management of price increases in a widespread inflationary environment;
- significant productivity efforts at Group plants.

INTERNATIONAL DEVELOPMENT

Bel's international expansion continues to advance with success. The fruit snack business again delivered strong year-on-year organic revenue growth, particularly in the United States and Canada under the GoGo squeeZ brand.
In North America, the Boursin brand also maintained its high growth momentum. For the fourth year in a row, China saw a very strong acceleration of revenue, driven mainly by the Kiri brand's performance and the recent integration of Junjun Cheese. In India, the joint venture with Britannia Industries is proceeding according to plan with the successful launch of the first The Laughing Cow® product.

Bel, awarded the EcoVadis 2023 Platinum Medal for its CSR performance, remains in the top 1% of agri-food businesses worldwide.

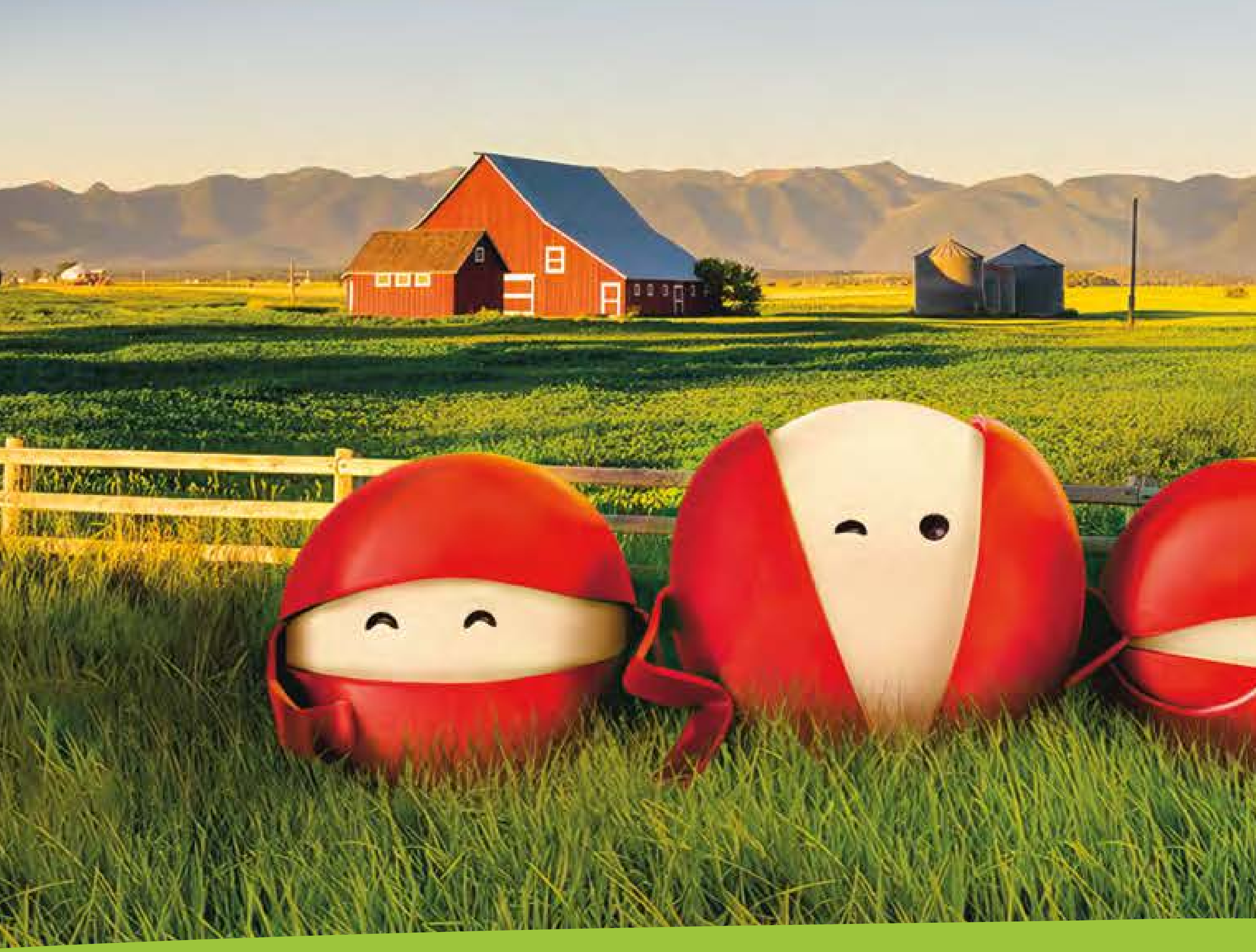
PLATINUM 2023 ecovadis Sustainability Rating

After the acquisition in 2022 of Shandong Junjun Cheese, Bel is stepping up the pace in China to reach critical mass in this market of 1.4 billion inhabitants, where cheese is the preferred snack of 50% of consumers.

Junjun cheese

+5.8%
organic growth in revenue

~80%
of the Group's business is done outside of France



Bel's commitments in action

For Bel, commitment is an action verb. Starting with its biggest challenges, it develops a rigorous framework with quantifiable objectives, and it advances alongside its teams, its suppliers and consumers, to collectively drive change.

A year in the life of Bel

January

- **Bel successfully closes** a €315 million "Sustainability-Linked Schuldschein Loan"
- **Inauguration of the extension** to the Babybel plant in Michalovce (Slovakia) to expand sales of the brand in Eastern Europe

February

- **The Group and Carrefour sign** an innovative commercial agreement that includes climate protection clauses

March

- **Alongside WWF-France** and Earthworm Foundation, Bel launches the Alliance for Regenerative Agriculture

April

- **Bel announces a partnership** with biotech startup Climax Foods Inc to create a new generation of plant-based cheese alternatives

May

- **Opening of the Cable Car Bake Shop** at Disneyland Paris, offering Kiri-based gourmet creations to park visitors

June

- **Bel receives the 2023 Platinum Medal** from EcoVadis with a score of 81/100 for its CSR performance

July

- **2nd edition of "Days for Good"** – the Bel Group's solidarity week, with over 2,000 employees taking part worldwide
- **Bel deploys the pioneering Bovaer® solution** to its dairy producers in Slovakia

September

- **Launch of 11 new listings** of Materne fruit cups in the fresh produce section, offering a healthy, tasty alternative to fruit desserts and snacks (available in France)

October

- **Launch of Belong,** a program to support Bel's Diversity, Equity, Inclusion ambition
- **The Nurishh brand** is represented at the Anuga trade fair in Cologne - its very first appearance at a trade show of this scale. Its innovations (Greek-style plant-based cubes, Gran Veggiano with an updated recipe for the grated cheese range(1)) receive outstanding reviews

November

- **The APBO(2) and the Bel Group** agree on milk prices and volumes for 2024, a win-win deal for more sustainable French agriculture and food
- **The MOM Group brand extension** (Materne Mont Blanc GoGo squeeZ) becomes "Materne by Bel"

December

- **The Bel Foundation celebrates 15 years** of actions to promote healthy and sustainable food for all children
- **Six global leaders** in the agri-food industry, including the Bel Group, announce the launch of the Dairy Methane Action Alliance (DMAA) at COP28

(1) Launch in 2024.
(2) Association des producteurs de lait Bel Ouest.

APRIL

MARCH

MAY

SEPTEMBER

All around the world, making eating well a human right for all

Food is the number one driver of good health.
By proposing a tailored offering to every individual all around the world, Bel strives to meet the nutritional needs of both children and adults.

Bel wants to reach everyone, and meet the needs of all ages, from children to adults. In 2023, Materne by Bel launched a new range of fruit purées in France (Boost, Relax, Protect lines), fortified with vitamins and/or minerals.

WINNING NEW CONSUMERS ALL AROUND THE WORLD

In 2023, Bel pursued its strategy of winning new consumers, especially in the United States, where the Squeeze business is proving to be a powerful growth driver. A highlight of the year was the expansion of the Materne GoGo squeeZ plant in Nampa, Idaho. Adding eight new production lines, this investment will create more than 150 jobs and ramp up the site's output to meet market demand in North America. In China, Kiri continues to confirm its potential in both the retail and Out-of-Home markets. In retail, Kiri Petit Sweets, a variety of sweet-tasting snack cubes, are a big hit. In Out-of-Home, the brand has developed and inspired a network of chefs to foster local creativity. This involves training pastry chefs, live streaming demonstrations and participating in bakery shows. In addition, after the 2022 acquisition of Junjun, 2023 was dedicated to upgrading the industrial site to Bel's standards. This move will support the manufacture of products that will round out the Group's offering in China. Finally, in India, where Bel had entered into a joint venture with Britannia Industries in late 2022, the first products from this JV were launched on the market in spring 2023 under the brand "Britannia The Laughing Cow."

ACCESSIBILITY IS A PRIORITY

Accessibility is a central concern for Bel. All around the world, the Group is innovating to offer products that meet the different needs of its consumers. In 2023, it launched the "Kiri Jar" in the Middle East. This format is more accessible in terms of price and well-suited to home uses, whether for cooking or as a breakfast spread. In regions hard hit by inflation, such as North Africa and the Middle East, The Laughing Cow® brand continues to adapt to meet the needs of local consumers in terms of their tastes, budgets, consumption habits and nutritional requirements. One example of this is the "4 Essentials" range sold in Morocco and Egypt, whose prices have been held at an affordable level, regardless of inflation. Fortified with four essential nutrients, this product helps to fight against major nutritional deficiencies.

In Algeria, the Extra Benna range – a premium, high quality offering made from milk, butter and processed cheese, with no vegetable fats – has been introduced alongside the existing 4 Essentials and Simply ranges. This addition aims to better meet the demands of consumers seeking the finest products.

Offering products accessible to all, anytime, anywhere

More and more meals are eaten away from home, and more and more food purchases are made online. By keeping in step with these new uses, Bel is rising to the challenge of accessibility, in very fast-moving markets.

DISNEYLAND PARIS

In May 2023, under an exclusive partnership between Bel and Disneyland Paris, the Cable Car Bake Shop on Main Street was completely made over in Kiri's distinctive colors. This transformed shop now offers exclusive sweet and savory creations, such as carrot cake, cheesecake, muffins, éclairs, and more.

BELGIUM

In 2023, a very popular chain with around 60 restaurants in Belgium, Lunch Garden, added a new dish to its menu, Chicory au Gratin with Maredsous Double Cream, a culinary innovation from one of the Group's local brands.

OUT-OF-HOME, A VERY SOLID MARKET

Driven by major consumer trends like snacking, globalization and urbanization, the global Out-of-Home market is seeing significant structural growth. This growth is outpacing that of retail distribution, notably in countries like the United States, Japan, China, Germany, Great Britain and France. Cheese holds considerable weight in this market, with 40% of cheese volumes in Bel's top 10 countries being consumed away from home. Bel, with robust ambitions in this area, has been organizing its business in this direction since 2021, and achieving success. For the third consecutive year in 2023, sales through this channel surpassed the 10% mark.

FRUIT: THE PINNACLE OF HEALTHY SNACKING

Another highlight of 2023 was the combining of the Bel and Materne by Bel teams in the Out-of-Home business. With the arrival of Materne by Bel's fruit-based offerings into the Cheese portfolio, Bel is venturing into new segments. Alongside the Foodservice segment already dominated by Cheese, the teams now have a healthy snacking option to win customers in the Commercial Foodservice segment. This collaborative strategy will also be implemented in other global markets in the coming months.

ADAPTING TO THE NEEDS OF PROFESSIONALS

To double sales volumes in the coming years, the Group has begun adapting its product portfolio to meet the requirements of professionals such as chefs, restaurateurs and hotel owners. As part of this initiative, it is drawing on the product and format adaptations already carried out by the French subsidiary, which celebrated its 50th anniversary in 2023. The Group is also leveraging the expertise of outside professionals, such as the two-starred chef Jean-François Piège. His audit of Bel's culinary range led to improvements in recipes and packaging for professional products. Jean-François Piège Piège and Bel's R&D team are also working side by side to develop products designed by and for chefs for the fast-food sector.

NICOLAS ABADIE,
General Manager Global OOH
for the Bel Group

"Bel's ambitions in the Out-of-Home market are strong, and the potential for growth is significant. Let's keep forging ahead on the path set out on three years ago, determined to win!"

UNITED ARAB EMIRATES

In the United Arab Emirates, a partnership initiated by Bel between its local partner, e-commerce platform Talabat, and influencer Kris Fade, featured packs combining snacks from the Fade Fit brand and Babybel. Babybel sales jumped by 70%, and Fade Fit products ran out of stock!

JAPAN

In Japan, Bel Foodservice, in collaboration with Godiva, launched two Kiri-based recipes: a drink for summer and an ice cream for winter.

RAPID CONSOLIDATION OF E-COMMERCE

The trend is undeniable: younger generations are massively turning to e-commerce for their food shopping needs. Following its rapid acceleration during the Covid-19 pandemic, in 2022 and 2023 the food e-commerce sector entered into a phase of consolidation and model refinement. The market is driven by several categories of operators: traditional mass retail players who generate part of their sales through online transactions, innovative "pure players" such as Rohlik (Czech Republic) and PicNic (the Netherlands), and third-party partners such as UberEats, Glovo (Spain), Talabat (Middle East) and Instacart (United States and Canada). Bel intends to affirm its position on this buoyant market. Despite an overall market decline, China recorded exceptional performances, while new, highly dynamic markets emerged in the Middle East and Southeast Asia.

"As mobile devices take the forefront in food shopping, the challenge is to adapt our content to offer more personalized experiences aligned with shoppers' browsing histories. AI is going to help us with that."

ARNAUD VALETTE,
E-Commerce Director
at Bel Group

Decarbonization: a challenge and an ambition

With **#BELOWCARBON,** Bel has launched an ambitious program to accelerate its carbon footprint reduction. Today, the decarbonization effort plays a key role in its performance.

IN THE FIGHT AGAINST CLIMATE CHANGE,

Bel is striving to avoid and minimize its greenhouse gas emissions from farm to fork. A member of the Science Based Targets Initiative since 2017, the Group raised its ambitions in 2022, aligning with expert recommendations to limit the temperature rise below +1.5°C. Through participation in the United Nations “Race to Zero” initiative, the Group has committed to achieving carbon neutrality at its production sites by 2025, and subsequently across its entire value chain by 2050. This commitment will be achieved through carbon sequestration projects with beneficial environmental impacts (notably in terms of biodiversity and water resource preservation) and positive social and economic effects. These various objectives are fully integrated into the management of the Group’s activities.

THE DAIRY UPSTREAM, A VITAL PARTNER

The upstream dairy sector is a critical link in this decarbonization effort. In 2023, the Group renewed the Upstream Dairy Charter signed jointly in 2018 with WWF France. Drawing on the lessons from five years of experience, the renewed charter reaffirms the importance of involving producers and partners in achieving carbon neutrality by 2050. To help farmers reduce methane emissions, at COP28 Bel joined the Dairy Methane Action Alliance, led by the Environmental Defense Fund NGO, alongside five other global dairy companies. In Slovakia, one of its largest dairy supply basins, the Group initiated the roll-out in 2023 of a feed additive called Bovaer®, developed by DSM-Firmenich, in collaboration with partner producers. This additive effectively reduces methane emissions from cows by an average of 25%. This innovative solution will be extended to France, through a new agreement with the APBO (Association des Producteurs de lait Bel de l’Ouest –West Producers Association). It will be offered to all voluntary farmers starting in the second half of 2024.

TAKING ACTION WITH MAJOR PARTNERS

Since 2020, Bel has forged a close collaboration with the Carrefour Group centered on societal and environmental issues that resonate strongly with consumers. The two partners took a fresh step forward in 2023 when they entered into a commercial agreement that focuses on several areas:

- a broad, diversified product portfolio that caters to all consumer needs through the development of plant-based options and formats designed to enhance accessibility across all distribution channels;
- support for the dairy industry with a higher price for milk, consistent with the agreement between Bel and the APBO signed in 2023;
- a review clause that takes into account changes in milk prices, in line with the principles established by the EGALim 2 law; and
- lastly, in managing objectives, the integration of criteria related to changes in the carbon footprint of Bel products.

LEADER IN SUSTAINABLE FINANCING

Bel is also solidifying its leadership and innovation capabilities in sustainable financing, aligning with its carbon ambitions. The Sustainability-Linked Financing Framework adopted in 2022 underscores its commitment to guiding development by integrating financial and ESG criteria into its management. In January 2023, in accordance with this framework , Bel successfully initiated a multi-currency, multi-tranche "Sustainability-Linked Schuldschein Loan" amounting to €195 million and US$120 million with major European and international institutional investors.

−75.6 %

in absolute emissions on Scopes 1 and 2 from 2017 to 2035

−25%

in absolute emissions on Scope 3 from 2017 to 2035

DECARBONIZING THE PRODUCT PORTFOLIO

Currently, 66% of Bel's carbon footprint is linked to dairy raw materials. The Group is thus diversifying its portfolio to strike a new balance between dairy products and non-dairy products (e.g. fruit and plant-based options and alternative proteins) with lower CO_2 emissions. It is developing product ranges that incorporate plant-based raw materials (either fully or partially) into its core brands such as Babybel and Boursin, while also progressing with introducing ranges that feature alternative proteins. Moreover, the robust growth of the Pom'Potes and GoGo squeeZ fruit pouches is helping to reduce the average carbon intensity of its portfolio.

Regenerating to safeguard tomorrow

Preparing tomorrow's food entails meeting the dietary and nutritional needs of a growing population while safeguarding the planet's resources. For Bel, this begins with reinventing the agri-food model, with agriculture taking the lead.

BEL'S OBJECTIVES

100%
of the milk and apples in our products aligned with Regenerative Agriculture principles by 2030

100%
of our key raw materials aligned with Regenerative Agriculture principles by 2035

ELODIE PARRE,
Sustainable Development Director at Bel Group

"Nature's way of doing things should inspire us. In an ecosystem, the various elements interact and work together. We aim to emulate this proven model within the Alliance by uniting expertise and pooling efforts in support of regenerative agriculture."

A COMMITTED ALLIANCE

Bel has been committed to the transition of agricultural models for several years, notably through its sustainable dairy upstream charter co-signed with WWF France, and its sourcing of apples from eco-friendly orchards (“Vergers Écoresponsables”). In 2023, recognizing the significance of its supply chain impact, the Group prioritized regenerative agriculture as the cornerstone of its commitment to act as a catalyst for agricultural transition. Launched in March 2023, the Alliance for Regenerative Agriculture forms an international, collaborative coalition that brings together suppliers, cooperatives, retailers and other actors in the agri-food and foodservice sectors. This initiative is founded on a globally recognized framework collaboratively developed by Bel in partnership with WWF France and the Earthworm Foundation. Bel provides financial and technical assistance to farmers and tree growers within its ecosystem who are prepared to adopt these innovative practices, and it is committed to sharing the findings from its pilot projects to members of the Alliance.

In 2023, 20,300 trees and 20.3 kilometers of hedges were planted as part of the Kiri 2022–2025 program, and 40,000 trees were planted on 40 dairy farms in Western France as part of the WWF 2019–2023 sponsorship program.

TOGETHER TOWARDS A MORE SUSTAINABLE MILK PRODUCTION

EXPERIMENTING WITH FARMERS AND APPLE GROWERS

In the United States in 2023, Bel collaborated with the Land O’Lakes cooperative to support the roll-out of the Truterra® program. This involved assisting partner pilot farms in adopting new, regenerative agriculture practices aimed at reducing their carbon footprint. Six farms are involved in the roll-out, representing 14% of the milk sourced by the Group in the United States. In the Azores, Bel continued a pilot project with five partner farms in 2023. Pilot projects are also under way in Portugal, in collaboration with the Earthworm Foundation. Finally, regenerative agriculture principles have also begun to be applied at fruit farms, with experiments under way with eco-conscious apple growers.

PROMOTING AGROFORESTRY

Through its contributions to biodiversity, soil health and water quality, agroforestry provides environmental and societal benefits. In France, Bel promotes this approach in its various dairy supply basins. Together with the Pays-de-la-Loire Chamber of Agriculture and WWF France, it has set up agroforestry training programs for its partner dairy farmers in the APBO. The hedgerows replanted as part of this project create new habitats for biodiversity to flourish in. They improve soil structure and fertility, mitigate climate change and store carbon. They structure the landscape and provide shaded areas to enhance the well-being of cows.

SUPPORTING CARBON SEQUESTRATION

The Group is dedicated to minimizing its CO_2 emissions to the fullest extent possible, reaching a threshold of residual emissions. It then aims to achieve carbon neutrality across its production sites by 2025 and will extend this initiative to its entire value chain by 2050. This will be accomplished through certified projects focused on carbon sequestration, biodiversity conservation, water resource preservation, economic value creation, and fostering local social dynamics across its various regions. Following investments since 2021 in the Livelihoods LCF3 fund, notably for financing agroforestry and solar oven projects, Bel entered a five-year contract in 2022 with the NGO African Parks to conserve the flora and fauna of Chinko Park in the Central African Republic. An initial contract was also signed with the Alliance Forêt Bois forestry cooperative in France to participate in reforestation, new forest establishment, and conservation projects. This partnership adheres to a charter of good forestry practices aimed at preserving biodiversity. Finally, in 2023 the Group signed a partnership agreement with the Franche Comté Conservatoire d’espaces naturels (Conservatory of Natural Areas) and the Haut-Doubs Haute-Loue and Doubs-Dessoubre water management authorities (“EPAGE”) to rehabilitate over 40 peat bogs in the Jura Mountains by 2030.

Fighting against food waste, by mobilizing the entire value chain

In a world where many lack access to food security and climate change poses significant challenges, fighting against food waste stands out as a top priority for the Group.

A MAJOR AMBITION

In a world where 40% of the food produced is never consumed, Bel has made the right portion size its signature, as it actively fights against food waste and losses. Member since 2021 of the Consumer Goods Forum's "10x20x30" initiative, the Group is committed to halving its food waste by 2030 compared to 2021. This initiative, detailed in the Bel Charter to Fight Against Food Waste (released in 2023), supports its "BeLowCarbon" ambition. It is consistent with the mission to guarantee access to healthier and more sustainable food for as many consumers as possible. Last but not least, it also has a positive impact on our financial results, in line with our business model that combines responsibility and profitability.

TANGIBLE ACTIONS

To succeed, Bel involves the efforts of its suppliers and partners, working with farmers to avoid milk losses on the farm and with tree growers to avoid post-harvest fruit losses. It also optimizes its own production process. At the Sorel plant in Canada, the upgrading and improved management of existing equipment enabled losses to be halved between 2022 and 2023. To encourage reuse, the Group has also invested in new equipment that enables downgraded but still consumable Babybel cheeses to be reused in other recipes, increasing the amount of recovered losses reused in recipes from 12% to 40%. The Group is also committed to raising consumer awareness. In 2023, the Group led the working group that spearheaded the inaugural consumer communications campaign #TooGoodToWaste. This campaign, initiated by members of the Consumer Goods Forum to mark the International Day of Awareness of Food Loss and Waste, issued a call to action across social networks around the hashtag #TooGoodToWaste.

AIMING FOR THE "SUSTAINABLE PORTION"

The individual portion is the Group's signature format. It helps to fight against food waste and losses by allowing products to be consumed over a longer period of time compared to family-sized packaging where leftovers easily go to waste. With its Sustainable Portions Policy launched in 2023, Bel is going one step further. The Group wants to reduce the packaging of its portions to lessen their environmental impact and actively contribute to a circular economy. To achieve this, it refers to the 5Rs of the Ellen MacArthur Foundation's butterfly diagram, which illustrates the continuous flow of materials in a circular economy:

- **"Refuse" unnecessary items.**
- **"Reduce" the use of materials.**
- **"Reuse" as much as possible.**
- **"Restore" resources by using recycled or renewable materials.**
- **"Recycle" packaging.**

Bel is also pursuing a long-term vision that minimizes packaging, and will eventually lead to offerings of bulk, refillable or reusable products. In France, in 2023, the Group joined forces with Danone, Lesieur and Famille Michaud Apiculteurs to launch the "Bulk Challenge" ("Défi Vrac") coalition. **Objective:** to collaborate on developing solutions to make bulk packaging possible for new categories of semi-liquid products such as spreadable cheese. Bel is thus committed to market-testing reusable, refillable or bulk sale solutions for its main brands by 2027.

Through a collaboration with Phenix, an accredited B-Corp and ESUS social enterprise startup specializing in waste reduction, Bel's sites in Lons-le-Saunier, Evron and Vendôme now donate surplus raw materials, packaged in bulk, to non-profit organizations. These materials are then used by the organizations to prepare nutritious meals for people in need.

GUARANTEEING THE ABSENCE OF DEFORESTATION

To guarantee the absence of deforestation generated by the production of packaging materials, Bel has committed to using 100% paper and cardboard made from recycled fibers or certified virgin fibers from sustainably managed forests by 2025. The Group is also committed to purchasing ASI (Aluminium Stewardship Initiative) certified aluminum by 2025.

25%
reduction in the weight of the Boursin tub packaging by eliminating the cardboard overwrapping

SINCE 2021,
202 projects and 725 scenarios have been evaluated using eQoPack, a pioneering life cycle assessment (LCA) tool

Positive and sustainable: tomorrow's food is being invented today

Bel's ambition is to become the leader in healthy snacking, with a strong emphasis on dairy products and fruit.

ACCELERATING TOWARD HEALTHY SNACKING

Offering healthier and responsible food for all: this is Bel's mission. To help build the food model of tomorrow, the Group aims to become the benchmark for healthy snacking. The single-portion format of its products, beloved for their convenience and enjoyment, stands as a key asset in addressing this challenge Not only does it respond to evolving consumption uses and modes, but it also serves as a tangible guide for consuming the appropriate food portion for individual needs. And with the integration of Materne Mont Blanc GoGo squeeZ in 2022, Bel can maximize the potential of its combined Cheese and Squeeze portfolios, propelling its trajectory even further. **The Group's objective for 2030:** that 90% of its portfolio of products for children and families complies with its Bel Nutri+ profiling tool (an internal nutritional profiling system aligned with the nutritional recommendations of the WHO and various international experts).

77%

of the product volumes of brands aimed at children and families had a "positive" recipe in 2023

73%

of products offered by the Materne by Bel and Pom'Potes brands have no added sugar

FRUIT AND DAIRY PRODUCTS: GOOD FOR HEALTH AND GOOD FOR THE PLANET

The Group's strategy further integrates the challenge of sustainable food, as outlined in the report issued in 2023 by the EAT-Lancet Commission on Food, Planet, Health. This scientific initiative, aimed at revolutionizing the food system, pursues a dual objective: sustaining a population of 10 billion by 2050 while prioritizing human health. This scenario includes dairy products and fruit as part of a healthy and sustainable "world reference" diet.

STRATEGIC AMBITION AND LOCAL APPROACH

In the countries where it operates, Bel has cultivated an in-depth understanding of nutritional issues, and it constantly evaluates how its products contribute to a balanced diet. In France, for instance, to assess the relevancy of the product fortification policy, the Group's brand extension, Materne by Bel, collaborated with researchers in 2023 to assess the nutritional effects of children aged 6 to 12 consuming a portion of unsweetened fruit compote. Another example of adapting to the local context: The Laughing Cow® "4 Essentials" is available in many countries across Africa, the Middle East, and Asia. It is fortified with four essential nutrients – calcium, iron, zinc, iodine, and vitamins A and/or D – to address prevalent deficiencies among children. Results published in 2023 show that a single portion per day of this product covers 100% of the nutritional needs of Moroccan children for iron, iodine, and zinc.

Encouraging good eating habits

Good eating habits are learned from an early age. For Bel, building and sharing a healthy, sustainable food model also means raising parents' and children's awareness of good nutritional habits.

THROUGH ITS ACTIVE LIFESTYLE PROJECT

Bel supports nutritional awareness programs aimed at its consumers, particularly children, and has set a goal of supporting such programs in its ten key countries by 2025.

OBJECTIVE
Helping children and parents to embrace healthy eating habits and lifestyles. These initiatives, conducted in collaboration with various stakeholders such as public health associations, government and non-governmental organizations, and universities, encompass a range of awareness-raising activities. These include distributing educational resources, hosting events, and engaging local nutritionists and dietitians in awareness campaigns. In 2023, a total of eight such programs were launched. This is the case, for example, with the "Eat Well Smile Bigger" program in South Africa, run with the Department of Education and local nutritionists, which has benefited 15,000 schoolchildren since 2018.

IN THE UNITED STATES AND CANADA,
the Group has also developed programs to combat obesity, raising awareness among thousands of children of the benefits of regular physical activity. Finally, in Haiti, a program to tackle malnutrition was set up in nine schools in 2023.

HEALTHY Smile

Through its "Healthy Smiles" program, Bel is committed to promoting healthy eating habits among all its employees. In 2023, 82% of subsidiaries had activated Healthy Smiles.

Preparing the future

So that tomorrow's food experiences can be aligned with consumer expectations, they must be healthy, responsible and sustainable. Bel is already imagining them, by harnessing new technologies and increasingly innovative ingredients.

PLANT-BASED, A CATEGORY OF THE FUTURE

Bel wants to help make plant-based food accessible to all, and achieve a balance between its dairy and plant-based offerings (including fruit). Having launched Nurishh, its first 100% plant-based brand, in 2021, the Group continues to innovate to expand its range. In 2023, it launched a goat-cheese flavored plant-based mini-wheel to enhance its offering and respond to consumer tastes, as well as Greek-style plant-based cubes for new uses in salads. It is also offering plant-based recipes under its signature brands: The Laughing Cow® Plant-Based was launched in 2023 in the United Kingdom, while Babybel Plant-Based was rolled out to new countries.

DR. OLIVER ZAHN,
CEO and founder
of Climax Foods, Inc.

"Through the creation of products boasting optimal taste and texture, coupled with accessibility and sustainability, AI and data have the power to revolutionize the food industry. Altering recipes? Humanity has been doing that for hundreds of years. Today, climate change is not just altering consumer choices, it is driving a need to accelerate this evolution of our food systems. With Bel, we can make a significant, positive impact for people and the planet."

PREPARING FOR TOMORROW, TODAY

Since the creation of Bel Ventures in 2022, Bel has partnered with numerous startups that address its significant strategic challenges. These partnerships enable Bel to reduce its environmental footprint while inventing the products of tomorrow. With startups Standing Ovation, Superbrewed and Perfect Day, the Group is developing breakthrough innovations by incorporating ingredients that harness the full potential of biotechnology and fermentation. In 2023, it also entered into a R&D agreement with Climax Foods, Inc., a US startup. Using artificial intelligence and machine learning tools, the ambition here is to develop plant-based recipes for brands like The Laughing Cow and Babybel that are entirely similar in taste and texture to traditional cheese products.

CAROLINE SORLIN,
Chief Venture Officer

"If we want a future where plant-based products offer a real alternative in reducing the carbon footprint of food, it is crucial that they have a widespread appeal. This can only happen through mass market products that are delicious as well as nutritious and economically accessible."

GoGo SQUEEZ
APPLEAPPLE 12-PACK
APPLE APPLE
No Sugar
APPLEAPPLE
The Laughing Cow
NEW
PLANT-BASED
ORIGINAL
GARLIC & HERB
Vegan
Babybel
5 PORTIONS
PLANT-BASED
boursin plant-based
nurishh
DÉS VÉGÉTAUX À LA GRECQUE

2

Risk factors and insurance policy

2.1 > Risk management policy

Risk management system

Objectives

The Group pursues an active general risk management policy aimed at anticipating risks and transforming certain risks into opportunities in order to strengthen the Group's resilience to exogenous factors, to best adapt its business model to the challenges of development, and to protect its assets, as well as its stakeholders (employees, consumers, customers, the planet, partners, investors, etc.). The Group's Risk Management Department is responsible for the overall risk management system and ensures that the system in place contributes in its entirety to the Group's resilience and value creation for the Group and its ecosystem.

The primary objectives of the Group's risk management system are to:

- Establish a relationship of trust with the stakeholders, through inspiration and value creation
- Simplify processes through risk capture, risk management and transforming some risks into opportunities
- Promote the risk management culture throughout the organization.

Organization

The Group's Enterprise Risk Management (ERM) policy was presented to the Risk and Trust Committee on January 30, 2024, and validated by the Executive Committee on February 26, 2024. This policy is aligned with the objective of strengthening the Group's resilience to external factors, adapting the business model to developmental challenges, and protecting assets and stakeholders. It provides a framework for the process led by the Risk Management Department, which reports to the Trust and Ethics Department. The Risk Management Department relies on a network of risk management correspondents, including financial directors for clusters and markets, as well as plant management controllers and quality managers. It deploys its risk management network within the functions, brands, clusters and markets, and plants to ensure comprehensive coverage. As part of the crisis management system, the Risk Management Department coordinates a network of crisis correspondents, including CSR Managers, Quality Managers, and regulation and financial specialists, within the Group's entities.

The Group's Risk Committee convenes at least three times a year to review the Group's policy, general risk management system, and risk mapping. In addition to risk mapping, the Risk Management Department presents the overall risk management system to the Group's Executive Committee and to the Audit Committee. The Audit Committee, in turn, reports on its activities to the Board of Directors. This comprehensive review takes place at least once a year to ensure the effectiveness of the risk management systems.

The Executive Committee may need to address specific risks to reinforce certain action plans as part of the Group's general development policy and associated investments.

Main programmes of the risk management system

Overall risk mapping and associated action plans

The overall risk mapping program is developed at each level of the organization (Group, brands, clusters, markets and plants). These risk maps are constructed using a common methodology that includes a risk universe and scales for assessing impact, probability and the level of maturity. The risk management correspondents deploy the risk analysis methodology within their entities, and the Management Committees meet to assign "risk owners" and validate their risk maps. Finally, to consolidate the Group's risk mapping, individual interviews are conducted with the members of the Executive Committee and functional directors at headquarters, to complete the Group's risk analysis.

The Group's risk map was updated and validated by the Executive Committee on February 26, 2024. Action plans associated with the risks identified in the Group, brand, cluster, market and plant risk maps are managed by the Risk Management Department (for the Group and brands) and the local risk management correspondents (for the clusters, markets and plants).

Risk mapping is an annual exercise, and it is carried out upstream of the entities' strategic planning and budget process in order to factor in risk management actions through resources (including investments).

Project and country risk and opportunity programs

In 2023, the Group enhanced the project risk assessment system to support decision-making for projects related to innovation, renovations, acquisitions, and investments (especially CapEx). The objective of this approach is to integrate risk assessment at the beginning of projects and create action plans to address these risks throughout the project life cycle. The program aims to provide guidance to project leaders in evaluating risks and directing actions as part of an integrated approach. In addition to these analyses, assessments of country-specific risks and opportunities may be conducted when certain geographic regions are involved.

This year, the Group initiated a country-specific risk and opportunities assessment program, with the goal of identifying and quantifying risk levels by country and/or region to characterize political, economic, financial, environmental, and business environment risk factors. These analyses provide the opportunity to express, by type of country, the due diligence for countries requiring special vigilance and those needing particular attention. Action plans are then developed to measure signal monitoring and strengthen and/or activate contingency plans.

Corruption and duty of care risk mapping

The corruption and duty of care risk mapping process serves to raise awareness within the organization regarding business practices related to the compliance and ethics program and to respond to legal regulatory changes. This process includes risk mapping exercises dedicated to combating corruption, respecting human rights, protecting health and safety, and preserving the environment (refer to section 3.1.5 "Vigilance plan").

In 2023, the corruption and duty of care risk maps were updated at both the Group level and within the clusters and markets. This exercise aimed to identify and assess risk scenarios related to corruption as well as those related to the duty of care (such as risks of violations of human rights, individual health and safety, and the environment). It provided an opportunity to analyze risk scenarios, needs, and priorities in greater depth on a Group scale.

The mapping process jointly addressed the two themes of corruption and duty of care to consolidate the information available regarding the identified risks and the policies, processes, and controls adopted by the Group on these subjects. Interviews conducted at the Group level, along with workshops at the cluster and market levels, helped identify priorities, risk factors, and local needs. Additionally, questionnaires answered by approximately 200 internal and external stakeholders were analyzed to complete the risk analysis, promote local best practices, and gather information on needs. This mapping was presented to the Executive Committee on February 1, 2024.

Furthermore, in 2023, the double materiality analysis was updated to include both internal and external stakeholders. This updated analysis aimed to adjust priority challenges for both the Group and its external stakeholders. In particular, this analysis confirmed the existence of issues related to business ethics. The materiality matrix obtained is presented in Chapter 3 "Corporate Social Responsibility – Non-financial Performance Report."

Crisis management system

The Group has implemented a crisis management system, and the crisis management and communication procedure outlines the general principles, preliminary measures, and roles of various parties in the event of a crisis.

This procedure is deployed and applied by all Group entities. Crisis units for each entity are established and prepared to address potential crises. Additionally, a training module is deployed within the organization, and crisis simulation exercises are organized across the Group, in the clusters, markets, and plants.

2.2 > Ranking of risks

The Group operates in a constantly changing environment, which may give rise to exogenous risks that could affect the company's risk profile. The main risks presented below and discussed in sections 2.3, 2.4 and 2.5 are considered by the Group to be likely to have a material impact on its activities, financial position, brand image and outlook at the date of this Universal Registration Document. However, other risks deemed not material or unidentified to date could also affect the Group, its financial position, brand image and outlook.

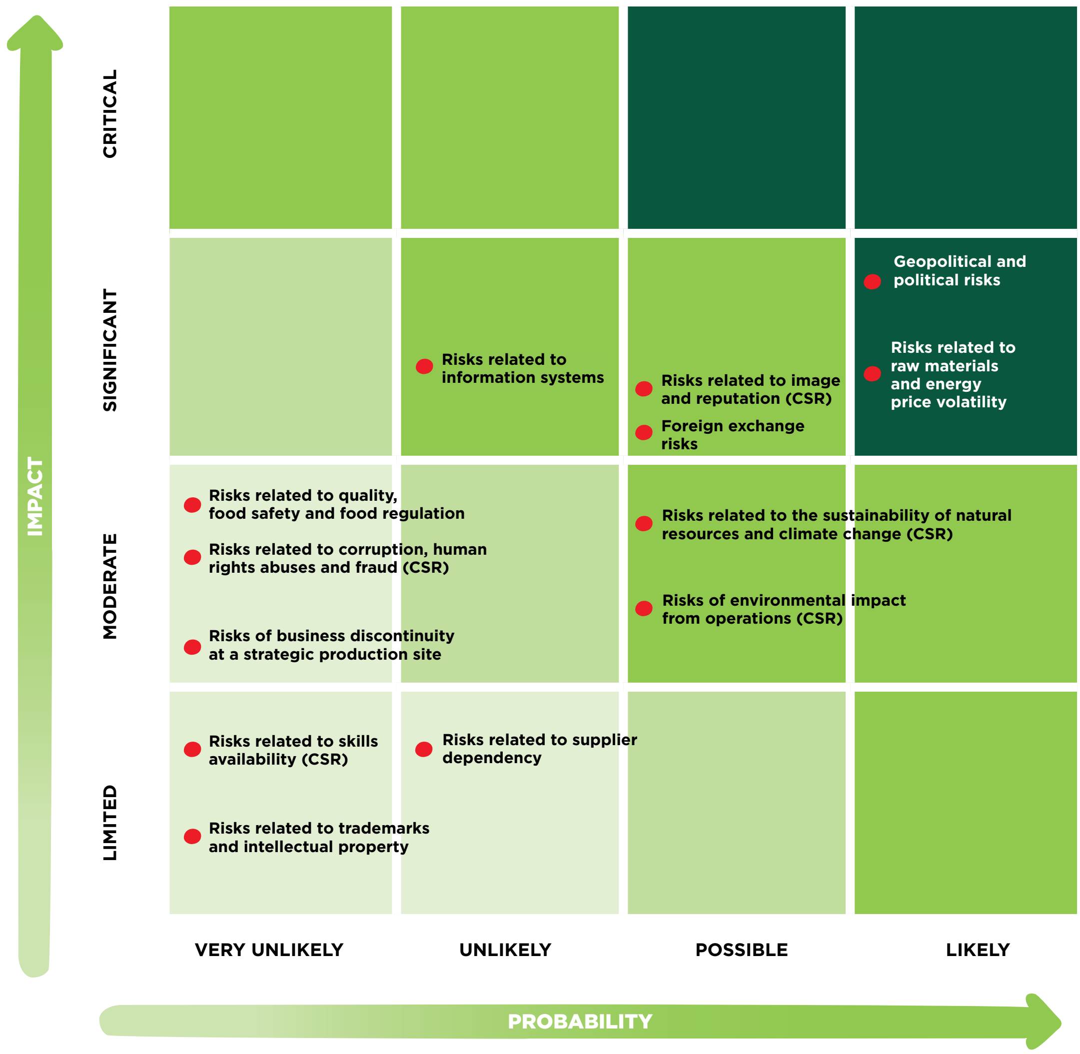
Risk factors are presented within each category in decreasing order of importance as determined by the company at the date of this Universal Registration Document. The Group's assessment of this order of importance may be modified at any time, in particular due to the occurrence of new events affecting the Group's risk profile.

These risks are managed within the Group through the deployment of an integrated risk management and internal control process, as well as through internal audits (see section 4.3). Particular attention is also paid to compliance with the ethical framework, which is constantly being reinforced within the Group, and to the deployment of the Ethics and Compliance program.

Category	Risk factors	Trends
Risks related to the external environment in which the Group operates	Geopolitical and political risks	↗
	Risks related to raw materials and energy price volatility	↗
	Risks related to image and reputation	=
	Risks related to the sustainability of natural resources and climate change	↗
	Risks related to corruption, human rights abuses and fraud	=

Category	Risk factors	Trends
Operational risks	Risks related to information systems	=
	Risks related to the availibility of skills	↗
	Risks of environmental impact from operations	=
	Quality, food safety and product regulation risks	=
	Risks related to supplier dependency	↘
	Risks of business discontinuity at a strategic production site	=
	Risks related to trademarks and intellectual property	=
Financial risks	Foreign exchange risks	=

Risk matrix



Methodology

The Group's risk map was updated and validated by the Executive Committee on February 26, 2024 using the methodology described in section 2.1 "Overall risk mapping and associated action plans". The risk matrix takes into account the dual materiality of some risks (noted as "CSR" in the matrix). Indeed, the Group's business model is built around the latter, with the Group's performance linking the financial and economic aspect to social, environmental and societal responsibility issues (mentioned in Chapter 3).

Thus, the risk factors mentioned here in Chapter 2 may have a dual impact:

- in their material negative impact on the business, i.e. on the Group's financial position and results, its image and outlook;
- in the Group's impacts on its ecosystem and stakeholders.

The Company's internal control environment is described in Chapter 4 on corporate governance (see section 4.3).

2.3 > Risks related to the external environment in which the Group operates

Geopolitical and political risks

Description of risk

The Group's worldwide industrial and commercial presence exposes it to certain risks that could impact its business, reputation, employees, financial position, results and assets, specifically in the Near and Middle East and in Africa (representing 17% of revenue). The Group is not directly exposed to the war in Ukraine; however the impacts related to raw materials and energy price volatility remain.

In spite of the geographic diversification strategy, the impact of geopolitical events in some regions in which the Group operates is still partly unpredictable. The consequences, which are notably due to France's positions with regard to geopolitical and/or political situations, may impact consumer behavior, employee safety, access to certain markets, business continuity or lead to protectionist measures.

Risk management

The Group's regional diversification and business model strategy is intended to cushion the impacts of these risks by limiting the effects of complex local situations, while maintaining the possibility of offsetting them with more favorable situations in other markets.

In 2023, the setup of the country-risks and opportunities mapping program (see section 2.1: "Project and country-risks and opportunities programs") helps decision-making in at-risk countries and/or regions requiring special vigilance. The Risk Management Department writes up strategic notes for certain investments and/or partnerships in certain countries in highly sensitive contexts, in order to implement action plans that take account of the risk levels relating to geopolitics, politics, economics, finance and business environment, in particular.

Protecting Group employees working in these countries is our main concern. The Group provides them with the means, procedures and services to ensure their safety.

As a signatory of the United Nations Global Compact, the Group is committed to protecting the essential rights of its employees in the workplace in all countries where it operates and is particularly vigilant in countries where there is a significant risk of human rights abuse (see sections 3.2.1 "Building a sustainable future with its employees" and 3.2.2 "Promoting responsible practices with its suppliers").

Correlated risks

- Risks related to raw materials and energy price volatility
- Risks related to image and reputation
- Risks related to corruption, human rights abuses and fraud
- Foreign exchange risks

Risks related to raw materials and energy price volatility

Description of risk

Price volatility in the raw materials (milk, powder, butter, cream, fruit, etc.), packaging and energy the Group uses to make its products could have a material impact on its results. Weather conditions and both global and regional demand variations affect the price and volatility of milk- and fruit-based raw materials.

The markets continue to be severely impacted by the war in Ukraine, with the high volatility having repercussions on the price of raw materials.

Operating expenses, including raw materials, packaging and manufacture consumables (including energy costs) relating to products sold, represent 75.2% of OpEx (€2,535.2 million) at December 31, 2023 (see section 5.3.2). Against this background, the Group continues to be exposed to the local economic, commercial, climate, political and regulatory conditions that could influence its ability to pass along fluctuations in the prices of the raw materials it needs to make its products.

Risk management

The Group regularly conducts market reviews in order to best assess the impact of expected price volatility over the year. It then uses this information to guide the Group's management.

In France, the agreement on milk purchase conditions with the West Producers Association (APBO) that the Group works with helped limit this volatility.

In the United States, the Group uses hedging operations for its dairy-related activities in relation to its specific needs (see Chapter 5, section 4.15.6).

Aside from the agreements reached with its customers and retailers, the Group's ability to pass on changes in the prices of raw materials depends on economic conditions and on local political and regulatory conditions for certain markets (see section 3.2.3 "Being a key and committed partner for its customers"). In some countries, price increases are subject to approval by the authorities.

In addition, the Group is now committed to the healthy snacking sector and has diversified its supply by being present in both dairy and plant-based raw materials, including fruit (see section 3.4.2 "Using plant-based raw materials within strict limits" and 3.4.3 "Delivering the goodness of fruits").

As part of its energy sobriety plan, the Group has in particular strengthened the energy efficiency of its sites by reducing electricity consumption, capping the temperature for headquarters in Europe (at 19°C) and appointing ambassadors of "energy sobriety."

Correlated risks

- Risks related to business discontinuity at a strategic production site
- Foreign exchange risks
- Liquidity risks

Risks related to image and reputation

Description of risk

The image and reputation (perception of the Company by its stakeholders) of the Group's brand and its commercial brands are an integral part of the business's value. In this respect, any harm caused to the Group's image and reputation and those of its brands may have repercussions on its sales activities, financial results and consequently, its growth.

Given its international presence and the strong recognition of its brands (Laughing Cow®, Kiri®, Babybel®, Boursin®, GoGo squeeZ® and Nurishh®), the Group is exposed to various risks that could harm its image and reputation. These risks could relate to "bad buzz" on social media or in the media, discrimination by NGOs regarding the Group's social, societal and environmental commitments, geopolitical tensions (French brands could be banned locally) or boycotts in regions with political tensions.

In addition, the Group's international communication strategy, particularly through social networks, is likely to amplify the impact of criticism of the Group and its brands.

Risk management

The Group conducts its business in an ethical manner. It therefore aims to ensure that its employees and partners adhere to the principles and rules defined in its Code of Good Business Practices, all around the world and in all circumstances (see section 3.1.4 "Ethics: a common foundation for conducting business").

The Group is especially vigilant concerning its brands' communication. It has joined the EU Pledge voluntary initiative and is a signatory to the FAIRe program led by the Union des Annonceurs, the French association representing advertisers (see section 3.2.4 "Developing positive products and responsible consumption among its consumers").

In 2022, the Group in France announced that it would become the first agri-food company to adopt the Responsible Influence Certificate in 2023. By deploying this initiative of the Autorité de Régulation Professionnelle de la Publicité [French advertising regulatory body] (ARPP), the Group has committed to working only with content creators who have obtained the certificate, to ensure that its chosen partners know all the rules of responsible practice in their sector.

The Group's brands are stepping up their communications on issues that may help consumers make informed food choices. They seek to capitalize on the trust that they have forged with consumers to guide them toward balanced and more environmentally friendly behaviors. The Group also takes care to ensure that its messages accurately reflect its practices (see section 3.2.4 "Developing positive products and responsible consumption among its consumers").

At the same time, the Group has strengthened its crisis management measures in order to better detect weak signals, rapidly mobilize the organization in the event of a crisis, and provide suitable responses to various crisis scenarios.

Since December 2017, the Group has measured its reputation on a quarterly basis, using the Reputation Institute method in France. This method has also been used in the United States and Morocco since 2021. Finally, the Group joined the European Union's transparency register in 2014 (see section 3.2.2 "Promoting responsible practices with its suppliers").

Correlated risks

- Risks related to trademarks and intellectual property

Risks related to the sustainability of natural resources and climate change

Description of risk

As an agri-food manufacturer, the Group is highly exposed to the sustainability of natural resources and the consequences of climate change, and to the growing scarcity of fresh water worldwide in particular. The increase in extreme weather events such as heat waves, droughts and floods is coupled with underlying trends such as rising temperatures and changing rainfall patterns. These phenomena have profound consequences for the agricultural sector, especially in the upstream value chain, and food security at the global level.

The growing risks associated with natural disasters, such as extreme events (one-off risks) and medium- and long-term trends (chronic risks), coupled with the global loss of biodiversity and pressure on water resources, could have an impact on the sourcing of raw materials and the continuity of sales activities.

The availability of natural resources and the consequences of climate change require ongoing adaptations of farming and food models on an international scale, the impacts of which are still difficult to anticipate.

Risk management

Bel addresses environmental issues at all levels, from farm to plate, based on the concept of planetary limits. These limits are interdependent: for example, healthy soils have many positive impacts on the water cycle, carbon storage and biodiversity; similarly, reducing CO2 emissions and fighting deforestation ensure the proper functioning of the water cycle and thereby help preserve natural environments and biodiversity. For this reason, the environmental policies put in place by the Group focus on several key areas:

- The fight against global warming (see Chapter 3.4.2 “Fighting against climate change”).
- The sustainable use of water resources, including the subject of water pollution (see Chapter 3.4.3 “Sustainably preserving water resources”),
- The preservation of biodiversity and natural ecosystems (see Chapter 3.4.4 “Preserving biodiversity and natural ecosystems”).

In addition, several other strategies adopted by the Group contribute indirectly to reducing its greenhouse gas emissions. Examples include the ambition relating to regenerative agriculture (see Chapter 3.5 “Promoting sustainable and regenerative agriculture”) and the “Sustainable portions” policy (see Chapter 3.6 “Designing sustainable portions”).

Correlated risks

- Risks related to business discontinuity at a strategic production site
- Risks related to raw materials and energy price volatility
- Risks related to image and reputation

Risks related to corruption, human rights abuses and fraud

Description of risk

Given the location of its production, export and distribution activities, and the location of a significant number of its employees in at-risk countries – notably in Africa, the Middle East and Asia – the Group is naturally faced with exogenous risks of corruption, human rights abuses or fraud.

Due to the nature of its operations, the Group's activities involve relations between employees and stakeholders such as public and control authorities (e.g. organic certification and GMO-free certification), suppliers such as farmers (e.g. raw materials including milk and fruits, indirect sourcing, services), and partners.

These risks cover, firstly, the risk of non-compliance relating to Group commitments which could have a material reputational risk on the Group's brands (Laughing Cow®, Kiri®, Babybel®, Boursin®, Gogo squeeZ® and Nurishh®), and secondly, the legal risks (civil and criminal sanctions) and financial consequences (in particular, the Sapin II law and Duty of Vigilance Law).

All these risks may concern employees, but also relations with local communities and authorities, as well as the Group's partners, and in particular farmers.

The Group's exposure to a risk of isolated, marginal acts that are counter to the Group's practices and commitments in this area can not be totally ruled out.

Risk management

The Executive management continually monitors compliance with its policies to control the risks related to corruption, human rights abuses and fraud (see section 3.1.4 "Ethics: A common foundation for conducting business" and 3.1.5 "Vigilance plan").

The Group has carried out an in-depth mapping exercise of its related risks in accordance with the provisions of the "Sapin II" and "Duty of Care" laws, covering its own activities and those of its stakeholders, to identify these risks and formulate dedicated action plans (see section 3.1.5 "Vigilance plan"). This exercise is updated regularly in accordance with legal requirements. The supplier and customer assessment tool has also been strengthened (see section 3.2.2. "Promoting responsible practices with its suppliers").

In the area of taxation, the Group has a measured and well-controlled tax policy. It is not present in countries considered as tax havens.

The Group has implemented a sound price transfer policy and negotiates advance transfer pricing agreements with various tax authorities so as to secure its most important transactions.

Correlated risks

- Risks related to image and reputation

2.4 > Operational risks

Risks related to information systems

Description of risk

The Group relies on data (notably relating to availability and integrity) from integrated IT systems to make decisions concerning operational management and traceability. Although these applications are continuously monitored and upgraded, any failure of the applications or communication networks could adversely affect some decision-making processes and the profitability of operations.

The Group is also exposed to cyberattacks and hacking that can lead to data loss, theft or leaks and can compromise business continuity (such as the hacking of physical equipment in plants, or leaks of sensitive data). Against a backdrop of the increased digitalization of operations (including greater access to its industrial systems, which had been isolated up until now), its degree of exposure to cyberattacks and hacking attempts is increasing.

Risk management

The Group has systems and procedures in place to track and manage fraud risks, hacking attempts and the spread of computer viruses. Regular procedure and tool updates continue to be implemented to mitigate threats that arise from changes in technology, notably for the Industrial IT System. Measures aimed at reducing the Group's exposure to cyberattack risks include an increased focus on IT system security with priority given to cybersecurity projects, a faster roll-out of the strategy at the management level, and changes in governance. These security measures are audited and tested, and awareness campaigns are held.

In parallel, the Group makes use of specialist operators to manage its critical infrastructure (IT systems and telecommunication networks). The contracts governing the Group's relationship with these firms have been drawn up to ensure a high level of availability and security compatible with maintaining centralized applications in operational condition. These contracts and their associated services are reviewed on a regular basis, and the business recovery procedures to be implemented in the event of a major incident at the Group's processing center are tested periodically.

Correlated risks

- Risks related to business discontinuity at a strategic production site
- Risks related to image and reputation

Risks related to the availability of skills

Description of risk

Bel's 10,902 employees are guided by the company's mission statement: to "Give access to healthier and more sustainable food for all." Human capital is a bedrock enabling it to fulfill this mission. The Group is notably developing its activities in regions such as the United States, Canada and China. Skill availability is key in regions experiencing growth – particularly in new regions which represented 18% of the workforce in 2023, up 12.5% compared to 2022. In addition, the employee turnover rate for 2023 was 15% (it was 14% in 2022) – see Chapter 3, section 3.2.1.

Moreover, Bel's success depends on the availability, quality and commitment of its employees (in particular in the agri-food industry), as well as their ability to adapt to fast-moving environments. Challenges relating to recruitment and the retention of competent and talented individuals (marketing, IT, operations), required for the promotion of the Group's brand and guarantors of quality and consumer satisfaction, are crucial to the Group's global success.

Risk management

The Group is continuously adapting its human resource management and compensation policy to the market practices where the Group operates, in order to limit and anticipate the potential impacts of the Great Resignation phenomenon on its ability to recruit and retain talent.

In addition to compensation, at the end of 2020 the Group outlined a new, innovative and ambitious people policy dedicated to employees, which is organized around six principles:

- strengthening a sense of belonging based on the employer brand, employee share ownership, and employee diversity and inclusion;
- increasing personal fulfillment by emphasizing team autonomy and accountability and by fostering work-life balance (in particular via the remote working policy);
- promoting personal development by assessing and developing employee skills, managing career paths and fostering internal mobility;
- providing safety and well-being in the workplace by ensuring compliance with health and safety rules, but also by improving quality;
- improving individual recognition by ensuring a common base of benefits and a fair wage for all Group employees.

On this last point, in 2023 the Group adjusted its annual Performance and Talent management cycle, allowing for greater differentiation in bonus allocations according to an individual's impact (performance) and by launching an annual cycle to identify talent and critical roles/expertise, succession plans and individual development plans. The challenges addressed are a regular review of the situation at each entity in terms of current and future availability of talent, as well as offering each individual opportunities for development.

Correlated risks

- Risks related to image and reputation

Risks of environmental impact from operations

Description of risk

The Group's activities can cause environmental risks to its ecosystem: especially greenhouse gas emissions related to the upstream dairy, water resource use, in particular in certain areas with water scarcity (some plants are located in regions of water scarcity, such as in Morocco, Algeria and Egypt), risks of a negative impact on the environment and biodiversity, and deforestation through its supply chain.

Some agricultural practices (for example, due to non-regenerative cultivation or breeding practices) may have an impact on natural resources, biodiversity loss or the climate, in particular the use of animal feed (greenhouse gas emissions from cows). Potential impacts may include operating performance, business continuity or the Group's image.

Risk management

To meet these challenges, the Group has specifically assessed the risks mentioned in the environmental risk mapping exercise (see section 3.1.5 "Vigilance plan"). As part of this work, the Group implements continuous improvement plans or encourages these plans when it is not directly in charge.

The Group is working to reduce its environmental footprint across its entire value chain:

- reducing greenhouse gas emissions through ambitious action plans for a sustainable upstream dairy, including a carbon analysis of the farms and the implementation of "greener" practices by the farmers, development of a low-carbon fruit and plant-based product offering, economical and innovative production plants (energy efficiency and shift to using renewable energy), eco-designed packaging, optimized transportation, etc.;
- reducing the risks of a negative impact on the environment and biodiversity and deforestation related to procurement through its "zero deforestation" policy, ranging from the cow feed to packaging design and the ingredients used in recipes;
- preserving water resources by reducing consumption and minimizing the impacts on the quality of waterways.

This approach is described in section 3.4 "Fighting for the planet."

Correlated risks

- Risks related to the sustainability of natural resources and climate change
- Risks related to image and reputation

Quality, food safety and product regulation risks

Description of risk

Food safety is of paramount importance for the Group. Any alleged or confirmed food safety risk associated with the Group's products could endanger consumers, as well as the Group's reputation, business, and financial performance. Risks are contingent upon the nature of the product in question and are prevalent at every stage of the production cycle, from the procurement of raw materials to retail and consumer distribution (requiring an end-to-end vision).

Upstream product risks primarily stem from chemical or physical causes (foreign bodies), or are linked to fraud (origin/composition), which could impact the Group's raw materials, inputs, and packaging, among other aspects. Furthermore, similar to all agri-food products, there is a risk of deliberate contamination. If any of these risks materialize, products may necessitate withdrawal or recall, potentially impeding the Group's sales. Moreover, industry crises could detrimentally affect the business through negative media coverage, even if the crisis is not directly related to the Group's activities.

Moreover, as the Group operates in numerous countries, it is subject to regulations established by governments or international organizations that apply to its food manufacturing, sale, import, and export activities. Specifically, the Group is submitted to health, safety, and environmental standards, customs systems, and quality controls.

The Group must comply with a multitude of evolving laws and regulations that are progressively becoming more stringent. Any changes to these laws and regulations, as well as administrative decisions, may significantly impact the Group's business and financial performance. Furthermore, numerous regulations may indirectly restrict the sale of its products. The quality and safety of the Group's food products, along with strict adherence to the regulatory framework in which it operates, are its primary concerns, as evidenced by the risk treatment policies described below.

Risk management

The Group has a monitoring structure in place to identify any emerging risks that directly or indirectly affect its production, as far upstream as possible (especially due to the rising sensitivity of consumers to food quality and safety). After weighing potential risks, it applies the best adapted and most effective measures at the time, depending on the seriousness of the risk. Since the level and the type of risk evolves along with changes in the Group's portfolio, the means of controlling risk are adapted accordingly.

The Group has established an organization in charge of leading, coordinating all structures and processes relating to hygiene, food safety and quality (including the management systems (see section 3.3.1 "Offering high-quality, safe and healthy products"). It recommends the policies and strategic guidelines to be implemented, ensures the consistency of systems and reporting at the various levels, supports Group structures, and audits the organizations to assess the systems' effectiveness (including the product recall and withdrawal process). Its mission is to alert the Chief Executive Officer and the Executive Committee to any major situation relating to its fields of activity.

Its main missions are carried out through the quality network set up at the level of the headquarters, industrial sites and subsidiaries, and include:

- defining and disseminating the Group's quality policy and ensuring it is implemented once it has been approved;
- defining the Group's policies and preventive strategy in relation to food safety, and coordinating the actions stemming from this approach;
- defining the processes for anticipating food safety risks and preventing crises as well as managing alerts and crises;
- defining the rules, best practices and standards to be applied and making them available, as well as guaranteeing their implementation;
- defining and enforcing process and product risk analysis procedures;
- defining, making available and enforcing the HACCP (Hazard Analysis Critical Control Point) and Food Safety management regulations across the Group;
- determining and deploying product conformity control measures (detection of foreign bodies, etc.);
- defining and implementing the Food Defense policy integrating processes for preventing risks of intrusion and/or tampering;
- defining and implementing the Food Fraud policy integrating processes for preventing risks related to raw materials, and monitoring plans implemented by industrial sites;
- assisting with the implementation of certification standards;
- determining the means for certifying products and processes;
- auditing organizations, whether internal (production sites) or external (subcontractors, suppliers and service providers), in terms of quality;
- defining the monitoring and control plans, as well as the quality of the upstream and downstream traceability system for components and compounds;
- managing complaints and customer quality perception assessment tools (retailers or consumers);
- analyzing performance, reporting on it and ensuring continuous improvements are implemented,

- training and assisting the Group's teams and the industrial sites. Providing suitable training media, including statistical and problem-solving tools;
- managing a monitoring system through multiple channels, including reporting by the subsidiaries;
- participating in professional associations or government groups dedicated to food safety at all levels (national, European and global).

The Group's health, food safety and traceability approach is governed by a very strict regulatory framework. A "reference guide" is drawn up following a detailed analysis of all the food quality and safety and hygiene regulations in all countries where the Group makes or imports products.

To the greatest extent possible, the Group applies the strictest rules (which are mostly the European Regulations) to all its stakeholders, from the production of raw materials to the consumer. The Group adheres to even stricter standards in certain cases: for example, it monitors 23 allergens instead of the 14 required by European Regulations.

In its quest for harmonization, food safety and excellence, the Group shares its reference guides with all its production sites worldwide as well as with its suppliers and retailers.

Correlated risks

- Risks related to image and reputation

Risks related to supplier dependency

Description of risk

The Group's production requirements are fulfilled by external suppliers, with a focus on milk- and fruit-based raw materials as well as packaging. These supplies originate from a limited number of operators in the market (refer to section 1.1.3 “Unibel and its ecosystem: dependency and competitive position”). If some of its suppliers were unable to meet their obligations, particularly for raw materials, the Group may face challenges in securing alternative sources, potentially impacting its results and operations.

Operating expenses, which encompass raw materials, packaging, and manufacturing consumables (including energy costs) related to products sold, account for 75.2% of OpEx (€2,535.2 million) as of December 31, 2023.

Additionally, the Group is confronted with the challenges of agricultural sustainability and the associated risks within its supply chain. Despite the implementation of a supplier diversification policy, the limited availability of certain inputs from a small number of suppliers reduces the prospects of finding alternative sources.

Risk management

The Group's Purchasing Department has developed a policy to mitigate the risk of supply disruption by securing an increasingly large portion of the Group's goods and volumes through annual and multi-year framework agreements with a select number of strategic suppliers. Additionally, the Group has initiated a risk management policy for packaging by establishing contingency plans.

In response to the sustainability challenges in the dairy industry, the Group has crafted a Global Sustainable Upstream Dairy Charter and outlined a set of foundational commitments for 2025. Moreover, in France, the Group has renewed its collaboration with the West Producers Association (APBO) under an unprecedented agreement aimed at improving milk prices (refer to section 3.4.1 "Taking action for a sustainable upstream dairy").

Furthermore, as a key player in the food industry through its healthy dairy, fruit and plant-based portions and a leading presence in the branded cheese sector, the Group is diversifying its procurement. Lastly, the Group has introduced a Sustainable Purchasing Charter and conducts assessments of its suppliers, with a primary focus on human rights and anti-corruption efforts. In 2018, the Group also carried out a supplier risk mapping (see section 3.2.2 "Promoting responsible practices with its suppliers and partners").

Correlated risks

- Risks of total or partial shutdown or destruction of a strategic production site
- Risks related to raw materials and energy price volatility
- Liquidity risks
- Foreign exchange risks

Risks related to business discontinuity at a strategic production site

Description of risk

The Group has 31 production sites in operation (located in Europe, North Africa, the Middle East, North America and Asia). Any incident (particularly if caused by the more frequent occurrence of extreme weather events, or the possibility of acts of vandalism), or a geopolitical event could lead to a total or partial site shutdown and affect the production and sale of the products made there. These impacts may vary significantly according to capacity volumes as well as the nature of the products made at the site in question. This could affect the Group's profitability.

Risk management

To secure its production facilities, the Group regularly optimizes them by investing especially in the safety and security of its facilities and employees, while also regularly implementing and auditing prevention and business continuation plans. The Group has also developed and implemented policies and standards on safety and security. To cover these risks, the Group has also taken out property and operating loss insurance policies to cover risks that are presented in section 2.6 "Insurance and risk coverage policies."

Correlated risks

- Risks related to image and reputation
- Risks related to supplier dependency

Risks related to trademarks and intellectual property

Description of risk

The Group owns trademarks, patents, domain names, and copyrights worldwide. Intellectual property represents a significant portion of its intangible assets, and its brands are a crucial aspect of its competitiveness.

With the reputation of its core brands (Laughing Cow®, Kiri®, Babybel®, Boursin®, GoGo squeeZ®, and Nurishh®), whose net carrying amount totaled €483 million as of December 31, 2023, Bel Group is inherently exposed to the risk of counterfeiting and unfair competition in all geographical regions where it operates.

The potential challenges in protecting and defending its intellectual property rights—especially its trademarks and patents—and combating counterfeiting could impact the Group's activities and performance. Furthermore, Bel needs to ensure that its new products are safeguarded to protect pre-existing rights and prevent counterfeiting.

Risk management

The Group therefore dedicates significant efforts to safeguard and uphold its portfolio of brands, particularly its core brands, on a global scale. Trademark and patent registrations are updated annually worldwide, and global monitoring of major brands is conducted to prevent the registration of similar or infringing trademarks by third parties. In the event of discovering counterfeit products or trademarks that infringe its rights, the Group mobilizes all available legal resources in the relevant country or countries to combat counterfeiting or unfair competition.

Furthermore, the Group has implemented an Intellectual Property Policy to enhance employee awareness of intellectual property issues and the risks associated with counterfeiting. The IP, Innovation & Tech Department is responsible for ensuring the protection and effective defense of the Group's trademarks, patents, domain names, and copyrights. It centralizes the entire portfolio of trademarks, patents, domain names, and legal disputes, and implements a consistent global protection and defense strategy.

Additionally, new product and brand projects undergo a freedom to operate analysis with respect to the prior rights of third parties before being launched.

Correlated risks

- Risks related to image and reputation

2.5 > Financial risks

Foreign exchange risks

Description of risk

Bel Group is exposed to transactional foreign exchange risks due to significant sales and purchases in currencies other than their functional currency. Additionally, Bel Group hold assets and incur liabilities in a wide range of currencies. Since the consolidated financial statements are presented in euros, the value of assets, liabilities, income, and expenses may be significantly affected by adverse fluctuations in their local currency against the euro.

As of December 31, 2023, the primary currencies exposed to foreign exchange risk were the US dollar, the British pound, and the Polish zloty. For instance, as of December 31, 2023, a 1% increase in the EUR/USD, EUR/GBP, and EUR/PLN exchange rates, given the exposure to the associated transactional risk before hedging, would negatively impact operating income by €3 million, €1.1 million, and €0.8 million, respectively, on an annual basis.

In the event of a local currency devaluation in a country where there is no financial instrument for hedging, such an incident could impact the profitability of the affected entity or the value of its assets when converted to euros. This, in turn, could affect the Group's operating or financial income.

Risk management

Management policy is to hedge highly probable transaction risk on foreign currency transactions using firm or optional derivative financial instruments to reduce its sensitivity to unfavorable currency fluctuations. The Group implements a centralized foreign exchange policy to hedge the annual budgetary risk on purchases and sales of freely convertible and transferable currencies for all French, European, North American, Japanese and Chinese entities. The Group Treasury Department provides these entities with the necessary currency hedges. The dollar, pound sterling and zloty are the main currencies exposed to transaction risk. Hedges do not exceed a time horizon of 18 months.

The hedging policy is set out in Note 4.15 "Financial instruments" to the consolidated financial statements in Chapter 5.

For subsidiaries in countries where there are no financial hedging instruments, the policy is to maximize natural hedging as much as possible, for example through billing currencies.

Correlated risks

- Risks related to raw materials and energy price volatility
- Risks related to business discontinuity at a strategic production site
- Liquidity risks

Liquidity risks

Description of risk

The liquidity risk for the Bel Group refers to the risk of being unable to meet its financial payment obligations (such as financial charges, loan repayments, or financial liabilities) or its operational payment deadlines (such as payments to suppliers, employee wages, taxes, etc.).

These risks may stem from various factors, including changes in market conditions that the Group is exposed to, which could limit access to liquidity or result in a portion of its debt becoming due. Certain financing arrangements (such as Euro PP, Schuldschein, "Prêt Participatif Relance", US PP, RCF) are subject to limits on financial leveraging (measured by the ratio of consolidated net debt to current operating income, plus current depreciation, amortization, and impairment). Breaching these limits could prompt repayment or lead to significantly higher liquidity costs based on market conditions, potentially impacting the Group's profitability or business continuity. As of December 31, 2023, the financial leverage was 2.07, compared to a limit of 3.75 (see Note 4.15.2, Liquidity risk management).

Risk management

The Group mitigates this risk by aiming to anticipate its short-, medium-, and long-term needs:

› It maintains a short-term liquidity buffer invested in liquid money market instruments;

› It diversifies its maturity dates (refer to Note 4.15.2, Liquidity risk management);

› It holds an undrawn credit line of €550 million maturing in 2028;

› It has a short-term financing option through a €500 million NEU CP (Negotiable European Commercial Paper) program, of which €100 million has been utilized.

Correlated risks

- Risks related to business discontinuity at a strategic production site
- Risks related to raw materials and energy price volatility
- Foreign exchange risks

2.6 > Insurance and risk coverage policies

Insurance and risk coverage

The Group follows a centralized risk coverage approach encompassing all of its subsidiaries worldwide. Certain regulatory constraints or regional exclusions may mean that policies have to be arranged locally. The insurance programmes are all arranged with leading international insurers. The Group exercises operational control in terms of negotiating policies, monitoring capital and covering risks.

The integration of Mont Blanc Materne entities into the Group's insurance schemes has now been completed, with the exception of general civil liability insurance.

Property damage, operating losses and transportation

Coverage of major hazards, particularly the risk of fire, explosion and natural events likely to generate a consequent operating loss, is negotiated for the entire Group with leading insurers. Coverage is renewed annually on January 1, except in the case of multi-year contracts.

Coverage amounts are determined and re-evaluated by assessing risks and maximum possible loss (MPL), taking into account the replacement value of assets and an appropriate indemnification period for each site. The insurers set various liability sub-limits, particularly for the risk of natural events.

Preventive audits of the industrial sites are regularly performed by experts within and outside the Group.

Automatic fire sprinkler system installation program will be continued, and will eventually cover all strategic production sites.

Civil liability, cyber

The main contracts dealing with civil liability, particularly operational civil liability, product liability, or environmental damage, are arranged as part of a general insurance program, taking account of the specific features of frontline contracts entered into locally, mainly in the United States and Canada.

In relation to the development of the Group's activity, notably in the United States, an additional civil liability insurance policy has been set up, on top of Bel and Mont Blanc Materne's underlying civil liability insurance policies.

In addition, the level of coverage in the event of a cyber attack has been increased to bring it into line with our exposure and with market standards.

Additional policies

Some risks, such as corporate officers' liability and customer credit risk, are also managed centrally. In the case of customer credit risk, subsidiaries are invited to endorse a Group program set up from France to cover their local customer risks.

3

Corporate Social Responsibility

Non-Financial Performance Statement

The Company has no legal obligation to publish a Non-Financial Performance Declaration (NFPD) in accordance with Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code. However, the Company voluntarily decided to draw up an NFPD in accordance with the provisions of the aforementioned texts and to publish it in the Financial Report.

3.1 > Bel: A growth model to champion healthier and more sustainable food for all

3.1.1 A positive business model

Bel[1], a committed player of long standing

The Bel Group has been a family business for over 150 years. Now a major global player in the food sector, it offers individually portioned dairy, fruit and plant-based products, with the aim of giving access to healthier and more sustainable food for all (see Chapter 1 – A positive business model).

For the last 20 years, as shown in the historical timeline below, the Group has been shaping its CSR approach as it aims to respond to major social and environmental challenges. By providing access to healthier and more sustainable food for all, the Group is working to develop a new food model. This is a model that respects the planet's natural resources, benefits our entire ecosystem spanning from the farm to consumers, and enables the Group to act on behalf of today's generations and those to come.

Contributions to the Sustainable Development Goals

Bel supports the 17 Sustainable Development Goals (SDGs) adopted by UN member countries in 2012, with the aim of addressing the urgent ecological, political and economic challenges facing the world. The Group is also a member of the Global Compact. In particular, Bel contributes to 12 priority SDGs through its CSR policies and its *For All. For Good.*

Integrated management for positive impact

Since 2020, Bel has chosen to combine responsibility and profitability as levers of its growth model within the framework of a unique governance model. This model incorporates financial and non-financial performance management at the same level, under the direction of the Chief Impact Officer, enabling strong integration of the Group's growth strategy and its CSR commitments. Accordingly, at Bel, the Group's performance is assessed and measured using financial and non-financial indicators to create overall value for all its stakeholders.

In order to accelerate the operational execution of its CSR commitments and facilitate their management, Bel has selected a limited number of strategic indicators. These strategic indicators are intended to be monitored according to the same schedule and reviewed alongside the financial indicators, ensuring that the model is supported by the twin pillars of CSR and finance. This innovative approach ensures that the CSR commitments are fully taken into account in the Company's operations and strategy.

(1) Please note that this chapter refers to the operating companies, namely Bel SA and its subsidiaries (hereinafter the Bel Group), rather than the Group that includes Unibel, Bel SA and its subsidiaries.

Responsibility: At the heart of our business model for over 20 years

ANTOINE FIÉVET

2001

CSR vision and beliefs

2003

Signing up to the United Nations Global Compact

United Nations Global Compact

COMMITMENT

2009

First EcoVadis supplier assessment

2012

Bel - WWF partnership for a more sustainable food model

WWF | TOGETHER TOWARDS A MORE SUSTAINABLE MILK PRODUCTION | bel for all for good

2013

Launch of *Sharing Cities* inclusive distribution model

2016

Acquisition of MOM, diversification toward Fruit

GoGo squeeZ | Pom'Potes

2017

- Carbon trajectory across the entire value chain
- Bel Nutri+ nutritional profiling system
- First ESG loan

DEFINITION

2019

bel for all for good

New business mission and identity

CHAMPION HEALTHIER AND MORE SUSTAINABLE FOOD FOR ALL

IMPLEMENTATION

FRÉDÉRIC MÉDARD

Chief Impact Officer Group Executive Vice President responsible for Finance and CSR

2020

A dual model: responsible and profitable

2021

- First employee survey Your Voice
- Nurishh©, first 100% plant-based brand

your VOICE | nurishh

2022

Acceleration of carbon strategy

1.5°C

#BELOWCARBON

SCIENCE BASED TARGETS | LA FRESQUE DU CLIMAT

2023

- New people policy ambitions for employees
- Sustainable portions policy
- Regenerative Agriculture Alliance
- Forest plan
- Sustainability-Linked Financing Framework
- Bel wins the EcoVadis Platinum Medal once again

ecovadis 2023 | ALLIANCE REGENERATIVE AGRICULTURE

3.1.2 Analysis of primary non-financial risks

A methodology in line with the guidelines of the CSRD (Corporate Sustainability Reporting Directive)

As in previous years, the Group updated its CSR risk analysis. In 2023, the Group carried out a double materiality analysis ahead of the implementation of the CSRD (applicable to the Group from 2024).

Bel has updated its materiality analysis to correspond to the methodology called for by the CSRD using a double materiality approach that considers the impact on stakeholders (Impact materiality) and the financial risks or opportunities for Bel (Financial materiality). This exercise serves to identify the material issues for the Group that need to be covered by appropriate policies and actions, as well as reporting requirements.

Financial materiality takes into account the positive impacts (opportunities) and adverse impacts (risks) generated by the subject on the business's growth, performance and results. Impact materiality (also known as socio-environmental materiality) consists of taking into account the adverse or positive impacts of the business on its economic, social and natural environment.

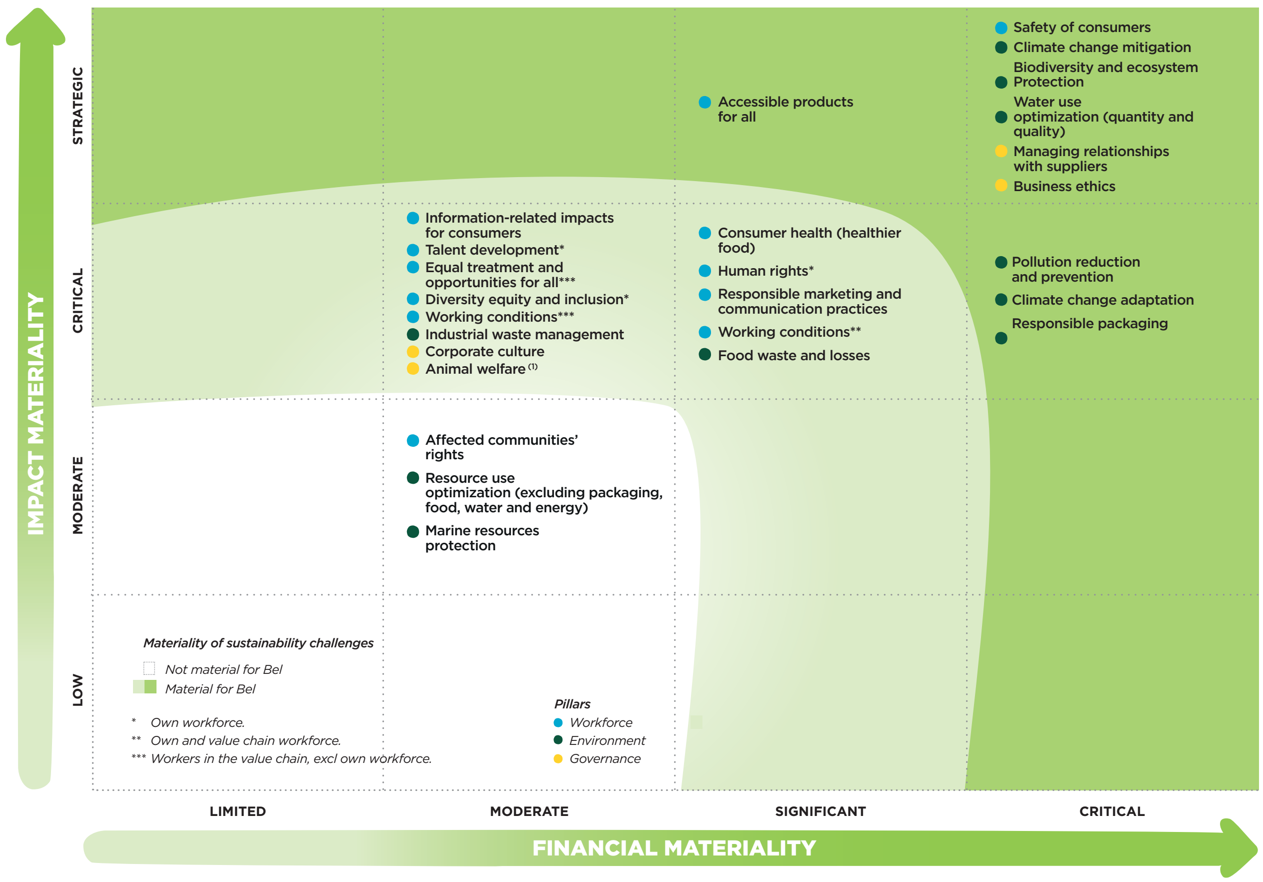
The creation of the matrix followed a five-step methodology, as defined in the methodology note (see Chapter 3.9 – Methodology note).

Material impacts, risks and opportunities identified

The materiality analysis conducted by Bel led to scores for 26 issues and the identification of 23 as material for the Group.

The matrix obtained does not affect the identification of the main risks presented below.

Double materiality analysis of the Group



(1) The animal welfare classification in the Governance topic comes from the CSRD.

Our main non-financial issues and their performance monitoring

The results are available in each chapter and in "section 3.10 CSR Scorecard"

Challenge	Risks	Scorecard Indicators
CREATING SHARED VALUE FOR OUR EMPLOYEES AND OUR ECOSYSTEM (SDG* 1, 3, 5, 8, 17)		
Building a sustainable future with its employees	› Risks related to occupational health and safety › Risks of discrimination › Risks related to the availability of skills and loss of critical know-how › Risks related to attracting and retaining talent	› Zero accidents[(a)] › Percentage of women in top management › Inclusion › Annual development action for each employee › Employee commitment
Promoting responsible practices with its suppliers and partners	› Risks of labor and environmental abuses via the value chain	› Average EcoVadis supplier rating
Being a key and committed partner for its customers	› Risks related to market penetration and consumer expectations	› Strategic customer alignment
Developing positive products and responsible communication with consumers	› Risks related to image and reputation	› "Positive" products
Promoting responsible financing practices among investors	› Risks related to access to financing	› Financing indexed to CSR indicators
CONTRIBUTING TO HEALTHIER AND MORE SUSTAINABLE FOOD (SDG* 2, 3, 12)		
Offering high quality, safe and healthy products Improving the nutritional quality of products	› Risks related to product quality and consumer health	› "Positive" recipes › Bel Nutri + › Naturalness (0 & 1E)
Promoting better eating habits and encouraging healthier and more sustainable lifestyles		› *Healthy Lifestyle Program*
FIGHTING FOR THE PLANET (SDG* 6, 9, 12, 13, 15)		
Fighting against climate change	› Risks related to the sustainability of natural resources and climate change	› Greenhouse gas emissions (GHG) Scopes 1 and 2 [(a)] › GHG emissions Scopes 1, 2 & 3 › Zero deforestation
Sustainably preserving water resources	› Risks related to water scarcity and quality	› Water consumption[(a)]
PROMOTING SUSTAINABLE AND REGENERATIVE AGRICULTURE (SDG* 1, 2, 8, 12, 15, 17)		
Taking action for a sustainable dairy upstream	› Risks related to animal husbandry and farming practices	› Visiting the farm › Animal welfare › Carbon diagnostics on the farm
Offering the finest healthy and responsible fruits Using plant-based raw materials within strict limits	› Risks of labor and environmental abuses via the value chain	› Responsible procurement
DESIGNING SUSTAINABLE PORTIONS (SDG* 12, 15)		
Fighting food waste	› Risks related to food waste › Risks related to the sustainability of natural resources and climate change	› Rate of food loss and waste in our operations [(b)]
Designing responsible packaging	› Risks of environmental and regulatory impact of packaging	› Recyclable-ready and/or home-compostable packaging
IMPROVING THE ACCESSIBILITY AND AFFORDABILITY OF OUR PRODUCTS (SDG* 1, 2, 10, 17)		
Offering healthy and sustainable products, adapted to the needs and means of all	› Risks related to changing consumer expectations	› For all consumers
Developing innovative and socially responsible distribution models	› Risks related to consumer purchasing power	› Inclusive Business Programs (Sharing Cities & Inaya)

(a) Indicators considered in the reasonable assurance report on selected social and environmental indicators are presented in Appendix 3.17.
(b) Excluding CSR Scorecard
* Contribution to the UN's Sustainable Development Goals (SDGs).

Bel's strategy with regard to its double materiality analysis

In 2023, Bel completed the identification of the positive and negative impacts, as well as the risks and opportunities associated with its business model. This update confirmed the Group's commitments to healthier and more sustainable food for all, reflected in its business model and its identity: *For All.* For Good.

The results of the double materiality analysis, carried out ahead of the implementation of the CSRD, are in line with the Group's long-standing commitments to ethical business conduct (see Chapter 3.1.4 – Ethics: A common foundation for conducting business) and to develop a model that creates value for all its stakeholders, in particular its employees and consumers (see Chapter 3.2 – Creating shared value for our employees and our ecosystem). The double materiality analysis also confirmed the priority action levers:

- Contributing to healthier and more sustainable food (see Chapter 3.3 - Contributing to healthier and more sustainable food);
- Fighting for the planet (see Chapter 3.4 – Fighting for the planet);
- Promoting sustainable and regenerative agriculture (see Chapter 3.5 – Promoting sustainable and regenerative agriculture);
- Designing sustainable portions (see Chapter 3.6 – Designing sustainable portions);
- Improving the accessibility and affordability of our products (see Chapter 3.7 – Improving the accessibility and affordability of its products).

A cross-reference table that links CSRD issues to the chapters of this document is provided in the Appendix (see Chapter 3.12, Appendix 2 – Cross-reference table between the URD chapters and the requirements of the CSRD).

This Non-Financial Performance Statement aims to present all the policies and action plans implemented by the Group to manage these risks, as well as the results of these policies. Bel has set around 20 ambitious objectives to be achieved by 2025 as part of its CSR strategy. These objectives are grouped together in a CSR Scorecard (see Chapter 3.10 – CSR Scorecard) which covers the Group's material risks and challenges. Looking ahead to 2025, objectives for 2030 have been projected for all indicators, in order to keep the Group moving forward on its key issues.

3.1.3 Governance of CSR issues at every level of the company

Corporate governance is carried out at both the Unibel Group and the Bel Group levels (see Chapter 8.3 – Information on subsidiaries and interests).

Corporate governance at Unibel, the Group's holding company

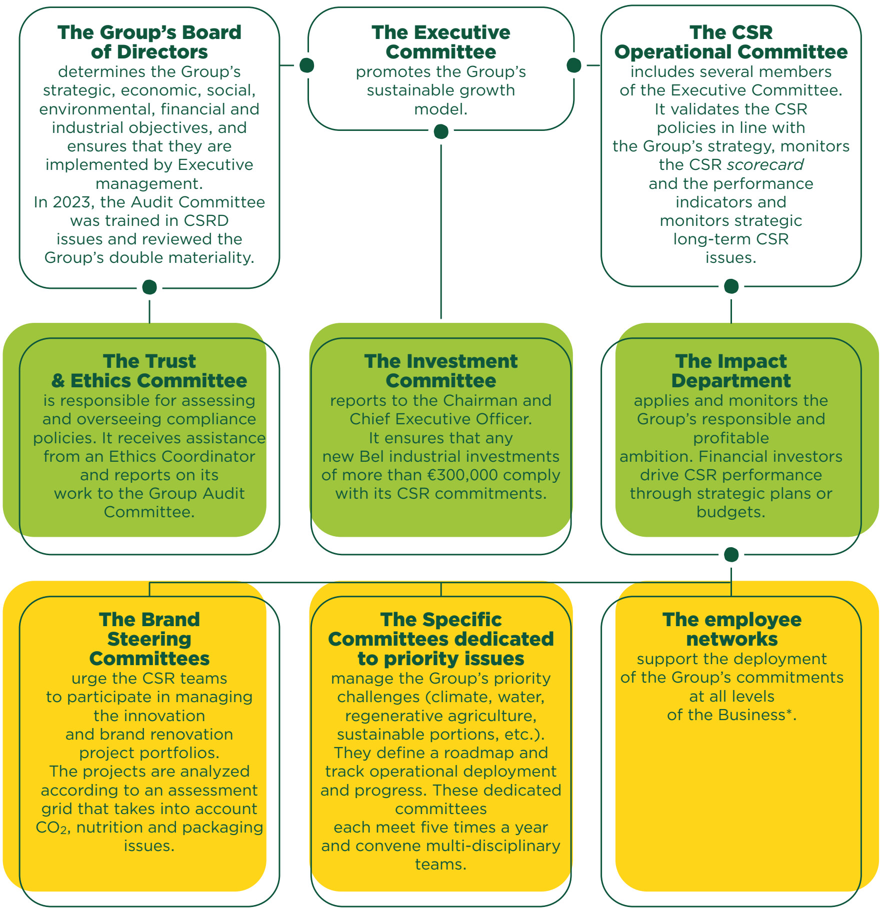
The governance bodies of Unibel, the Group's listed holding company, are its Supervisory Board and Management Board.

The Supervisory Board ensures that the management of Unibel by the Management Board is continuously supervised by all appropriate means. For this purpose, at any time of year, it conducts whatever checks and controls it deems necessary, and may require the submission of any documents it deems helpful in performing its duties. In matters of CSR, the Supervisory Board issues its opinions to shareholders on the Management Board's Report and draws up the Corporate Governance Report. Its composition, role and responsibilities, as well as the expertise of its members, are described in Chapter 4.1.2 and Chapter 7.4 of this document (see Chapter 4.1.2 – Supervisory Board and Chapter 7.4 – Information on the corporate officers In 2023, the Audit Committee was briefed on the Group's preparations for the implementation of European Directive 2022/2464 as regards corporate sustainability reporting (known as the "Corporate Sustainability Reporting Directive" or CSRD). As part of the special morning session, led by an independent auditing firm, the Audit Committee took part in developing the double materiality matrix. CSR is regularly on the agenda.

Unibel is administered by a Management Board whose members are appointed by the Supervisory Board. The Management Board sets the strategic objectives of Unibel's businesses and oversees their implementation in accordance with its corporate interests and taking into consideration the social and environmental issues related to its activity. Its composition, role and responsibilities, as well as the expertise of its members, are described in Chapter 4.1.3 and Chapter 7.4 of this document (see Chapter 4.1.3 – Management Board and Chapter 7.4 – Information on the corporate officers The variable compensation of some of the Group's corporate officers includes a CSR performance criterion (as detailed in Chapter 4.2.1. – Compensation policy for corporate officers).

Corporate governance at Bel, the operating subsidiary

At Bel, the operating subsidiary of the Unibel Group, the organizational structure ensures that CSR issues are taken into account from the management level right through to the operational teams.



*See details below.

CSR is at the heart of the Group's mission and is implemented at all levels of the Company and in all regions. It guides the strategic choices and activities of the Group and its brands.

The Group has chosen to combine responsibility and profitability, convinced that these two aspects are mutually reinforcing. In 2020, the Group created an Impact department that brings together Finance and CSR, headed by the Chief Impact Officer (see Chapter 3.1.1 – A positive business model). This action underlines its determination to build a sustainable operating model.

In 2023, the CSR Operational Committee was notably tasked with endorsing the Group's ambition on water resources (see Chapter 3.4.3 – Sustainably preserving water resources), setting the Group's objectives on the roll-out of positive recipes (see Chapter 3.3.2 – Improving the nutritional quality of products), validating the indicators and roadmap for the efficient roll-out of the Group's new value proposition for employees (see Chapter 3.2 – Building a sustainable future with its employees), and validating action plans related to regenerative agriculture (see Chapter 3.5 – Promoting sustainable and regenerative agriculture).

Employee networks to support operational deployment

Complementary networks supplement the structure described above. Their role is to support the implementation of the Group's commitments at all levels of the company:

- a network of "Contributor" employees representing various Group functions whose main mission is to monitor and report on Group CSR indicators and to lead CSR initiatives in their functions and communities;
- a network of "Champions" within the corporate functions, brands and clusters. The role of this network is to speed up the deployment of the CSR initiative to all the Group's functions and regions; and
- all Group employees are invited to get involved in positive impact initiatives, notably as part of the "Actors for Good" program (see Chapter 3.2.1.4 – Believe: Involving employees in positive impact initiatives), or within the "We all Belong" network of volunteer activists working on diversity, equity & inclusion issues (see Chapter 3.2.1.3 – *Belong:* Promoting diversity, equity and inclusion).

3.1.4 Ethics: A common foundation for conducting business

Definition of the challenge

The Group is strongly focused on combating the risks of unethical practices such as corruption, human rights and environmental abuses, and has always placed ethics at the heart of its business activities Trust and transparency are the cornerstone of the Group's relationships with all its stakeholders, with ethics playing a key role in this dynamic.

In this context, the Group intends to adopt a proactive approach to ethics and compliance, including with its subcontractors and partners, with a aim to promoting continuous improvement across its value chain.

Policies

In 2012, the Group adopted a Code of Good Business Practices which establishes the general framework for the professional conduct of every Group employee. This Code was reinforced in 2023 to reflect the Group's new standards and ambitions, to ensure compliance with applicable laws and to reiterate the Group's commitment to the following seven key principles:

- comply with laws and regulations and take into account international standards;
- protect consumers;
- respect the environment;
- protect employees' essential rights;
- prevent conflicts of interest, fraud and corruption;
- promote fair business relations; and
- ensure the accuracy and fairness of business and financial information and protect its confidentiality.

The purpose of the Code is to establish a minimum set of common principles and rules in each country in which the Group operates, in conjunction with local law, but which cannot be less restrictive. The updated Code will be translated and distributed in all the Group's languages to ensure greater understanding and buy-in by all teams. As with the previous version, it is available on the Group's website in French and English.

"Business" policies or charters systematically include the principles of the Code of Good Business Practices and translate them for specific areas of activity.

The Code of Good Business Practices is supplemented by policies dedicated to the fight against corruption, the prevention of conflicts of interest, and the Group's rules on gifts.

Governance

To strengthen ethical practices and compliance across its value chain, the Group put in place several years ago dedicated governance bodies, whose respective roles were determined by the Executive Committee, to ensure adherence to the Group's values and principles.

In this way, the Group wishes to establish a day-to-day culture and practice of ethics at every level of the business. To accomplish this, the Group strengthened its governance and organization in 2023 by:

- creating the Trust and Ethics Department, which brings together the following teams: Product & Business Care (business law, intellectual property, trademark rights, patents and design, food regulation), Citizen, Consumer & Quality Care (risk management, environment, customer service, consumers, citizens & quality), Business Growth (governance, M&A, corporate law), Communication and Public Affairs, and Security;
- reorganizing the Ethics & Compliance Committee, tasked with supporting the Group's ethics and compliance systems at the highest level;
- coordinating the network of compliance and ethics officers, who communicate and adapt this system to the various countries in which the Group operates.

Action plan

Risk mapping

Since 2017, the Group has defined, at corporate level, a typology of its corruption risks by at-risk transaction and activity with all the relevant functional departments.

As part of the risk mapping for 2017 and 2018, the Management Committees at the Group's subsidiaries were targeted with an initial educational program about the issues surrounding anti-corruption measures and the behaviors expected from all Group employees in this regard. Workshops were held for the local Management Committees to analyze the self-assessment questionnaires and define the specific types of corruption risks by comparing the list of risks identified at the corporate level to the reality at each subsidiary, in light of their exogenous environment.

This risk mapping exercise was carried out again in 2020 for all subsidiaries.

In 2023, the Group implemented a new risk mapping process, led jointly by the Business Law and Risk Management teams (see section 2.1 – Risk management policy). As part of this process, the Group has strengthen its risk scenarios based on a documentary analysis and interviews with the Group's various key functions. Consultations (questionnaires, interviews and workshops) were organized to involve Group employees in understanding and assessing risks, at all levels of the business and in the various countries in which the Group operates. In all, more than 190 Group employees responded to the questionnaire (anti-corruption and duty of vigilance), and around 35 interviews and workshops were organized at a corporate level and in the Clusters.

The aim of these consultations was to reaffirm the culture of dialog on ethical issues within the Group, to take account of any local specificities and needs, and to define common priorities for action. This process resulted in a consolidated risk map at Group level. As part of the Group's ethics and compliance system, these risk maps are used to draw up specific action plans aimed at the main risks.

Taking part in international initiatives

In addition to vigilance measures and other actions taken to prevent the risks of corruption, human rights violations and environmental damage in all the companies where Bel operates (see Chapter 3.1.5 – Vigilance plan), the Group has historically participated in several voluntary ethics initiatives. Every year since 2003, the Group has reaffirmed its commitment to the United Nations Global Compact and has reported on its progress regarding four fundamental principles: respect of human rights, respect of labor standards, the fight against all forms of corruption, and respect for the environment. Bel pays particular attention to respect for children's rights given the positioning of most of its brands. The ten Children's Rights and Business Principles, drafted jointly by the United Nations Global Compact, UNICEF and Save the Children, are its reference framework.

Ethics system

Internally, the Code of Good Business Practices is routinely presented during specific business ethics training sessions. In addition to the in-person trainings that have benefited more than 500 employees since 2015, an e-learning course on fighting corruption was launched in late 2018 and offered again in different sessions. The course was completed by all Management Committee members at every Bel Group subsidiary prior to carrying out the dedicated risk mapping exercise for their subsidiary. As a result, this e-learning was completed by 1,000 Group employees.

With regard to its suppliers and partners, the Group has developed several assessment tools pertaining to CSR, corruption and sanctions. As part of its action plan, the Group once again communicated its anti-corruption policy to all its most significant partners and inserted an Ethics & CSR clause in its terms and conditions of purchase and in its Sustainable Purchasing Charter. In 2021, the Group also acquired a digital tool for drawing up contracts in which ethical and anti-corruption clauses have been introduced by default.

In addition to these specific action plans, since 2014 the Group has participated in the Supply Chain Initiative in 16 European countries which make up more than 40% of its revenue. This voluntary, self-regulatory code establishes 10 principles to be followed in commercial relations, with an emphasis on fighting corruption. Most of these principles are also laid out in Bel's Code of Good Business Practices.

Lastly, the entire anti-corruption process underwent an internal audit in 2019. The report's conclusions were presented to the Group Audit Committee and the resulting action plans are monitored on a regular basis.

Report system

In addition to the conventional reporting channels (contacting human resources officers, employee representative bodies or ethics officers), since 2015 Bel has operated a system which gives all employees access to a report system that they can use to report any infringements of the principles enshrined in the Code of Good Business Practices. This report system was strengthened in 2023 under the name Bel Ethics Line (BEL) in order to make it more accessible and easier to use, and to take account of the new regulations applicable to the protection of whistleblowers. It enables the Group's employees, partners and all third parties who do business with the Group to report any unethical incident of which they are a witness or victim. The ambition of the BEL report system is to ensure that all reports are handled impartially by the Group, while respecting the principles of confidentiality and protection available to whistleblowers. To help strengthen this system, the reporting guidelines have also been updated and provide clear information on the procedures to follow when reports are issued and processed. In 2023, five reports were submitted, one of which related to a violation of human rights.

Information on the risk of tax evasion

As part of this business ethics approach, the Group applies a tax policy that consists of complying with all applicable tax laws and treaties, paying the right taxes, applying tax choices that correspond to the economic substance of its activities, and taking a responsible approach with local authorities.

For the 2023 financial year, internal controls did not reveal any impact related to these matters on the Group's activities, and the Group's effective tax rate stood at 56.9%, an increase compared to 2022, mainly due to the effects of the change in the tax consolidation group from Bel to Unibel as the head company as of January 1, 2023 (see Chapter 5 – Financial and accounting information of the Universal Registration Document).

Reports recorded and processed	**2021**	**2022**	**2023**
Number of reports recorded	3	7	5
of which the number of reports recorded relating to a violation of human rights	*2*	*4*	*1*

Number of employees trained	**2021**	**2022**	**2023**
Number of employees trained on corruption risks (in-person training and e-learning)	1,450	1,459	1,472

3.1.5 Vigilance plan

The adoption in 2017 of the "Duty of Vigilance" law led the Group to strengthen its monitoring in the fight against violations of human rights and individual health and safety and environmental damage related to its activity.

The Group's longstanding commitment to the ethical conduct of its activities has enabled it to effectively draw on a range of policies and checklists already established to develop and to continuously improve the vigilance plan required by this law.

3.1.5.1 Governance

The Group's vigilance plan is based on solid operational and legal governance in ethics and compliance (see section 3.1.4 – Ethics, a common foundation for conducting business):

- The Trust and Ethics Department, responsible for the Group's direction on ethical matters and for reporting on its work to the Executive Committee and the Group Audit Committee;
- The Ethics & Compliance Committee, responsible for supporting the Group's ethics and compliance system;
- The CSR Committee, responsible for validating and overseeing CSR commitments, particularly with regard to priority actions;
- Specific steering committees dedicated to each priority action responsible for defining roadmaps and monitoring their operational deployment (climate, water, regenerative agriculture, responsible packaging, food waste, etc.);
- A network of ethics and compliance officers, responsible for communicating and adapting these measures to the various countries in which the Group operates.

3.1.5.2 A system founded on risk identification

Risks of violations of human rights, individual health and safety and of environmental are monitored within the framework of the Group's Enterprise Risk Management (ERM) system (see section 2.1 – Risk management policy).

Nevertheless, since the adoption of the Duty of Vigilance law, the Group has chosen to conduct a dedicated risk mapping exercise for all relevant topics to supplement the ERM system. A common methodology was adopted to identify such risks.

Since 2017, the Group has run a project aimed at detecting and measuring the risk of human rights violations, focusing on the risks of modern slavery, forced labor, child labor, and violations of individual health and safety, freedom of association, or the right to collective bargaining. This approach takes three criteria into consideration:

- the location of its activities;
- the nature of its activities (production, marketing, services); and
- the scale of its activities (in terms of revenue, number of employees and business volume).

This methodology relies on risk indexes that consider human rights and the environment for each of the countries and activities concerned. This work also raised the awareness of the local Management Committees about these issues.

In 2018, following the example of the work relating to the fight against corruption, self-assessment questionnaires covering the risks listed above were completed by the Group's subsidiaries. Their analysis has led to the development of dedicated action plans.

In 2019 the Group rolled out a digital risk mapping tool to streamline the updating process.

In 2023, the Group updated its risk mapping process to improve its knowledge of risk scenarios, needs and priorities on a Group scale. This involved:

- document gathering: The Group conducted a comprehensive document gathering exercise to collect available information pertaining to identified risks and the policies, procedures, and controls adopted by the Group to address them. This initial step allowed to precisely identify relevant risk scenarios for the Bel Group.
- Group-level interviews: Interviews were conducted with members of the Executive Committee and key Group functions. These discussions revolved around the identified risk scenarios and defined priorities for action at the Group level, in alignment with other relevant teams on these topics (e.g. CSRD, purchasing, environment).
- Cluster-level workshops: Around 14 workshops were organized among the different Clusters (including the various markets) to identify local priorities, risk factors, and needs corresponding to the identified risk scenarios.
- questionnaires for internal and external stakeholders: Questionnaires were sent to around 200 contributors to gather their input on the Group's risks and its vigilance plan.

This process led to the creation of two risk maps:

- one with a geographical approach to prioritize risks of human rights violations, based on the Group's risk index and business volumes in the different countries concerned;
- one using a thematic approach to show the Group's level of exposure and maturity regarding the various risk scenarios identified.

These maps were presented to the Executive Committee and discussed.

The priority topics identified among the general themes of the vigilance plan are as follows:

- Impact on biodiversity;
- Contribution and adaptation to climate change;
- Non-sustainable packaging;
- Impact of access to water;
- Impact on the health of consumers;
- Forced labor and child labor;
- Pollution (water, soil, air);
- Workers' rights.

3.1.5.3 Actions implemented

The Group's values and policies

Since 2012, the Group launched a proactive human rights program with the adoption of its Code of Good Business Practices. Respect of human rights, including individual health and safety, is one of the seven principles set out in the Code; it refers specifically to the Universal Declaration of Human Rights and International Labor Organization conventions. The network of ethics and compliance officers who report to the subsidiary directors is responsible for its implementation and compliance at each of the sites (see section 3.1.4 "Ethics: A common foundation for conducting business"). The Code was updated in 2023 to reiterate the importance of these values for the Group, and to ensure that they are more fully taken into account. Its Group-wide implementation is scheduled for 2024.

In practical terms, the Code is articulated through several policies regularly reinforced by the Group, as outlined in the corresponding sections:

- Protecting employees' essential rights is a constant concern. The Group has introduced very strict human resources policies on compliance with labor standards and employee safety standards, especially for its workforce in countries with a high risk of violations of human rights and individual health and safety. One example of this effort is the introduction in late 2020 of "Nurture" – a new, innovative and ambitious HR model. The employee "value proposition" is a Group policy aimed at employees and directly connected to the Group's mission (see section 3.2.1 – Building a sustainable future with its employees);
- the Group further strengthened its continuous improvement approach aimed at ensuring the health and safety of its employees by adopting an ambitious Zero Accidents target and, in particular, reviewing, harmonizing and compiling its 32 safety standards and 21 technical standards in a safety manual made available to all employees. These health and safety criteria (accident frequency rate in particular) have also been directly incorporated into the calculation of managers' bonuses to ensure that these policies are properly applied and to encourage the Group to achieve its objectives in this area (see section 3.2.1.2 – *Be Well*: Feeling valued in a safe environment, with fair compensation and benefits);
- the Group has adopted a strict, long-standing environmental policy which sets out the Group's ambitions and the strategies for their attainment. Its aim is to promote the sustainable stewardship of natural resources, while reducing the Group's impact across the entire value chain, from the production of raw materials to the consumption of the finished product. This policy was revised in 2021 and is based on the BeLowCarbon strategy: reducing the greenhouse gas emissions of the Group and its products, adapting to the impacts of climate change and demands on natural resources, developing and rolling out environmental best practices and standards, as well as selecting suppliers that are aligned with Bel's sustainable commitments (see section 3.4 – Fighting for the planet).

In addition, employee awareness is central to the Group's actions in this area: employees are constantly reminded of the importance of respecting human rights and related policies during in-house training sessions on the Code of Good Business Practices.

Collaboration with stakeholders

The Group has for many years engaged with diverse stakeholders to contribute to its continual improvement approach on social and environmental issues. These initiatives are outlined in this Annual Report and include the following:

- The Group is a member of the United Nations Global Compact since 2003. Every year since 2003, the Group has reaffirmed its commitment to the United Nations Global Compact and has reported on its progress regarding four fundamental principles: respect of human rights, respect of labor standards, the fight against all forms of corruption, and respect of the environment;
- Since 2012, the Group has entered into a long-term partnership with WWF France to collaborate in building a more sustainable food model;
- Since 2017, the Group has also participated to the Science-Based Targets (SBT) initiative launched by the Carbon Disclosure Project (CDP), the World Resources Institute (WRI), the World Wildlife Fund (WWF France) and the United Nations Global Compact. This initiative aims to reduce greenhouse gas emissions along its entire value chain (Scopes 1, 2 and 3). In order to further bolster its contribution to the management of the climate emergency, Bel set new ambitious targets in 2022, in line with the recommendations of experts to limit the rise in temperature to below 1.5°C, and joined the United Nations Race to Zero initiative (see section 3.4 – Fighting for the planet);
- In 2017, the Group also joined the EcoVadis PROGRESS sector initiative, in which members work jointly to improve CSR performance in the FMCG sector supply chain and thus create a synergy effect between stakeholders (see section 3.2.2 – Promoting responsible practices with its suppliers and partners);
- Since 2018, in France, Bel has committed to an agreement with APBO (Association de Producteurs Bel de l'Ouest) for a financially viable and sustainable dairy industry (see section 3.5.2. – "Taking action for a sustainable dairy upstream");
- In 2022, Bel launched the Alliance for Regenerative Agriculture. The Alliance for Regenerative Agriculture is a movement to unite all players in the agri-food industry who are dedicated to accelerating the adoption of regenerative agriculture practices (see section 3.5 – Promoting sustainable and regenerative agriculture);
- Bel has set up a Junior Sales Activist Board. This committee, comprised of eight junior sales people from different sales positions (key account, category manager, sales force, etc.), each from a different Group country, drafted the Group's Sales for Good Manifesto, setting out the foundations of the sales teams' CSR commitments (see section 3.2.3. – Being a key and committed partner for its customers);

- In 2023, over 200 internal and external stakeholders were engaged through interviews, workshops, and questionnaires regarding the Group's vigilance plan. This consultation aimed to solicit their insights on identified risk areas, best practices, and areas for improvement;
- In addition, various employee networks are active in the implementation of this system (see section 3.5 – Governance of CSR issues at every level of the business).

Third-party assessments

Bel has adopted a Sustainable Purchasing Charter, which is regularly updated, to set out the standards expected of its suppliers and partners. This Charter includes a CSR & Ethics clause.

Bel has always been particularly aware regarding risks related to its supply chain. In late 2017, the Group supplemented the evaluations performed by EcoVadis in 2009 with a risk mapping of suppliers focused on CSR risks related to the environment, labor law, human rights and business ethics. The results of this initial risk mapping exercise led to the identification of the "purchasing category/country" combinations most at risk and the reinforcement of the vigilance measures taken prior to approving suppliers that fall within these categories.

In 2022, that system was supplemented with the CSR risk mapping exercise intended to define the purchasing categories most exposed to the risk of human rights violations (see section 3.2.2 "Promoting responsible practices with its suppliers and partners").

The Group monitors five specific steering indicators within the EcoVadis assessment system, consistent with its CSR objectives in this area, and noted an improvement in the performance of suppliers with regard to these five indicators, thereby confirming the effectiveness of the policies and actions implemented with its partners (see section 3.2.2 – Promoting responsible practices with its suppliers and partners).

In parallel, in 2021 the Group acquired a digital tool that allows the Group it to analyze a bulk sample of its portfolio, which pinpoints suppliers for whom greater diligence is required, based on a theoretical risk level. Then, the digital resource can be employed to access detailed reports about this set of theoretically risky suppliers to make well informed decisions about whether to continue doing business with the partner involved.

Finally, looking specifically at the dairy upstream sector, the Group has chosen to implement a dedicated system of priorities aimed at incentivizing the adoption of more sustainable practices within the industry. The Group uses several nationally recognized tools (CAP2'ER, Cool Farm Tool, etc.) to identify and assess carbon reduction levers, jointly develop action plans to propose to its milk producers, and support them in this transformation (see section 3.5.2. "Taking action for a sustainable dairy upstream".

The Bel Ethics Line report system

This report system, set up in 2015, was strengthened in 2023 under the name "Bel Ethics Line" (BEL) in order to make it more accessible and easier to use, and to take account of the new regulations applicable to the protection of whistleblowers. Thus, it enables the Group's employees, partners and all third parties who do business with the Group to report any violation of human rights, harm to the environment, health or safety. These reports are handled by the Group in accordance with applicable principles of confidentiality and impartiality.

Furthermore, to help strengthen this system, the reporting guidelines have also been updated and provide clear information on the procedures to follow when reports are issued and processed. At the same time, the Group is undertaking a significant awareness-raising and communication campaign to elevate the visibility of the system and enhance the trust of all stakeholders in its functionality.

Vigilance plan

With regard to the identified areas for attention, the Group has launched an effort to consolidate the diverse actions developed, in particular to enhance internal collaboration and teamwork regarding cross-functional action plans. As part of its commitment to transparency and continuous improvement, the main actions implemented and detailed in this report are presented below.

Human rights and fundamental freedoms

Topic	Description	Risk factors	Main actions and management system	Chap. URD
Forced labor or child labor	Risk of forced labor or child labor (production of raw materials, animal husbandry, farming).	› Number of suppliers and subcontractors. › Presence in high-risk countries. › Presence of vulnerable populations.	— Code of Good Business Practices. — Nurture Program relating to working conditions. — We@Bel transformation program. — CSR training for buyers and sales teams. — Sustainable Purchasing Charter. — CSR and ethics clauses in supplier and service provider agreements. — CSR assessment of suppliers. — Bel Ethics Line report system.	3.1.4. 3.2.1. 3.2.1. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.1.4.
Concealed or illegal labor	Risk of using concealed or illegal labor (production of raw materials, animal husbandry, farming, etc.).	› Number of suppliers and subcontractors. › Presence in high-risk countries. › Presence of vulnerable populations.	— Code of Good Business Practices. — Nurture Program relating to working conditions. — We@Bel transformation program. — CSR training for buyers and sales teams. — Sustainable Purchasing Charter. — CSR and ethics clauses in supplier and service provider agreements. — CSR assessment of suppliers. — Bel Ethics Line report system.	3.1.4. 3.2.1. 3.2.1. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.1.4.
Unfair wages	Risk of employment of workers under unfair wage conditions.	› Number of suppliers and subcontractors. › Presence in high-risk countries.	— Code of Good Business Practices. — Global Living Wage Employer certification from the Fair Wage Network in 2023. — Nurture Program relating to working conditions. — We@Bel transformation program. — CSR training for buyers and sales teams. — Sustainable Purchasing Charter. — CSR and ethics clauses in supplier and service provider agreements. — CSR assessment of suppliers. — Bel Ethics Line report system.	3.1.4. 3.2.1.2. 3.2.1. 3.2.1. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.1.4.
Violations of workers' rights (working hours, breaks, paid leave, social protections, etc.)	Risks of violation of workers' rights (working hours, breaks, paid leave, social protections, etc.).	› Number of suppliers and subcontractors. › Presence in high-risk countries. › Presence of vulnerable populations.	— Code of Good Business Practices. — Nurture Program relating to working conditions. — We@Bel transformation program. — CSR training for buyers and sales teams. — Sustainable Purchasing Charter. — CSR and ethics clauses in supplier and service provider agreements. — CSR assessment of suppliers. — Bel Ethics Line report system.	3.1.4. 3.2.1. 3.2.1. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.1.4.
Discrimination	Risk of discrimination linked to origin, gender, age, sexual orientation or political opinion.	› Presence in high-risk countries. › Presence of vulnerable populations.	— Code of Good Business Practices. — Nurture Program relating to working conditions. — We@Bel transformation program. — Diversity, Equity and Inclusion Charter — "We all Belong" program. — Identification of Leaders and Sponsors. — Creation of a network of 120 volunteers. — Raising awareness among all employees. — Program to fight against inappropriate behavior. — Indexation of variable compensation based on Diversity, Equity and Inclusion criteria. — Collective bargaining agreement on diversity and gender equality. — CSR training for buyers and sales teams. — Sustainable Purchasing Charter. — CSR and ethics clauses in supplier and service provider agreements. — CSR assessment of suppliers. — Bel Ethics Line report system.	3.1.4. 3.2.1. 3.2.1. 3.2.1.3. 3.2.1.3. 3.2.1.3. 3.2.1.3. 3.2.1.3. 3.2.1.3. 3.2.1.3. 3.2.1.3. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.1.4.
Harassment	Risk of moral and/or sexual harassment.	› Presence in high-risk countries. › Presence of vulnerable populations.	— Code of Good Business Practices. — Nurture Program relating to working conditions. — We@Bel transformation program. — Program to fight against inappropriate behavior. — CSR training for buyers and sales teams. — Sustainable Purchasing Charter. — CSR and ethics clauses in supplier and service provider agreements. — CSR assessment of suppliers. — Bel Ethics Line report system.	3.1.4. 3.2.1. 3.2.1. 3.2.1.3. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.1.4.

Topic	Description	Risk factors	Main actions and management system	Chap. URD
Violation of freedom of speech	Risk of violation of workers' freedom of speech	› Presence in high-risk countries.	— Code of Good Business Practices. — Labor Dialog Charter implemented worldwide. — Monitoring of employee representation rates in plants (89%). — Renewal of the agreement with the European Works Council. — Nurture Program relating to working conditions. — We@Bel transformation program. — CSR training for buyers and sales teams. — Sustainable Purchasing Charter. — CSR and ethics clauses in supplier and service provider agreements. — CSR assessment of suppliers. — Bel Ethics Line report system.	3.1.4. 3.2.1.2. 3.2.1.2. 3.2.1.2. 3.2.1. 3.2.1. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.1.4.
Violation of freedom of association and trade union rights	Risk of violation of freedom of association or trade union rights.	› Presence in high-risk countries.	— Code of Good Business Practices. — Labor Dialog Charter implemented worldwide. — Monitoring of employee representation rates in plants (89 %). — Renewal of the agreement with the European Works Council. — Nurture Program relating to working conditions. — We@Bel transformation program. — CSR training for buyers and sales teams. — Sustainable Purchasing Charter. — CSR and ethics clauses in supplier and service provider agreements. — CSR assessment of suppliers. — Bel Ethics Line report system.	3.1.4. 3.2.1.2. 3.2.1.2. 3.2.1.2. 3.2.1. 3.2.1. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.1.4.
Violation of privacy rights	Risk of violation of privacy rights of employees and/or external stakeholders (especially consumers).	› Presence in high-risk countries. › Number of suppliers and subcontractors.	— Code of Good Business Practices. — Appointment of GDPR officers. — Implementation of a GDPR compliance program. — CSR training for buyers and sales teams. — Sustainable Purchasing Charter. — CSR and ethics clauses in supplier and service provider agreements. — CSR assessment of suppliers. — Bel Ethics Line report system.	3.1.4. 4.2. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.1.4.
Violation of affected communities' rights	Risk of violation of local communities' rights, including land rights, cultural rights and the principle of free, prior and informed consent, such as through land grabbing (for animal husbandry, cultivation, plant expansion, etc.). Risk of conflict and violence linked to affected communities (site security, water access, inflation, etc.). Risk of failure to remedy damage caused to affected communities (pollution, impact on human health, etc.).	› Presence in high-risk countries.	— Code of Good Business Practices. — Investment Committee including CSR criteria. — Regular work with various stakeholders. — CSR training for buyers and sales teams. — Sustainable Purchasing Charter. — CSR and ethics clauses in supplier and service provider agreements. — CSR assessment of suppliers. — Bel Ethics Line report system.	3.1.4. 3.2. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.1.4.

Environment

Topic	Description	Risk factors	Main actions and management system	Chap. URD
Climate change	Risk of contributing to climate change (direct and indirect emissions), e.g. through cow breeding, cultivation, use of energy in buildings or modes of transportation used. Risks related to the lack of adaptation to climate change and its various consequences, in particular on livestock farming, cultivation, water access, etc.	› Risks related to the sustainability of natural resources and climate change. › Difficulties linked to the availability of sustainable alternatives (green energy, biomass, etc.).	— Code of Good Business Practices. — Commitment to a greenhouse gas (GHG) emissions reduction trajectory aimed at limiting global warming to below +1.5°C (validated by SBTi) by the year 2035. — Environmental policies and standards. — Biodiversity policy in partnership with WWF France. — ESABEL (Energy Saving At Bel) program. — Indexation of variable compensation to CO_2 emissions. — Creation of an educational tool (Bel Carbon Impact) to monitor the Group's carbon footprint. — SC CO_2 emissions calculator tool (measuring the carbon footprint of transportation and storage of finished products). — Action plan with co-manufacturing partners to improve monitoring of environmental indicators (notably water, electricity and gas consumption, and CO_2 emissions). — Carbon sequestration projects. — Renewable energy development. — Raising employee awareness (in particular through La Fresque du Climat). — Raising awareness among external partners (partner producers, joint GHG reduction strategies with customers, etc.). — United Nations Race to Zero initiative to help achieve carbon neutrality. — Emissions monitoring system. — Carbon Action Module via EcoVadis to assess supplier maturity. — Free learning pathway for suppliers. — CSR training for buyers and sales teams. — Sustainable Purchasing Charter. — CSR and ethics clauses in supplier and service provider agreements. — CSR assessment of suppliers via EcoVadis. — Bel Ethics Line report system.	3.1.4. 3.4.2. 3.4. 3.4.4. 3.4.2.3. 3.2.1.5. 3.4.2.1. 3.4.2.1. 3.2.2. 3.4.2. 3.4.2. 3.4.2.1. 3.4.2.1. 3.4.2. 3.4.2. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.1.4.
Pollution (water, soil, air)	Risk of pollution (water, soil, air) associated with the Group's activities (animal husbandry, cultivation, production, etc.), encompasses material, noise and olfactory pollution. This risk may occur at different stages of a project or activity (construction, production, divestment, etc.).	› Business segments exposed to pollution risks. › Presence in high-risk countries.	— Code of Good Business Practices. — Environmental policies and standards. — Promoting virtuous and regenerative agricultural practices and agroforestry. — CSR training for buyers and sales teams. — Sustainable Purchasing Charter. — CSR and ethics clauses in supplier and service provider agreements. — CSR assessment of suppliers. — Bel Ethics Line report system.	3.1.4. 3.4. 3.4.2. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.1.4.
Non-sustainable industrial waste management	Risk of pollution associated to industrial waste management (landfilling, water discharges, etc.).	› Presence in high-risk countries.	— Code of Good Business Practices. — Target of 0% landfill by 2024. — Environmental policies and standards. — Wastewater discharge measurement. — Development of regenerative agriculture practices. — Support for partners in manure management practices. — Commitment to peat bog restoration and conservation. — CSR training for buyers and sales teams. — Sustainable Purchasing Charter. — CSR and ethics clauses in supplier and service provider agreements. — CSR assessment of suppliers. — Bel Ethics Line report system.	3.1.4. 3.4. 3.4.3. 3.4. / 3.5. 3.4.3.3. / 3.5.2. 3.4.2.4. / 3.4.3.3. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.1.4.

Topic	Description	Risk factors	Main actions and management system	Chap. URD
Violation of the right to water	Risk of exacerbating local communities' water scarcity due to water consumption for animal husbandry, cultivation, and production.	› Presence in high-risk areas with restricted access to water. › Business segments exposed to this risk.	— Code of Good Business Practices. — Creation of a Water Committee in 2023 to oversee the reduction of the Group's water footprint across the entire value chain. — Water consumption reduction targets. — Completion of a "water footprint assessment" in 2023. — Wasabel Program to enable each production site to monitor its water withdrawals and establish action plans to reduce them. — WWF France's Water Risk Filter tool (measurement of water scarcity in each water basin). — Developing the production of sustainable plant-based products. — CSR training for buyers and sales teams. — Sustainable Purchasing Charter. — CSR and ethics clauses in supplier and service provider agreements. — CSR assessment of suppliers. — Bel Ethics Line report system.	3.1.4. 3.4.3. 3.4.3. 3.4.3.1. 3.4.3.2. 3.4.3. 3.5.4. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.1.4.
Damage to biodiversity and ecosystems	Risk of contributing to the loss of biodiversity and damage to ecosystems, for example through non-regenerative cultivation/livestock farming practices, deforestation risks (related to raw materials), or exploitation of finite natural resources (such as the use or development of raw materials, products, or technologies reliant on limited natural resources).	› Number of suppliers and subcontractors. › Business segments exposed to this risk.	— Code of Good Business Practices. — Biodiversity policy (in partnership with WWF France). — Forestry Best Practices Charter. — Dairy Upstream Charter with WWF France. — Measurement of the biodiversity footprint (SBTN and Corporate Engagement Program). — Promoting virtuous and regenerative agricultural practices and agroforestry. — Nature Impact initiative with WWF France for forest preservation. — Support for wildlife conservation projects in partnership with the African Park association. — Ecological restoration and reforestation projects. — CSR training for buyers and sales teams. — Sustainable Purchasing Charter. — CSR and ethics clauses in supplier and service provider agreements. — CSR assessment of suppliers. — Bel Ethics Line report system.	3.1.4. 3.4.4. 3.4.2.4. 3.5.2. 3.4.4. 3.4.2. 3.4.2.4. 3.4.2.4. 3.4.4.4. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.1.4.
Development or use of non-sustainable packaging	Risk of development/ use of non-sustainable packaging solutions (aluminum, plastic, etc.), meaning those which are non-recyclable or are liable to cause long-term pollution.	› Business segments exposed to this risk. › Presence in high-risk countries (standards applied/ practices). › Number of suppliers and subcontractors.	— Code of Good Business Practices. — Creation of a Packaging Committee. — Responsible packaging policy. — Promotion of bulk packaging, reuse and refusal of unnecessary packaging components. — Use of ASI (Aluminium Stewardship Initiative) certified aluminum produced from recycled or virgin fibers. — eQoPack tool (to measure the water footprint of packaging). — Participation in the Consumer Goods Forum. — Consumer awareness campaign. — CSR training for buyers and sales teams. — Sustainable Purchasing Charter. — CSR and ethics clauses in supplier and service provider agreements. — CSR assessment of suppliers. — Bel Ethics Line report system. — Supplier quality audit.	3.1.4. 3.6.2. 3.6.2. 3.6.2. 3.6.2. 3.6.2. 3.2.3. / 3.6. 3.6. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.1.4. 3.3.1.

Topic	Description	Risk factors	Main actions and management system	Chap. URD
Food waste	Risk of contributing to consumers' food waste practices. Risk associated with the destruction of food products (overproduction, expiration date, compliance with quality standards, etc.).	› Business segments exposed to this risk. › Use of retailers. › Adherence to stringent quality standards for consumption. › Lack of oversight of consumer practices.	— Code of Good Business Practices. — Establishment of a food waste committee. — Bel Charter to fight against food waste and losses. — Responsible nutrition communication charter. — Definition of "sustainable portions." — Improvement of food production forecasting and promotion processes in cases of overproduction. — Contributions to organizations and associations, as well as product recovery or redirection programs. — Consumers Good Forum initiative. — Raising consumer awareness. — CSR training for buyers and sales teams. — Sustainable Purchasing Charter. — CSR and ethics clauses in supplier and service provider agreements. — CSR assessment of suppliers. — Bel Ethics Line report system. — Monitoring of food loss and waste rates in operations.	3.1.4. 3.6.1. 3.6.1. 3.2.4. 3.6. 3.6.1. 3.6.1. 3.23. / 3.6. 3.6.1. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.1.4. 3.6.1.
Animal welfare	Risk of harm to animal welfare within the context of milk production (cow dehorning, separating cows and calves, exposure to stress or mistreatment, end-of-life conditions, etc.). Risk associated with animal epidemics.	› Business segments exposed to this risk. › Presence in high-risk countries.	— Code of Good Business Practices. — Target of 100% of partners assessed by 2025. — Animal Welfare Charter being rolled out to all dairy supply basins. — Sustainable Dairy Upstream Charter. — Farm compliance system.	3.1.4. 3.5.2. 3.5.2. 3.5.2. 3.5.2.

Health and safety

Topic	Description	Risk factors	Main actions and management system	Chap. URD
Impact on employee health and safety	Risk of harm to employee health, for example, due to production conditions (use of chemicals, temperature, humidity, etc.), workplace accidents (burns, falls, cuts, etc.), psychosocial risks (burnout, etc.), local or global epidemics, terrorist attacks, or violence and conflict.	› Business segments exposed to this risk. › Presence in high-risk countries. › Number of suppliers and subcontractors. › Significant risks of epidemics and terrorist attacks.	— Code of Good Business Practices. — Health and Safety Policy. — Indexation of the compensation of certain employees to health and safety criteria. — Hybrid Work Charter. — Right to Disconnect Charter. — Behavior Safety Program. — Nurture Program relating to working conditions. — Study to identify the risks related to each workstation. — Behavior safety visits program. — Regular training (on workplace hazards, road safety, etc.), including with certain partners. — CSR training for buyers and sales teams. — Sustainable Purchasing Charter. — CSR and ethics clauses in supplier and service provider agreements. — CSR assessment of suppliers. — Bel Ethics Line report system. — Frequency rate monitoring of all work-related accidents, including for visitors, subcontractors and temporary workers on site. — Regular internal and external audits. — Security Policy.	3.1.4. 3.2.1.2. 3.2.1.2. 3.2.1.2. 3.2.1.2. 3.2.1.2. 3.2.1. 3.2.1.2. 3.2.1.2. 3.2.1.2. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.1.4. 3.2.1.2. 3.2.1.2. 3.1.4. / 3.2.1.2.

Topic	Description	Risk factors	Main actions and management system	Chap. URD
Impact on consumer health and safety	Risk of harm to the health and safety of consumers, for example due to the quality of raw materials, product composition, research and development techniques used, incomplete or erroneous product information, or the risk of epidemics or terrorist attacks affecting the production chain.	› Business segments exposed to this risk. › Presence in high-risk countries. › Number of suppliers and subcontractors. › Supply constraints (wars, conflicts, etc.). › Less mature regulation of the "Squeeze" business. › Significant risks of epidemics and terrorist attacks.	— Code of Good Business Practices. — Risk management system. — Vulnerability analysis in 2020. — Food Fraud and Food Defense Policy. — Healthier Policy. — Good Storage and Distribution Practices Charter. — Implementation of HACCP standard. — "Bel Nutri+" Program. — Safety inspection system. — Food safety and quality report management system. — Regular audits of suppliers and the distribution chain. — CSR training for buyers. — Sustainable Purchasing Charter. — CSR and ethics clauses in supplier and service provider agreements. — CSR assessment of suppliers. — Bel Ethics Line report system.	3.1.4. 3.3.1. 3.3.1. 3.3.2. 3.3.1. 3.3.1. 3.3.2. 3.3.1. 3.3.1. 3.3.1. 3.2.2. 3.2.2. 3.2.2. 3.2.2. 3.1.4.

3.1.5.4 Monitoring system

To ensure the effective implementation of such actions, the Group added control points to its existing internal control system in 2018 to check each of these actions. Further checks were added in 2019 and will be updated as needed.

In addition to the pre-existing controls that help manage this risk, specific controls were added to the mechanism to fight corruption and human rights violations.

The results are shared with the Audit Committee and the departments concerned so they can take actions and adjust corrective plans where applicable.

Chapter summary

Highlights of 2023

- Completion of a double materiality analysis, in conformity with future CSRD expectations.
- Strengthening of the Code of Good Business Practices and the Bel Ethics Line report system.
- Updating of risk maps.

Priorities for 2024

- Continuation of projects to ensure convergence with the requirements of the future sustainability reporting (CSRD).
- Reinforcement of the ethics culture Group-wide.
- Reinforcement of the third-party assessment system.
- Reinforcement of the Group's actions to protect personal data.

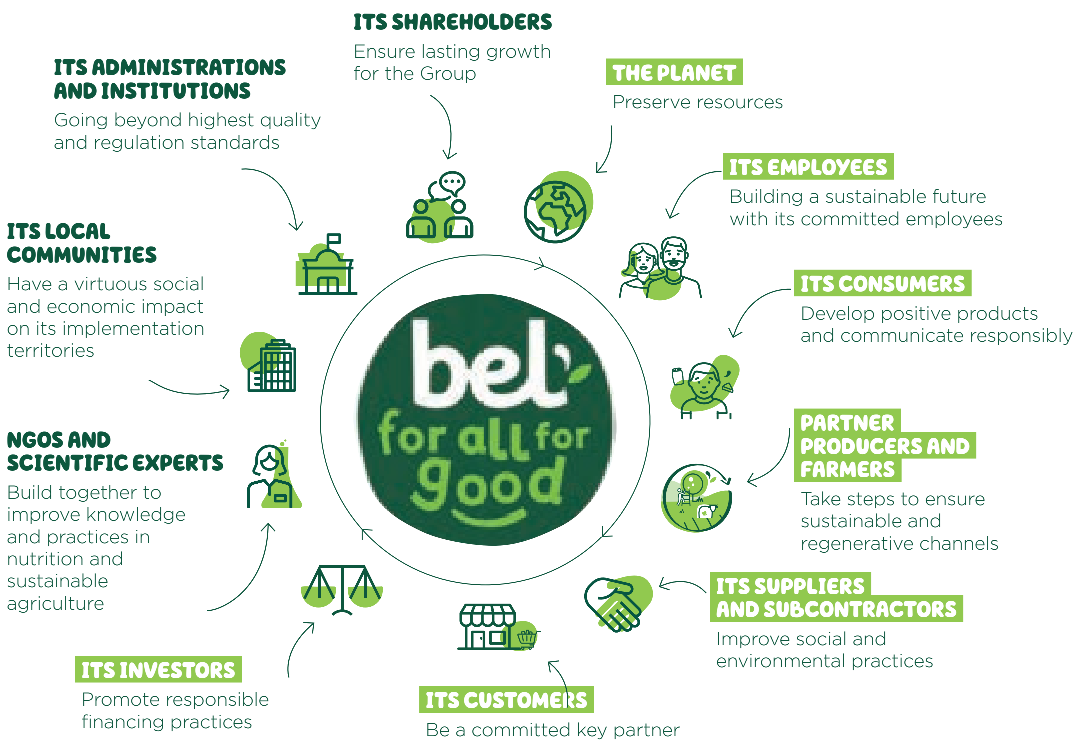
3.2 > Creating shared value for our employees and our ecosystem

Because the Group's business model and operations are founded on interactions amongst a large number of stakeholders, maintaining long-term, beneficial and sustainable relationships with those stakeholders is crucial. This is why the Group has chosen to implement a model which creates shared value for its internal and external stakeholders, focused specifically on:

- the planet (see Chapter 3.4 – Fighting for the planet);
- its employees;
- its consumers;
- its suppliers, farmers and partner producers (see Chapter 3.5 – Promoting sustainable and regenerative agriculture);
- its customers;
- its investors.

WITH ITS STAKEHOLDERS

Developing a value-creating model for all



3.2.1 Building a sustainable future with its employees

Definition of the challenge and risks

Bel's mission to "Champion healthier and more sustainable food for all" guides the Group's 10,902 employees in rolling out a sustainable and profitable business model that places the consumer and shared value creation at the heart of its decisions. Bel's human capital is the indispensable foundation which enables it to fulfill its corporate mission.

According to the double materiality analysis, these four material areas are all material: working conditions, diversity, equity and inclusion, talent development and employees' fundamental human rights. Bel is aware of its impact on the physical and moral health of its employees through the working conditions that prevail in its operations.

As with any business, Bel also faces financial risks related to the working conditions, health and safety of its employees, whether physical or psychological. A decline in motivation resulting from poor working conditions would represent a significant operational risk for the Group. Building a bond of trust with employees is therefore a major opportunity for the Group to boost internal commitment, motivation and efficiency.

The Group therefore pays particular attention to these issues through its Vigilance Plan (see Chapter 3.1.5 – Vigilance Plan) and through its "Nurture" employee value proposition, which reflects the Group's core values: "Dare, Care and Commit"

Policies

The employee "value proposition" is a Group policy aimed at employees and directly connected to the Group's mission.

In 2023, the Group simplified its "Nurture" program to focus on employees' essential needs. This value proposition encapsulates the value that Bel creates for its employees in four areas, with an action plan to 2030.

- *Be Well:* Feeling valued in a safe, caring environment, with a positive work-life balance and fair compensation and benefits.
- *Belong:* Sharing a unique culture and common values, as well as offering a fair, inclusive and diverse working environment to all.
- *Become:* Developing employees' skills and career opportunities so that they can achieve their full potential.
- *Believe:* Providing all employees with the opportunity to get involved and have a positive impact on the Group's business and beyond – on society and the planet.

The annual "Your Voice" survey measures employee commitment and expectations in these four areas.

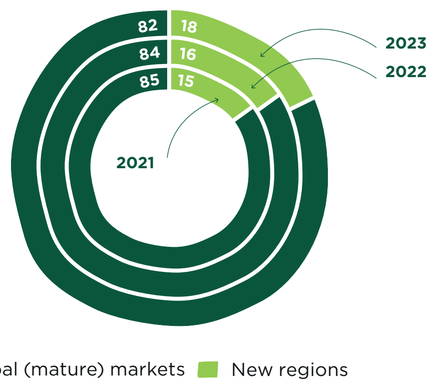
Governance

The mission of Human Resources (HR) is to optimize employee talent and skills to support the growth of the business. The HR function thus has a hand in all aspects of the employee experience. Local HR officers, as well as the managers of each team, are also involved in human resources management. In addition, specialist advisors are in charge of key issues linked to the employee value proposition. In 2023, topics relating to employees were included on the agenda of the CSR Operational Committee meetings to support the development and roll-out of this new value proposition.

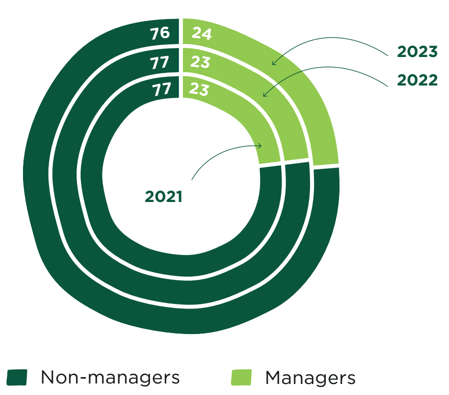
3.2.1.1 Workforce characteristics

At December 31, 2023, the Group employed 10,902 people, including 10 Unibel employees (see Chapter 5 - Note 5, Compensation and workforce), in 32 countries. Bel's workforce increased by 22 people on a like-for-like basis compared with last year (workforce at December 31, 2023 on permanent and fixed-term contracts, including work-study contracts since 2023, excluding interns and international interns).

Workforce by market type *(in %)*



Workforce by status *(in %)*

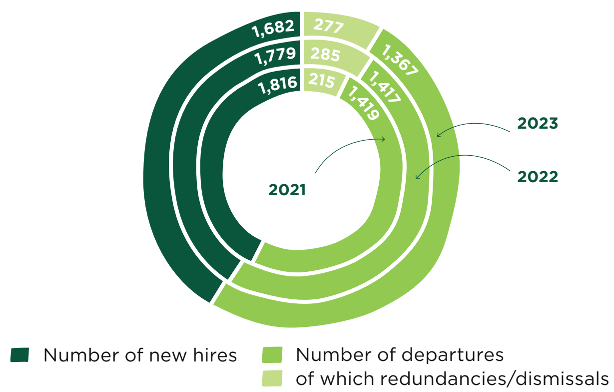


New hires and departures (excluding changes in the consolidation scope)

In a particularly demanding market environment, Bel is constantly adapting its business lines and human resources to match its needs to maintain its competitiveness, strengthen the Group's employer brand and fuel the growth of its brands on its historical dairy products market, while exploring new frontiers on the fruit and plant-based markets. The Group hired 1682 people in 2023. The majority of the 1644 departures in 2023 were voluntary (resignations and retirements).

The Group's average rate of job insecurity is 11% (calculated excluding temporary staff). This rate represents the proportion of fixed-term positions compared to the total number of staff (fixed-term + permanent + temporary staff). This ratio conceals significant local differences. For example, in some Middle Eastern and African countries, a fixed-term contract is standard legal practice and is not a sign of job insecurity.

Hires and departures



Rate of job insecurity[a]	2021	2022	2023
Global Markets	12%	11%	12%
New regions[b]	5%	5%	8%
Total Group	**13%**	**10%**	**11%**

(a) Proportion of fixed-term contracts to all contracts (in full-time equivalent jobs).

(b) China, Mexico, Ivory Coast, India, South Africa, Squeeze segments.

3.2.1.2 *Be Well:* Feeling valued in a safe environment, with fair compensation and benefits

Policies

Employees have fundamental needs that must be met to enable them to accomplish their goals and find fulfillment in their work. These needs relate first and foremost to their safety, their health, and their mental and physical well-being at work. Employees also need to be recognized for their contribution to Bel through decent compensation and constructive social dialog. We therefore implement policies to meet these needs and enable our employees to achieve their full potential within the Group.

Health and safety

Health and safety are absolute priorities for Bel, both for its employees and for all other persons working within the Company. The Bel Group has a health and safety policy that aims to achieve "zero accidents or occupational illnesses" by committing to:

- maintaining safe and healthy working conditions to limit accidents and occupational illnesses through risk prevention and management and a continuous improvement initiative;
- complying with all regulatory requirements; and
- eliminating hazards and reducing health and safety risks.

To promote the application of these policies and encourage the achievement of Group objectives, 10% of the variable compensation of employees eligible for bonuses is indexed to health and safety criteria, particularly the accident frequency rate and the completion of behavior safety visits.

Furthermore, a new Security policy has been applicable since 2020 to protect employees from malicious acts of material or immaterial origin (see Chapter 3.3.1 – Offering high quality, safe and healthy products).

Well-being at work

Two Group charters have been introduced since 2022 to promote well-being in the workplace:

- the Hybrid Work Charter, in the context of the "Nurture" program, to encourage employee autonomy and flexibility around the organization of work and to find the right balance between the Group's performance and the well-being of its employees. Through this charter, the Group demonstrates its trust in the responsibility and collective intelligence of its employees, who are involved at every stage of its design and implementation;
- the Right to Disconnect Charter has been deployed across the entire Group. This charter establishes a framework concerning respect for working hours and quality of life at work, with a work/life balance.

Compensation

The Group's wage policy is determined by the Human Resources Department and the local teams are then responsible for its implementation.

Bel is convinced that offering fair, motivating and non-discriminatory compensation is the key to combining attractiveness with employee well-being. The Group aims to guarantee a living wage for all its employees, all around the world. In 2023, it obtained certification as a "Global Living Wage Employer" from the Fair Wage Network, a specialist non-profit organization. This certification shows that the Group pays all its employees enough to cover their expenses for housing, food, transportation, health and education, and to enable them to save for unexpected events, even in a period of inflation.

Social dialog

Bel has implemented a global Social Dialogue Charter since 2016. This Charter organizes the Group's approach around essential principles to be implemented in each of its regions. The principles enshrined in the charter underscore the importance of compliance with legislation and of open dialog with representative bodies and with managers and employees. In addition, collective bargaining agreements are regularly signed on priority issues for the Group and its employees. Such agreements have been signed on diversity and gender equality in recent years (see section 3.2.1.3 – Belong – Promoting diversity, inclusion and equal opportunity).

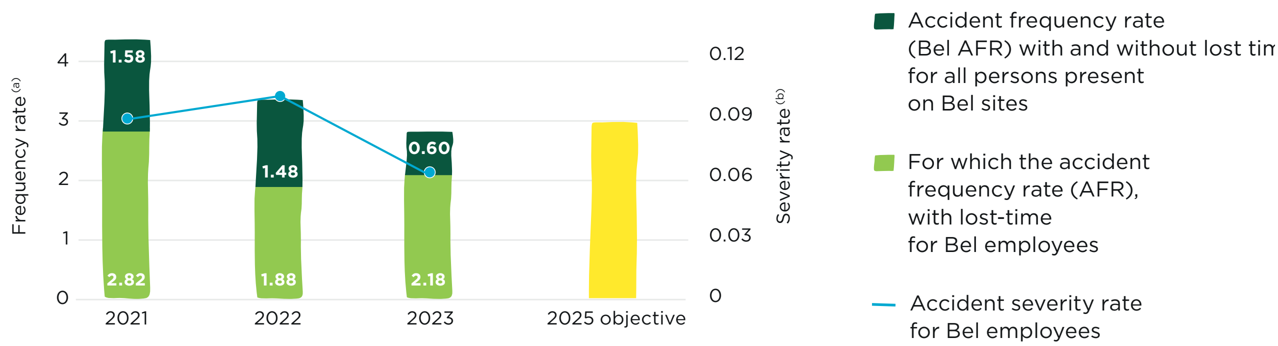
Action plan

Adopting exemplary practices and preventing the risk of accidents

To advance toward the ambitious goal of zero accidents, the Group has implemented many actions. It closely tracks the performance of those actions through the frequency rate of all accidents leading to medical treatment involving its employees and any other people on its sites (e.g. visitors, subcontractors and temporary staff), regardless of whether or not they led to lost time. The Group also tracks near-misses and incidents requiring first aid using another indicator.

With the accident frequency rate (AFR) falling steadily since 2013, the years 2021 to 2023 marked a significant acceleration toward the Group's target. The AFR was 2.78 in 2023, i.e. a drop of over 40% compared to 2020 and almost 17% compared to the previous year. This result exceeds the 2025 AFR target of 3, and was notably boosted by sites where no accidents were reported over the year.

Accident Frequency and Severity Rate



(a) Number of workplace accidents per million hours worked.
(b) Number of days not worked due to accidents suffered by Bel employees per 1,000 hours worked.

People's behavior remains a major factor in preventing accidents and occupational illnesses. This is why Bel has set up a behavior safety visits (BSV) program on all of its sites. During these inspections, employees or subcontractors are observed at their workstations by one or two person(s), followed by a constructive discussion between the inspectors and the person "inspected." Each employee receives at least three BSVs per year at the industrial sites. The goal is to change behaviors and improve communication on safety and trust between employees and managers. Since 2021, more than 2,200 employees have been trained in the Behavior Safety Program to conduct behavioral safety visits. This enabled 41,212 BSVs to be carried out in 2023, representing a 28% increase in the number of BSVs compared with 2022.

In addition to monitoring workplace accidents, sites are also required to report and investigate near-misses to prevent the recurrence of risky situations. To go even further, the Group also conducts audits every two years. These audits are carried out by qualified employees (certified internally following dedicated training and participation in an audit) and by specialized external audit firms. Each site is responsible for applying the principles and best practices of Bel's health and safety policy, which is included in a standardized management handbook available at all Group sites.

Safety at work is also promoted by a number of other programs, such as LOTO ("Lock-out Tag-out"), a procedure aimed at limiting access to dangerous machinery, and the annual road safety awareness campaign, designed particularly for sales teams.

Reducing discomfort and preventing occupational illnesses

Bel is taking action to prevent musculoskeletal diseases by reducing load lifting and uncomfortable postures through ergonomic improvements and the progressive introduction of cobots, in France and the United States. Furthermore, the Group has notably identified three sources of occupational discomfort that could affect employees working in its plants: noise, night shifts and repetitive tasks.

Plants are gradually introducing action plans to reduce these sources of discomfort and to create a healthy working environment for all employees. The teams have an ergonomics specialist who visits all sites to identify key priorities and develop action plans. Furthermore, in 2023, the Group's entire top management, along with the engineering and health and safety teams, received training to ensure that this issue has a central place in every Group project. Improving workstation ergonomics is included as a criterion when assessing all Group investment projects.

In 2023, a new study was launched to identify the risks associated with each workstation. Targets for reducing these risks and improving working conditions will be set from 2024 onwards and include, for example, the wearing of earplugs or access to natural light. Training is also being organized to help managers identify psycho-social risks and their early warning signs.

Providing an organization more conducive to well-being at work

Well-being at work is a key issue for Bel, whose ambition is to increase employee commitment and fulfillment. The results of the annual "Your Voice" employee commitment survey highlight a number of the Group's strengths. These include feeling safe at work, and improved work-life balance thanks to the adoption of hybrid working.

In 2023, the Group stepped up its actions on well-being at work, focusing on three main areas: physical well-being, mental well-being, and well-being in the workplace.

- Physical well-being: The "Your Voice" survey highlights certain employee needs relating to sleep quality, physical activity and nutrition. In response, workshops and training programs have been developed to share best practices in these key areas. Some sites have also opened recreation and fitness rooms to promote physical activity, while others have focused their efforts on ensuring that water dispensers are set up close to workstations.
- Mental well-being: The Group has also rolled out an action plan to promote the mental well-being of employees by running awareness-raising webinars and setting up a referral network for psychological support.
- Well-being in the workplace: The Group has defined 16 ergonomic limits not to be exceeded for each workstation (including temperature, lighting and the maximum weight of loads to be carried). Action plans covering these ergonomic limits will be rolled out across all Group sites in 2024.

The rate of absenteeism is also closely monitored to ensure the well-being of our employees. The rate in 2023 was 2.29%, down from 2.97% in 2022 on a like-for-like basis.

Annual leave	2021	2022	2023
% of employees receiving at least three weeks of leave per year	97%	96%	97%

Absenteeism rate	2021	2022	2023
Hours of absence due to illness/theoretical working hours	2.86%	2.97%	2.29%

Selected key performance indicator

Bel's objectives	KPI	2021	2022	2023	2025 objective	Progress	2030 objective
Work toward zero accidents at sites	AFR (Accident Frequency Rate) [a]	4.40	3.36	2.78	3		1

(a) Indicator considered in the reasonable assurance report.

Offering fair compensation and competitive benefits

The Group always complies with the minimum levels set by local laws and strives to apply non-discriminatory wage policies. To attract and retain its employees, Bel goes beyond local regulations by ensuring decent wages and benefits relative to the country's standard of living. This approach has been awarded "Living Wage" certification by the Fair Wage Network.

In addition, the Group's subsidiaries undertake regular salary surveys with specialized firms to identify market best practices.

Beyond the minimum base set by national laws and regulations, Bel wants to ensure that all its employees receive benefits that are in line with Group standards. Mindful of the well-being of its employees, the Group aims to ensure that the benefits packages offered locally to employees are commensurate and aligned with market best practices.

Health, death and disability coverage [a]	2021	2022	2023
Employees with health coverage (%)	92%	91%	92%
Employees with death and disability coverage (%)	92%	99.9%	100%

(a) Permanent or fixed-term employees.

Recognizing individual and group performance

The recognition of individual performance is based on merit and is intended to be fair. The individual performance of all employees is assessed based on objectives which they set with their managers at the beginning of the year. These objectives are updated during the year. These regular performance reviews are an opportunity to take stock of employees' successes and their areas for improvement. They are separate from employee development conversations (see section 3.2.1.4 – Become: Developing employees' skills).

In addition, a portion of individual variable compensation is indexed to the Group's financial and non-financial performance (see section 3.2.1.5 – Believe: Involving employees in positive impact initiatives).

Variable compensation	2021	2022	2023
Employees covered by a compensation scheme (variable pay, profit-sharing, incentives, long-term incentives) that factors in the overall performance of the subsidiary or Group (%)	64%	66%	72%

Ensuring a positive social dialog

A healthy, ongoing social dialog is an essential tool for improving the workplace experience. Through various forums, the Group encourages regular dialog between all stakeholders in the business: employees, managers, employee representatives and senior executives.

Personnel representatives, whether they are elected or appointed by employees, play a critical role in ensuring a positive social dialog. This is why the Bel Code of Good Business Practices recognizes its employees' right to be represented by their trade union(s) in collective bargaining matters relating to the employment relationship.

The framework may differ by region (employee committee, value committee, trade union, local representatives and so on), but the goal is always the same: to encourage dialog. The rate of employee representation achieved at Group plants is 89%. In this way, the Group seeks to maintain regular, transparent and honest social dialog with employee representatives.

Beyond local forums, the agreement with the European Works Council set up in 2019 was renewed in 2023 for a further four years. It applies to all sites of the Bel Group with more than 20 employees in the European Economic Area (EEA), plus Switzerland and the UK. This Council, consisting of 21 employee representatives representing a total of 10 countries, meets at least once a year. Since 2023, it has included EEA countries with fewer than 20 employees in exceptional circumstances when they have been affected by restructuring.

Since 2021, the Group has measured employee commitment through the "Your Voice" survey, and has developed action plans based on employee feedback (see section 3.2.1.5 – Believe: Involving employees in positive impact initiatives).

3.2.1.3 *Belong:* promoting diversity, equity and inclusion

Policies

The Bel Group is committed to fighting all forms of discrimination, striving for diversity and inclusion, and promoting equal opportunity when hiring and throughout the careers of its employees, in line with its culture and values.

In 2023, the Group reached a milestone in its DEI (Diversity, Equity and Inclusion) policy when it launched its "We all Belong" program aimed at all employees. The principles of this program are set out in a Group Charter[1], which has been signed by the Executive Committee and communicated to all employees. It is available on the Group's website.

Action plan

"We all Belong" program

The "We all Belong" program was launched in 2023 to ramp up the focus on diversity, equity and inclusion, in line with the Group's core value of "Care" and its "For all" identity. For Good" identity.

The program's objectives and the benefits of a DEI policy are many and varied, including enhancing employee well-being, attracting and retaining talent, and meeting our consumers' expectations.

The program is built around three pillars:

- Diversity: daring to recruit and develop people in order to better reflect the communities the Group works with and for;
- Equity: committing to equal opportunity for all;
- Inclusion: caring for each other in an inclusive workspace where everyone can stand out and flourish.

The "Belong" ambition has been disseminated among the Group's 150 leaders, and 60 sponsors have been identified within the Management Committees of the plants, sales units and corporate functions, to develop local roadmaps and promote the topic. The program was presented to all employees in October 2023, leading to the forming of a network of 120 activists who volunteered to tackle the issues of diversity, equity & inclusion.

The Executive Committee defined three priorities at Group level, selected after a detailed analysis of internal data and the results of the engagement survey: gender diversity, cultural diversity and inclusion.

Gender diversity

The action plan carried out over the last five years achieved gender parity among managers (46%). Parity within the Executive Committee has also been achieved since 2022.

At executive level, the Group continues to make progress, increasing the proportion of women in top management from 27% in 2022 to 30% in 2023; however, a glass ceiling remains. By 2030, the Bel Group aims to achieve gender parity among managers, with a minimum of 40% of management positions held by women and 40% by men. The remaining 20% will be open to any gender, offering flexibility for the organization and the various functions.

To strengthen the Group's ambition in this area, the definition of "top management" has been broadened to include the management teams of the plants and sales entities.

This goal will be achieved thanks to the "reset" of all Human Resources policies, begun in 2023, to make them more diverse, equitable and inclusive. In hiring, for example, the rule since July 2023 is to propose a selection of four candidates, with gender parity. In terms of talent development, training and mentoring programs for women have also been set up, in addition to existing management and leadership training accessible to all.

Bel has also become a major partner of the LEAD Network since October 2023, joining forces with other players in the mass market products sector to address the key issue of gender balance.

Specific actions in France

In France, an agreement to promote skills development and diversity was negotiated and signed in 2021 for a three-year period. This agreement covers measures pertaining to gender equality in the workplace, the hiring of young people and retention of older employees, and employment and skills management planning.

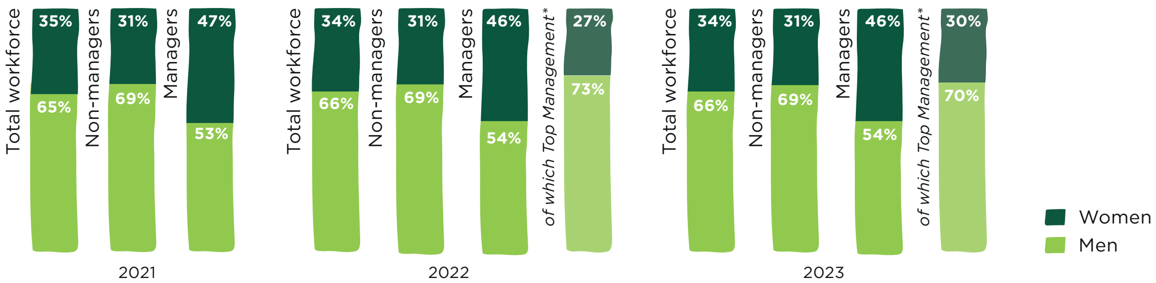
In addition, as a company with more than 1,000 employees, Bel met its obligation in France to publish its gender equality index. In 2023 in France, the Bel group (cheese business) scored 99/100, unchanged from the previous year. The Materne® brand scored 92/100, stable compared to 2022, and the Mont-Blanc® brand was up sharply, scoring 97/100.

Finally, to help curb inequalities, the Bel Group has signed collective bargaining agreements to maintain pay after maternity or paternity leave, allowing:

- the elimination of the seniority condition for 100% salary continuation during paternity leave in France, as of August 2021;
- employees in France returning to work after maternity leave to work on a half-time schedule for the first week while receiving 100% of their salary, from May 1, 2022.

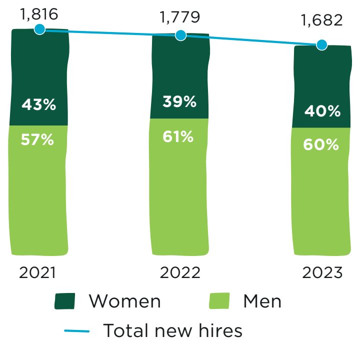
(1) bel-di-charte-fr.pdf (groupe-bel.com)

Breakdown of workforce by gender



* To strengthen the Group's ambition in this area, the definition of Top Management was broadened in 2023 to include the management teams of the plants and sales entities.

Breakdown of new hires by gender



Gender breakdown by grade	2021	2022	2023
Board of Directors[(a)]	5/2	5/2	5/2
Executive Committee[(a)]	3/3	5/4	5/4
Leaders[(b)]	[(d)]	73% / 27%	70% / 30%
Managers excluding Leaders[(c)]	[(d)]	53% / 47%	53% / 47%
Grade 1	68% / 32%	66% / 34%	68% / 33%
Grade 2	72% / 28%	73% / 27%	70% / 30%
Grade 3	56% / 44%	57% / 43%	58% / 42%
Grade 4	56% / 44%	55% / 45%	53% / 47%
Grade 5	50% / 50%	52% / 48%	53% / 47%
Grade 6	49% / 51%	52% / 48%	53% / 47%
Grade 7	55% / 45%	53% / 47%	51% / 49%

(a) Absolute values.
(b) Ratio of male and female leaders corresponding to employees at grades 0, 1, 2 and grade 3 personnel, if included in the "generic job codes" (1502 – Industrial Manager, 1503 – Plant Manager, 326 – Cluster General Manager, 33 – Country General Manager, 35 – Country Manager).
(c) Ratio of men and women corresponding to other Managers, employees included under "Employee Status."
(d) New addition in 2023 for which no historical data is available for 2021.

Cultural diversity

The Group aims to foster cultural diversity, in particular by encouraging diversity of nationalities among the head office teams who serve our subsidiaries worldwide. By 2030, the Group is targeting an increase in the diversity of nationalities in our corporate teams, with up to 30% of senior managers coming from countries other than France, compared with 11.6% in 2023 and 8.9% in 2022.

This objective will be achieved in particular through the overhaul of Human Resources policies begun in 2023, among other things, by promoting synergies between functions and geographical areas.

Inclusion for all

The Bel Group seeks to offer an inclusive workplace where all employees can flourish, express themselves and achieve their full potential.

Between now and 2030, the Group is targeting an "Inclusion" score of 85/100 measured in the annual "Your Voice" engagement survey, compared with 77/100 in 2023.

In 2023, efforts were focused on raising awareness of unconscious bias, with 100% of leaders having completed online training on the subject. This training will be rolled out to the rest of our employees from 2024 onwards.

The goal of inclusion will also be supported in 2024 by a program to encourage all employees to prevent and report inappropriate behavior at work. There will also be a major redesign and communication campaign on the anonymous whistleblowing line available to employees (see Chapter 3.1.5 – Vigilance Plan: the Bel Ethics Line alert system).

Disability policy specific to the France scope.

Bel is determined to be a committed player in the employment and inclusion of people with disabilities.

In 2022, Bel and its social partners renewed the agreement with the aim of achieving a minimum employment rate of 6% of employees with disabilities across all its sites in France and enabling persons who are disabled or who could become disabled to work in an environment conducive to their professional and personal development. In France, the rate of employment of people with disabilities was 5.02% in 2022[1].

In 2023, the Group took part in the "Duo Day" initiative in France to enable disabled workers to immerse themselves in Bel's businesses. One out of four job offers was filled.

In addition, Bel works with numerous institutions in France that provide work to people with disabilities (known as "ESATs" or "EAs"), along with schools and organizations such as Pôle Emploi and Cap Emploi, most of which are based close to the Group's sites. These activities may include grounds keeping, printing, waste sorting, food service work in cafeterias, reception desk staffing or jobs related to operations at Bel plants, such as co-packing.

Selected key performance indicator

Bel's objectives	KPI	2021	2022	2023	2025 objective	Progress	2030 objective
Promote gender diversity and inclusion	Percentage of women in Top Management[(a)]	31%	27%	30%	35%	☺	40%
Strengthen the sense of inclusion	Sense of inclusion according to the "Your Voice" survey (out of 100)	(b)	(b)	77	(b)	(b)	85

(a) As part of the new employee value proposition, the definition of "top management" has been broadened to include the Executive Committee, as well as grade 1, 2 and 3 industrial site and country managers.
(d) New indicator in 2023 for which no historical data is available.

(1) Data for 2023 will be available from April 2024.

3.2.1.4 *Become*: Developing employees' skills

Policies

The Bel Group is committed to the growth and development of its employees' skills. This commitment is reflected in new opportunities for employees and managers to engage in conversations around development and practical actions, included in the Group's HR policies for all employees.

Action plan

New opportunities for talent development

In 2023, the "Talents@Bel" program was launched with the ambition of revealing and developing employees' talents to boost their impact on the business both today and tomorrow.

To best support the development of its employees and enhance their employability, Bel has carved out a special time for managers and employees to talk about their development, through "development conversations." These conversations are a key opportunity to discuss our employees' development and align it with the appropriate development journey (Individual Development Plan – IDP). Employees are thus able to express their aspirations, gain visibility over their development at Bel and build a development plan that aligns with their objectives. This new time for dialog was initially introduced in 2023 for employees connected to the Group platform excluding the Squeeze business. The aim is to extend it to non-connected employees and to the Squeeze scope.

For Bel, this is an opportunity to develop employees' skills, and to encourage their personal development and commitment. These conversations also cover professional and/or geographical mobility, as well as career development.

The Group firmly believes that talent can be developed in many ways, depending on each individual's aspirations, not only through training, but also by working with peers or through hands-on experience.

In 2023, 73% of Group employees took part in at least one development action during the year.

Practical actions to support development

Several initiatives have been rolled out to create the conditions for a learning organization that enable its employees to hone their skills and advance their careers. Each year, Bel University communicates its major themes and strategic orientations in a cross-cutting way, from both a cultural and a business perspective. This non-exhaustive note sets out our priorities for training, taking into account the needs of employees and the key skills and business knowledge that the Group seeks to develop.

Accordingly, to adapt our skills and support our businesses in their transformation, the Group is highlighting new topics in its training programs through the use of artificial intelligence (AI). Our in-house "Bel GPT" tool has been launched to streamline the simplest tasks, allowing employees to focus their attention on higher value-added activities. The first pilot training sessions were launched in 2023, and these will be more widely offered in 2024.

In 2023, Bel University organized an event called the "SkillUp Festival," to help all employees develop their skills through lectures, events and panel discussions on important topics of interest to them.

Follow-up of development actions	2021	2022	2023
Eligible employees (a) having had a development conversation (%)	(b)	(b)	55%(c)
Individual performance reviews			
Eligible employees (a) having completed their individual performance self-assessment (%)	(b)	(b)	94%(c)

(a) Eligible employees are those employed by the Group under permanent or fixed-term contracts at the time of the survey.
(b) As part of the new employee value proposition, this was a new indicator in 2023 for which there is no historical data.
(c) Excluding Squeeze business and non-connected employees.

Selected key performance indicator

Bel's objectives	KPI	2021	2022	2023	2025 objective	Progress	2030 objective
Develop our employees' talent	Percentage of employees who took part in at least one development action during the year;	(a)	(a)	73%	(a)	(a)	100%

(a) New indicator in 2023 for which no historical data is available.

3.2.1.5 *Believe:* Involving employees in positive impact initiatives

Policies

As a committed employer, Bel wants to enable its employees to get involved in issues that have a positive impact. This commitment is concretized in the invitation to get involved in environmental, social or societal causes, as part of cooperative ventures with associations or through volunteer work. In addition, the Group ensures that this collective commitment is encouraged and rewarded through an appropriate compensation package.

Action plan

Employee engagement survey

To obtain a clearer picture and assessment of its employees' level of commitment, Bel conducts satisfaction surveys. Your Voice, the employee engagement program launched in 2021, allows employees to express their opinions anonymously and enables managers, leaders and heads of human resources to gather transparent feedback and draw up action plans, at both Group and local level. This survey is carried out annually at Group level: ad hoc surveys may also be organized on specific topics.

In 2023, the Your Voice survey recorded a very high participation rate of 83%. This one-point drop compared to last year is explained by a shorter survey duration in 2023. This was done in order to reduce the workload associated with carrying out the survey in the plants. Covering 18 pillars, this survey measured an employee engagement level of 77%, higher than the external benchmark of 75% and up one point on 2022 for the second year in a row. The target has therefore been reached two years ahead of schedule. The Group now aims to maintain at least this level of engagement among its employees.

Based on the analysis of the results of the *Your Voice* survey, the Chief People Officer shares the main strengths and potential areas for improvement, along with action plans, in a Group communication.

Actors for Good

The Actors for Good program, launched in 2021, aims to raise employees' awareness of social responsibility issues and encourage them to get involved in initiatives with a positive impact.

The Group has thus committed to training as many employees as possible in climate change, notably through La Fresque du Climat, a collaborative workshop based on the IPCC reports that aims to raise awareness and develop individual or collective solutions. In 2023, a total of 2,758 employees were trained, bringing the overall number of Group employees trained in La Fresque du Climat to almost 4,100 since 2021.

In parallel, as the program is also committed to turning employees into volunteers, several opportunities are offered to them:

- The "Days for Good" are social solidarity days organized by the Group in partnership with the Bel Foundation. Employees can volunteer some of their time to a partner association, with the aim of helping that association in a concrete way. In 2023, over 2,000 employees at 37 sites in 22 countries participated.
- the rounding of salaries, which enables several hundred employees in France to financially support one of three associations supported by the Foundation. Through an automatic deduction directly from their salaries and matched by the Bel Group, these donations help fund projects for children in need.
- use of the Vendredi social commitment platform in France, which invites employees to get involved in major social and environmental issues, at work or in their free time. The platform offers different options for taking action such as volunteering or skills sponsorship, team building around social solidarity, etc.
- The Bel Foundation regularly calls on the Group's employees to take part in choosing and implementing the projects it supports.

Financial incentives for employees' CSR performance

Variable compensation is also a way for the Group to motivate all managers eligible for variable pay to improve the Group's sustainable development performance. At least 30% of the total variable compensation is contingent on meeting non-financial objectives in connection with its CSR strategy:

- 10% on meeting reduction targets for Scopes 1 and 2 CO_2 emissions;
- 10% on health and safety criteria, particularly the number of accidents.
- Since 2023, bonuses have also included a 10% component linked to DEI objectives. These include the communication by all entities of their DEI commitments and indicators, the integration of best practices in hiring and talent management policies, and manager training.

In France, profit-sharing agreements also include occupational health and safety criteria, which account for 40% of variable compensation.

Moreover, the share-based compensation plan for the top 100 corporate officers is also similarly indexed to these health and safety criteria and to the reduction of the Group's carbon footprint.

Selected key performance indicator

Bel's objectives	KPI	2021	2022	2023	2025 objective	Progress	2030 objective
Promoting a positive dialog	Employee engagement (Your Voice) (out of 100)	74 [a]	76	77	77	☺	80

(a) Excluding Squeeze.

3.2.2 Promoting responsible practices with its suppliers and partners

Definition of the challenge and risks

As the standard bearer for a responsible business model, Bel's relationship with its suppliers is key. Mindful of the social and environmental impact of its supply chain, and the associated risks for Bel and its stakeholders, the Group is committed to sustainable and ethical purchasing management. Indeed, purchasing that does not provide for transparency and accountability can lead to operational risks, especially to reputational and legal risks.

The Group strongly believes that it is possible to combine rigorous management with exemplary practices, profitability, integrity, growth and ethics. This approach is at the heart of the Group's Sustainable Purchasing Charter.

In light of the specific nature of the issues related to the dairy upstream and their strategic importance for Bel, the measures taken to promote responsible practices among milk and apple producers are presented in a dedicated chapter (see Chapter 3.5 – Promoting sustainable and regenerative agriculture).

Policies

For over ten years, the Bel Sustainable Purchasing Charter[1] has set forth the Group's commitments to its partner suppliers, as well as its expectations from them, in matters related to the environment, labor and business ethics.

This Charter, which applies to all Group entities, was updated in 2023 to strengthen its requirements on biodiversity, animal welfare, waste reduction, working conditions and human rights, including the elimination of forced and mandatory labor and human trafficking, as well as the confidentiality of personal data.

The Charter is based on the Fundamental Conventions of the International Labour Organization (ILO), as well as international human rights legislation. It stipulates that suppliers must put systems in place to ensure compliance with the principles that follow, at their own sites and those of their suppliers, and must not be complicit in human rights abuses.

In addition, the Group has a Code of Good Business Practices[2] that sets out basic common rules to be applied in relations with every employee in its value chain, in all the countries where it operates (see section 3.1.4 – Ethics: a common foundation for conducting business).

Beyond the Sustainable Purchasing Charter and the Code of Good Business Practices, the Group works in partnership with its suppliers to develop projects that contribute to fulfilling these commitments, thus promoting a model that creates value for all.

Governance

Governance of the Sustainable Purchasing policy is carried out by a team attached to the Group Purchasing Department, and buyers are responsible for the policy's practical implementation. The Purchasing Management Committee at Bel monitors progress in the Group's sustainable purchasing performance on a quarterly basis.

Action plan

The Sustainable Purchasing policy is built around identifying risks, assessing suppliers' CSR performance, supporting suppliers and partners in their continuous improvement plans, and the training and compensation of buyers.

Identification of risks in the supply chain

As part of its CSR policy and in compliance with the Duty of Vigilance law, in 2022 the Group updated a map of CSR risks linked to its supply chain, based on external data. This work enabled us to refine the identification of purchasing categories and geographic areas requiring particular vigilance.

In 2023, the reinforcement of certain existing systems was initiated, in order to better identify risks in the value chain and deploy more effective supplier assessment and control systems (see Chapter 3.1.5 - Vigilance plan).

(1) For more information, the Bel Sustainable Purchasing Charter is available on the corporate website: (https://www.groupe-bel.com/wp-content/uploads/2023/07/sustainable-purchasing-charter-2023-1.pdf [groupe-bel.com]).
(2) For more information, the Code of Good Business Practices can be viewed on the Group's website (https://www.groupe-bel.com/wp-content/uploads/2020/03/code-of-good-business-practices-2020-en-planche.pdf)

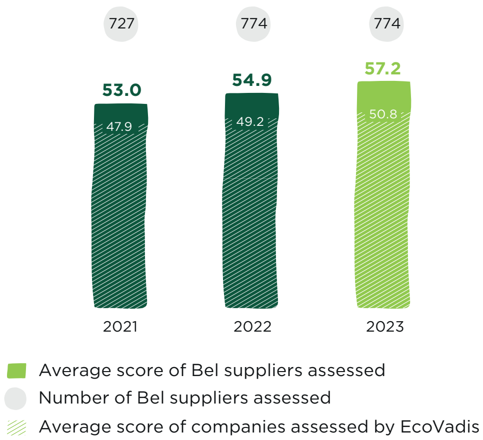
Assessing suppliers and partners

Since 2009, the Group has assessed the CSR performance of its key suppliers and subcontractors in terms of their business volumes, the risks associated with the products/services supplied or their location. These assessments, carried out in cooperation with EcoVadis, a sustainable purchasing specialist, are based on 21 criteria grouped into four themes: environment, labor law and human rights, ethics and sustainable purchasing. The Bel Group requires its suppliers to be re-assessed every two years. In the event of poor performance or non-compliance, the Group may require a corrective action plan and an early re-assessment.

Since 2023, the Cheese and Fruit activities have been monitored on a single EcoVadis platform, enabling the tools and practices to be shared. With an average score of 57.2/100, up 2.3 points on last year, the CSR performance of Bel's suppliers is still above that of the peer panel assessed by EcoVadis (average score of 50.8), and it was achieved two years ahead of the target the Group had set itself for 2025.

EcoVadis supplier assessment (score out of 100)

(excluding milk and apples)



Finally, as a proponent of a responsible business model, Bel also has its CSR performance assessed by EcoVadis. In 2023, for the second year in a row, Bel received the EcoVadis Platinum Medal, corresponding to the highest level of recognition for CSR performance, with a score of 81/100.

The Group is thus ranked in the top 1% of the world's best-rated companies across all sectors.

Driving progress with suppliers and partners

To encourage supplier adherence to the Sustainable Purchasing Charter and the Code of Good Business Practices, buyers are asked to include a "CSR and Ethics" clause in invitations to tender and contracts. This clause is also included in the Group's general purchasing terms and conditions.

The challenge for the Purchasing teams is to sensitize their suppliers to the subjects identified as essential by Bel (environmental, social, human rights, ethics, and sustainable purchasing), and to ascertain their ability to act sustainably through responsible practices.

Accordingly, beyond the overall EcoVadis score, and with the aim of continuing to improve suppliers' CSR performance, the Purchasing teams have selected five sub-indicators to be monitored, which reflect both the Group's CSR challenges and the EcoVadis assessment areas.

- environment: actions on energy consumption and GHG and reporting on CO2 emissions;
- labor law and human rights: actions on employee health and safety;
- ethics: policy on corruption;
- sustainable purchasing: CSR audits or supplier assessments.

Between 2022 and 2023, all five of these sub-indicators show a marked improvement. The most noteworthy developments among suppliers are: the deployment of actions on energy consumption and GHGs; the acceleration of CO2 emissions reporting; and the implementation of a policy on corruption.

Since 2016, Bel has been a member of the EcoVadis PROGRESS sector initiative, in which members work jointly to improve CSR performance in the FMCG sector supply chain and thus to create a synergy effect. Members share their suppliers' EcoVadis assessments on the platform, which simplifies processes and prevents the duplication of effort for members and suppliers alike. By the end of 2023, nearly 12,000 assessments had been shared within this initiative.

In 2023, the Group also signed up to the Carbon Action Module offered by EcoVadis, which assesses suppliers' maturity in terms of decarbonization. In addition, in collaboration with the PROGRESS initiative, the Group launched a free learning program for suppliers on energy and GHG emissions. This program, coordinated by EcoVadis, started up in the fourth quarter of 2023 and will run for six months.

At the same time, Bel launched an action plan this year with its joint-manufacturing partners to improve the monitoring of environmental indicators (notably water, electricity and gas consumption, and CO_2 emissions), with the goal of improving their performance and meeting the Group's SBTi commitments for its Scope 3 (see Chapter 3.4.2 – Fighting against climate change).

Finally, with regard to social issues, some of our co-manufacturing partners were also given access to safety training by Bel, to reduce the risk of accidents in the plants.

Encouraging buyers to be stakeholders in the Group's sustainable purchasing approach

Buyer training

For several years now, the Group has been offering sustainable purchasing training to all its buyers, the aim of which is to demonstrate how to integrate CSR and EcoVadis assessments across the purchasing process, and thus improve supply chain performance. New buyers must complete this training within their first three months on the job.

Since 2022, the EcoVadis Academy has offered e-learning training programs covering a wide variety of CSR-related topics, enabling buyers to improve their knowledge and practices. Suppliers assessed by EcoVadis are also given access to these training programs.

In 2023, Bel's buyers were trained to use the EcoVadis Carbon Action module to proactively support improvement in the carbon maturity of the Group's supply chain.

Variable compensation for buyers

For the past 10 years, buyers' variable compensation has been partly based on the improvement in the average EcoVadis score.

In 2023, to jump-start the process of recovering environmental data from the value chain, a new objective was added involving the collection of indicators (via the EcoVadis platform) from suppliers on GHG emissions, energy consumption and water management.

Selected key performance indicator

Bel's objectives	KPI	2021[b]	2022 [c]	2023 [d]	2025 objective	Progress	2030 objective
Promoting social and environmental best practices among its suppliers	Average EcoVadis supplier score (out of 100) [a]	53	54.9	57.2	55 [e]	☺	65

(a) Excluding collected milk and apples.
(b) Suppliers assessed between 2018 and 2021.
(c) Suppliers assessed between 2019 and 2022.
(d) Suppliers assessed between 2020 and 2023.
(e) The 2025 target had been set in 2017 for the Cheese segment only. Since combining the Cheese and Squeeze segments in 2023, a common target was defined for 2030.

3.2.3 Being a key and committed partner for its customers

Definition of the challenge

Grocery stores and mass retailers are the first point of contact between Bel products and consumers. These spaces offer a unique opportunity to raise consumer awareness of the Group's environmental and societal commitments. This is why Bel considers the relationship with its customers to be essential in order to bring its *For All. For Good.* identity to life and showcase its products in stores.

Policies

This vision is embodied in the "Win for good in all stores" policy, which aims to make its sales teams ambassadors of Bel's commitment and to work closely with its customers on projects reflecting their shared commitments. The "Sales for Good Manifesto" sets out this committed ambition, as it brings together the fundamental CSR commitments of Bel's sales teams.. It is distributed to sales teams around the world and signed by all sales managers.

Governance

The governance of customer relations at Bel is ensured by a corporate-level sales team and sales teams in each commercial entity around the world.

On CSR issues, the corporate team helps local teams to assimilate the Group's CSR commitments through training content for sales forces and CSR communication tools for customers. Local teams are responsible for sharing the Group's CSR commitments with their customers and jointly creating CSR action plans with their business partners.

Action plan

Working with trusted partners

In accordance with applicable regulations (Sapin II and Duty of Vigilance laws) and to ensure that it is working with trusted partners who share the Group's ethical values, Bel implements a number of measures to improve its knowledge of its customers. With these measures, the Group is sure to be notified if any of its retailers, customers or agents is convicted, politically exposed or added to an embargo or blacklist. When appropriate, the logistics service providers and banks in some countries are also covered by these measures.

Developing partner relationships with its customers

Bel wishes to develop and maintain close relationships with its customers. To better manage these relationships, the Group relies on the Advantage Survey, which provides a benchmark for measuring the satisfaction of business partners.

To stay in tune with its customers' expectations, Bel aims to be ranked among the top five retailer suppliers by 2025, in all the Group's countries.

In 2023, Bel was already among the top five suppliers preferred by retailers in eight out of ten surveys carried out. It ranked first in the French market for the third year running, despite the inflationary context. The number of surveys carried out decreased between 2022 and 2023, as two surveys planned in the United States were postponed to 2024.

Also in 2023, Bel set up the Customer Week event in the Azores. This gathering provided an opportunity to communicate the Group's CSR commitments to customers and raise awareness of the regenerative farming practices promoted by the Group (see Chapter 3.5 – Promoting sustainable and regenerative agriculture).

Making our sales teams CSR ambassadors for our customers

As the sales teams are the first point of contact for the Group's customers, training these teams and making them aware of CSR issues and Bel's commitments is a priority. As a result, the Group has rolled out a CSR training program with a particular focus on climate, dedicated to and specifically adapted for the sales teams. This training was delivered to around 350 people worldwide, i.e. 65% of the target population by the end of 2023.

In addition, Bel set up a Junior Sales Activist Board, which met monthly for a year to define the priority commitment topics for the sales teams worldwide. A "Sales for Good Manifesto" details these commitments, which include training, regularly communicating shared responsibility with customers, promoting team safety, diversity and inclusion, and reducing the carbon footprint. In 2023, the "Sales for Good Incubator" was set up, resulting in the selection of three impact projects in three of the Group's key operating regions. These included a project to reduce the rate of point-of-sale advertising in Portugal, a reforestation project in Spain, and a job placement project for young graduates in Egypt. Bel's goal is to accelerate the performance of these positive-impact projects.

Leading joint projects with customers and positioning itself as a pioneer in tomorrow's business negotiations

Bel works with its customers in the countries where it operates to set up projects aimed at publicizing its commitments and working together to achieve a sustainable food transition. In 2023, Bel notably continued in the following partnerships:

- The Gigaton project initiated by Walmart, to which Bel responded by committing to a trajectory of CO_2 emissions reduction (see Chapter 3.4.2 – Fighting against climate change);
- the "10x20x30" program in partnership with the Consumer Goods Forum to reduce food waste (see Chapter 3.6.1 – Fighting food waste and losses);

In 2023, Carrefour and Bel signed a landmark agreement in support of the food and climate transition, reaffirming their collaboration on societal and environmental issues through initiatives such as Carrefour's Food Transition Pact, and the 20 Megatons platform on Scope 3 indirect emissions. Through this agreement, the two Groups aim to promote a wide range of products corresponding to all consumer needs, increased support for the dairy industry with higher milk prices, and management of commercial indicators that take into account changes in the carbon footprint of Bel products sold at Carrefour.

Selected key performance indicator

Bel's objectives	KPI	2021	2022	2023	2025 objective	Progress	2030 objective
Become a key and committed partner for its customers	Number of surveys in which the Group is identified as a best-in-class partner (Advantage Survey)[(a)(b)]	75%	83%	80%	100%	😐	100%

(a) Ten "Advantage Surveys" carried out in 2023 in France, the UK, Portugal, Canada, Spain, Slovakia, Belgium and the Netherlands. In 2025, our ambition is to be ranked among the Top 5 by our partners, then in the Top 3 by 2030.

(b) Excluding Squeeze.

3.2.4 Developing positive products and responsible communication with consumers

Definition of the challenge and risks

Bel products are consumed by millions of people around the world, many of whom are children. That trust confers great responsibilities on the Group and its brands: to develop positive products and to communicate responsibly and transparently. By developing a positive product offering, the Group is confident that it is promoting lifestyles that are more sustainable for people and the planet. By integrating social and environmental issues into its messaging, the Group is seeking to promote more sustainable food and thus have a positive impact on the health of its consumers. Legal, operational and financial risks may arise from changes in recipes and the wording of statements on labels and in communications to consumers, if these are not conveyed correctly. The great challenge is thus to ensure that consumers have the right information to make the right decisions. By communicating responsibly and transparently about its products, Bel aims to strengthen the trust and credibility of its brands.

Policies

Bel adopted a Responsible Communication Charter in 2009, encouraging the Group to promote healthy eating habits (e.g. suitable portion sizes and active lifestyles) across all its communication channels. This charter covers communication in all its forms (advertising, group communications, packaging, digital channels, etc.). The Group is working to adapt best practices to the specific local conditions of each country in order to roll out the charter to all entities. At the same time, the Group is going beyond applicable regulations and working to ensure proper guidelines for communicating environmental and social information.

Governance

The various departments at the Group (Marketing, Nutrition, CSR, Legal, Communications) work actively from the brand communication design stage to ensure the truthfulness of the information imparted and its compliance/alignment with Group principles. This joint effort ensures compliance with applicable regulations and transparency for consumers.

Bel's ambition is to continue empowering its global and local marketing teams to ensure responsible communications at all levels of the business.

Action plan

Developing "positive" products

Since 2018, the Group has used a "positive" products indicator to measure the progress of its product portfolio that addresses the challenges of the food transition. This indicator supplements the "positive recipes" indicator (see Chapter 3.3.2 – Improving the nutritional quality of its products), by associating nutritional and environmental criteria. A "positive" product is thus one that addresses both a nutritional challenge (Bel Nutri+ compliant or containing a maximum of one additive) and an environmental sustainability challenge, made from milk from cows that are pasture grazed or fed with GMO-free feed or organic milk, or whose packaging is recyclable and/or home-compostable or whose carbon intensity (kg CO_2 eq./metric ton of finished product) is in line with the Group's 2035 commitments.

In 2023, the Squeeze scope was factored into the calculation of "positive" products. The two activities combined bring the result to 51% of the Group's sales.

Communicating responsibly

A dedicated tool called "Validcom" enables the departments in question to review and validate all types of communication materials (e.g. packaging, television commercials, in-store promotions, digital channels) for the Group's entire brand portfolio.

Communicating responsibly to children

Bel is particularly careful when it comes to messaging aimed at children (see Chapter 3.3 – Contributing to healthier and more sustainable food). That is why, in addition to the Internal Nutrition Communication Charter, the Group has joined the voluntary European movement of EU Pledge. Through this initiative, the Group pledges not to advertise any products that do not meet the nutritional criteria of the EU Pledge (Nutrition White Paper[1]) to children under the age of 12 via television, the press or digital channels.

Taking diversity and inclusion into account in the Group's campaigns

The brands are the ambassadors of the Group's identity: For All. *For Good.* They are the Group's best communication channels on sustainability issues. The Group's CSR commitments feed into the brands' messaging and enhance their credibility.

In 2023, the Group became a member of the World Federation of Advertisers (WFA), which led to the joint development of a Diversity and Inclusion Charter for advertisers.

Communication about environmental issues to consumers

Each of the Group's core brands has developed a CSR action plan, as well as its role in promoting social responsibility as a brand, identifying the priorities on which it can communicate to consumers. The brands are thus ambassadors for the Group's sustainability and play a key role in its communications.

For example, in 2023, the Kiri® brand, in partnership with the World Wildlife Fund (WWF) France, ran a campaign called, "Devenez les gardiens de la biodiversité" ("Become guardians of biodiversity") on its packaging to raise consumer awareness of insect conservation. The Kiri®, Boursin® and Babybel® brands ran a powerful communications campaign to raise consumer awareness of the importance of generational renewal, and to support young partner producers in getting set up. This campaign leveraged influencers and promotional packaging featuring the faces of young farmer partners.

Bel has also published its GHG emissions data since 2022 on the OpenClimat[2] platform, which is the reference for businesses' climate action, as well as on the Nota Climat app, which also provides an overview of companies' climate commitments. Consumers thus have quick and easy access to the Group's performance and its decarbonization action plans.

(1) https://eu-pledge.eu/wp-content/uploads/EU_Pledge_Nutrition_White_Paper.pdf
(2) https://www.openclimat.com/en/profile/bel

Secure digital communications

The Group places significant emphasis on the integrity of its digital communications. Since 2023, it has employed the Integral Ad Science (IAS) tool to ensure the secure, accountable, and non-fraudulent distribution of its digital communication campaigns. This approach guarantees that Bel's advertisements are showcased in a secure and appropriate environment, reaching the intended audience through an optimized supply path. Furthermore, Bel is seeking to adopt a more holistic approach by joining the Global Alliance for Responsible Media.

Actions to reduce the environmental impact of campaigns

Reducing the carbon footprint of its communications is a significant priority for the Group. To this end, it is working on a comprehensive set of guidelines and action plans. The objective is to reduce GHG emissions throughout the entire process of developing marketing and communication campaigns, spanning from campaign production to data hosting and distribution (see Chapter 3.4.2 - Fighting against climate change).

In 2023, a pilot project was conducted in France to assess the carbon impact of a Kiri® advertising campaign. In collaboration with Havas, Publicis and ImpactPlus; the project revealed that the reduction measures proposed by ImpactPlus enabled a 40% decrease in the campaign's carbon footprint. Looking ahead to 2024, the Group intends to roll out similar initiatives on a larger scale and will establish marketing-level targets accordingly.

Furthermore, Bel actively engages in the Planet Impact Forum and has been a signatory member of the World Federation of Advertisers (WFA) "Planet Pledge" since 2023. This pledge underscores Bel's commitment to promoting the transformation of marketing practices to make communications more responsible in terms of environmental impact. The Planet Pledge aims to give marketing a leading role as an agent for environmental change through four key measures targeted at the marketing departments:

- Commit to being a champion for the global Race to Zero campaign – which aims to achieve Net Zero Carbon emissions by 2050 at the latest – both internally and by encouraging partners to do the same;
- Provide tools and guidance to marketing employees and partner communications agencies to promote climate action;
- Harness the power of Bel's marketing communications to drive more sustainable consumer habits;
- Reinforce the relationship of trust between the brand and its consumers through marketing actions that align with their expectations in terms of sustainable transformation.

Selected key performance indicator

Bel's objectives	KPI	2021	2022	2023	2025 objective	Progress	2030 objective
Offer "positive" products to consumers	Share of revenue generated by the sale of "positive" products [(a)]	[(b)]	50%[(c)]	51%	[(b)]	[(b)]	[(b)]

(a) To be considered positive, products must meet "positive" recipe nutrition criteria AND one of the following environmental criteria: organic milk; recyclable and/or home compostable packaging; or carbon intensity thresholds.

(b) Methodology for the indicator initiated in 2021. Inclusion of the Squeeze segment in 2023 with a target to be set.

(c) Excluding Squeeze.

3.2.5 Promoting responsible financing practices among investors

Definition of the challenge

Bel is committed to building a responsible and profitable business model and firmly believes in the importance of combining financial and non-financial performance and aims to promote more responsible financing practices. This is why the Group embarked in 2017 on setting up credit lines that put its environmental and social objectives at the heart of its financing strategy.

Action plan

Since 2017 the Bel Group, with the support of its lending banks, has chosen to include environmental and social impact criteria in its credit facility, based on the achievement of objectives stemming from its CSR strategy for 2025. The amended line of credit includes duty of good-faith performance: in the event that objectives are not met, the Bel Group agrees to take corrective actions through direct investments or financing of non-profit associations or non-governmental organizations.

This agreement makes Bel the first group in the dairy industry to voluntarily index its sustainable development performance to a credit line.

In 2019, following on from its first financing transaction with non-financial objectives, the Group completed a private placement (EURO PP) that included environmental and social criteria.

The environmental and social criteria relate to the achievement of objectives for the two pillars of its sustainable development strategy:

- deployment of an effective action plan for a sustainable dairy upstream sector;
- reduction of its GHG emissions: the Group is committed to rolling out an ambitious plan with targets set annually until 2028.

Results in 2023 for the financing transaction with environmental and social impact criteria (Euro PP)

	Definitions	Goal for December 31, 2023	Results as of December 31, 2023	Goal met
Dairy upstream [(a)]	*The Bel Group pledges to define and deploy to its 10 dairy supply basins a "Sustainable dairy upstream" program to improve the sustainability of the dairy sector (see Chapter 3.5.2 – Taking action for a sustainable dairy upstream)*	Formalized monitoring of adherence to the roll-out schedule by the "Roll-out" steering committee	100% compliance with commitments	☺
Reduction of greenhouse gas emissions(a)	*Greenhouse gas emissions ratio: GHG emissions in kg CO_2 (Scopes 1 and 2) per metric ton produced. Benchmark indicator: Pro-forma indicator calculated on December 31, 2017 using the new indicator format (with a denominator in metric tons produced) (see Chapter 3.4.2 – Fighting against climate change)*	– 25%	– 35%	☺

(a) Indicators considered in the reasonable assurance report on selected social and environmental indicators.

In September 2022, Bel signed the refinancing of its multi-currency revolving credit facility for a total of €550 million, which again includes environmental and social impact criteria. This facility was arranged by a consortium of 11 banks or groups of banks, which have once again confirmed their confidence in the Group's commitments.

At the same time, also in 2022, the Bel Group demonstrated its leadership in sustainable financing with the implementation of its Sustainability-Linked Financing Framework. This framework now offers Bel the possibility to structure all of its financing in a sustainability-linked format. This financial innovation reflects the Bel Group's desire to manage its development by integrating both financial and ESG criteria to ensure the company's sustainability.

This framework has been independently assessed by Moody's ESG Solutions and has received a positive opinion attesting to the ambition of the objectives set:

- reduce Scopes 1 and 2 GHG emissions (see Chapter 3.4 – Fighting for the planet);
- reduce Scope 3 GHG emissions (see Chapter 3.4 – Fighting for the planet);
- develop carbon diagnostics and action plans for milk producers (see Chapter 3.5 – Promoting sustainable and regenerative agriculture);
- contribute to healthier, more sustainable food on its core brands for children and families (see Chapter 3.3 – Contributing to healthier and more sustainable food).

In 2023, Bel announced the success of two transactions based on non-financial criteria in line with its Sustainability-Linked Financing Framework:

- in January 2023, a multi-currency, multi-tranche "Sustainability-Linked Schuldschein Loan" for an amount of €195 million and US$120 million with major European and international institutions;
- in December 2023, a sustainability-linked private bond placement for €135 million on the Euro PP market.

Chapter summary

Highlights of 2023

- Restructuring the "Employee Value Proposition" around four pillars: "Be Well, Belong, Become, Believe."
- Group-wide "Living Wage" certification awarded by the Fair Wage Network.
- Launch of the "We all Belong" Diversity, Equity and Inclusion program.
- Update of the Sustainable Purchasing Charter.
- Signature with the Carrefour Group of an innovative commercial agreement supporting the food and climate transition.
- Two initial financing transactions executed in accordance with the Sustainability Linked Financing Framework validated by Moody's ESG Solutions.

Priorities for 2024

- Continuation of actions launched as part of the new "Employee Value Proposition".
- Amplification of Diversity, Equity and Inclusion issues among all Group employees.
- Deployment of the carbon module as part of EcoVadis assessments.
- Development of joint sustainability roadmaps with our customer partners.
- Reinforcement of efforts to reduce the environmental impact of marketing and communication activities by applying the principles of Planet Pledge.

3.3 > Contributing to healthier and more sustainable food

3.3.1 Offering high quality, safe and healthy products

Definition of the challenge and risks

For Bel, food safety is of utmost importance as it directly concerns the quality and safety of the products offered to consumers. This potential impact on consumers is a top priority for the Group. Poorly managed product quality could have an effect on consumers' physical health and well being. Bel is thus committed to offering safe, high-quality products with good nutritional value, and, in this way, having a positive impact that helps address a major public health issue.

Beyond the impact this issue may have on individuals, food safety is also key to Bel's value creation, as it can entail significant financial, legal and reputational risks. Product non-compliance may lead to product recalls, financial losses and potential legal action. Any food safety problem can also damage the Group's reputation, generating a loss of consumer confidence.

To limit these impacts and risks, the Group takes great care to safeguard the quality and food safety of its consumer products.

Policies

The Food Fraud and Food Defense policies are common to all industrial sites and implemented locally. To prevent the risk of malicious acts, each site is required to deploy its own Food Defense plan, which includes an exhaustive assessment of identified risks and threats and the definition and implementation of dedicated action plans to control and reduce these risks. The Food Fraud policy was supplemented in 2020 with a vulnerability analysis to identify the products, raw materials and packaging most exposed to the risk of fraud and which, therefore, require regular, advanced controls.

Governance

The food safety ambition is driven forward by the Executive Committee and by ambassadors from each department, commercial entity, cluster and industrial platform.

Action plan

Developing a Food Safety culture

The Group rolled out a wide range of content around the concept of Food Safety Culture at all levels of the organization to raise employee awareness and ensure a high level of quality and food safety in manufacturing.

In 2023, the Group conducted a survey of all of its employees to assess their level of proficiency in terms of food safety and quality. The survey achieved a high level of participation, with a response rate of 81% at plant level, and 77% for the Group as a whole (including the head office and subsidiaries). The results revealed the Group's strengths when it comes to its Food Safety Culture, notably the autonomy of its teams and the commitment of its management to ensuring food safety, as well as the practice of regular inspections to guarantee product quality. In addition, the survey revealed areas for improvement, and led to the development of action plans to be rolled out from 2024 onward.

Performing strict upstream controls on raw materials and packaging

Assisting dairy producers

On the farm, dairy producers are responsible for the safety and compliance of the milk they produce. To prevent any risk such as bacteriological risk, Bel's dairy production technicians continuously teach producers about good practices for producing quality milk. Samples are taken during milk collection to verify that it meets content and health requirements and does not contain any traces of antibiotics. If the milk quality fails to meet Group standards, Bel consults with the producers to carry out targeted actions.

Controls on suppliers of other strategic raw materials and packaging

Quality audits are conducted on major suppliers of the most sensitive raw materials and packaging. If any minor non-compliance is identified and poses no food safety risk, the suppliers pledge to the Group that corrective actions will be taken within a specific time frame.

Every year, Bel reviews its supplier control system in the light of newly identified risks, such as contaminant transfer via packaging.

Rigorous safety controls when raw materials arrive at its plants

All the ingredients used in Bel's recipes, including liquid and solid dairy raw materials, undergo several safety inspections upon arrival at production sites. They are tested again before they are used for processing to check microbiological, physicochemical and organoleptic properties. In 2023, Bel stepped up its monitoring of vegetable fats (see Chapter 3.5.4 – Using plant-based raw materials within strict limits).

Likewise, all packaging – especially packaging in direct contact with products – undergoes a similar inspection upon arrival at the Group's plants to guarantee its integrity.

Deploying strict procedures at production sites

A production site certification procedure

The Group is committed to a quality and food safety certification process for its industrial sites according to GFSI-recognized standards (FSCC 22000, IFS, BRC, SQF [CB1]). The Group's 28 industrial sites are certified according to a GFSI-recognized standard.

In addition, in 2021, Bel obtained the customs status of Authorized Economic Operator (AEO FULL) for all its French sites (excluding the Squeeze activity) and the head office. The AEO program strengthens the safety and security of merchandise flows into and out of the European Union. This program is being gradually rolled out to reach all the Group's industrial sites with an import/export activity by 2028. In 2023, the Group obtained certification for its Slovakia site.

Certification of production sites	2021	2022	2023
Percentage of plants certified as "security and safety" authorized economic operators (FULL AEO)	36.67%	36.67%	57.14%

Robust and harmonized processes to control quality and food safety

Bel maintains and improves its HACCP (Hazard Analysis Critical Control Point) system at all its industrial sites to identify, assess and control significant food safety dangers. In 2019, Bel drew up a harmonized Group HACCP standard that established general control measures for food safety requirements, which must then be adapted and implemented at industrial sites.

Ensuring product quality and safety during downstream transport

Bel audits its product distribution chain to ensure compliance with the cold chain, transport and preservation conditions required for its products. Bel has shared a Good Storage and Distribution Practices Charter with its retailers in various regions. Bel has also set up a network of quality coordinators for the supply chain, trade and subcontractors in order to monitor and optimize control of and compliance with storage/distribution requirements and to make it easier to report any complaints.

A robust traceability system to prevent risks

Product traceability all along the food chain…

Bel takes the necessary steps to ensure traceability, from raw materials purchases to product distribution to consumers.

As regards raw materials, regular traceability tests are conducted and suppliers are required to meet an optimal deadline for obtaining traceability results.

Ensuring product traceability entails the use of mandatory labeling on consumer sales units (e.g. batch codes, best-before date, use-by date, etc.). All logistic units are identified by means of labels that link each unit to the corresponding product batch code.

A single Group tool also provides information about where all its products are stored, whether with the customer or anywhere within its distribution network (excluding the Squeeze segment and recent acquisitions). In 2023, the Group worked to develop a project to digitalize the traceability system for paper at its plants.

… to effectively prevent and manage risks

The methods applied make it possible to identify, at any time, product batches containing a batch of ingredients that has been reported, which guarantees that any withdrawals or recalls are carried out efficiently. This tracking system and the various traceability tests performed provide information about product flows. As a result, the Group can identify risks, store food safety data for use by the authorities and isolate individual production runs if necessary.

To prevent and manage risks, the Group has also developed and deployed a procedure for handling food quality and safety alerts. This includes a recall procedure for the swift, organized management of any potential health/quality crises triggered by serious alerts.

Protecting consumer health and building a relationship of trust

By providing transparent and relevant information to consumers

See Chapter 3.2.4 – Developing positive products and responsible communication with consumers.

By offering a proactive consumer service response

To improve customer satisfaction and the quality of its products, Bel has introduced an effective quality complaint management system. This makes it possible to alert the Group when any products sold do not meet the expected quality and food safety requirements (traceability, integrity, reliability, safety, etc.). Consumer feedback is centralized in a dedicated tool called "We Care," which is deployed to all the Group's subsidiaries (excluding Squeeze). In 2023, the Group worked on rolling out this tool to the Squeeze scope, where it will be operational in 2024.

3.3.2 Improving the nutritional quality of products

Definition of the challenge and risks

The nutritional quality of food products is an increasing concern for public health authorities and consumers alike. Overweight and obesity are widespread among adults and children around the world[1], and undernutrition is still a problem in developing countries. As a player in the agri-food sector, Bel has a significant impact on the balanced diets of its consumers. The Group supports UN Sustainable Development Goal 2: Zero Hunger, to end hunger by 2030 and ensure that all people, especially the most vulnerable, have year-round access to safe, nutritious and sufficient food.

This commitment is in line with the current regulatory push for more precise nutritional labeling. In addition, it aims to meet the demand for naturalness among consumers who are looking for products with shorter, simpler ingredient lists and less processed products, perceived as a guarantee of quality. This helps to limit the potential reputational risk associated with controversies surrounding processed products.

In this way, the Bel Group continues to transform its brand portfolio by building up its strategy in the three complementary areas of dairy, fruit and plant-based products. It is also maintaining its portion-based model, to encourage consumption of its products in reasonable quantities, and to offer products to its consumers that combine good taste and nutritional benefits, while caring about their health.

Policies

To guide the brands in meeting their nutritional challenges, Bel has for several years relied on its structural policy, called "Healthier,"[2] which has two pillars:

- nutritional quality, to guide the development of new products and continuously improve existing ones without compromising taste; and
- naturalness, in order to shorten ingredient lists and limit the use of additives without compromising food safety.

Governance

The nutritional quality of our products is the focus of a Group Nutrition team that works closely with the R&D and Marketing teams. The Nutrition team is involved in all product innovation and renovation projects, alongside R&D and Marketing, to ensure that they meet the nutritional targets set by the Group.

Action plan

Improving the nutritional quality of its products

Expert knowledge of nutritional issues and the contribution of products to a balanced diet

For each of the key countries in which the Group operates, Bel studies local nutritional recommendations and health data drawn from publications by national and world public health authorities in order to evaluate how Bel's products are contributing to the overall diet.

Products distributed by Bel contribute significantly to dietary requirements for calcium, proteins and vitamins in the case of dairy products, and fiber in the case of fruit products. In portions, i.e., in reasonable quantities, the fat and salt content of the products can be part of a balanced diet. To this end, the Group ensures first and foremost, ahead of any product development, that the maximum thresholds per portion, established jointly with an international committee of experts, are respected.

In 2023, Bel worked with scientific experts in Morocco to measure the impact of fortifying The Laughing Cow® on the nutritional status of children. The Laughing Cow® "4 Essentials" – sold in many countries in Africa, the Middle East and Asia – is enriched with four nutrients that tend to be highly deficient in these countries: calcium, iron, zinc, and iodine, as well as vitamins A and/or D. Results published in 2023 show that one Laughing Cow® portion per day covers 100% of the nutritional needs of Moroccan children in terms of iron, iodine and zinc. The aim for 2024 is to translate this study for consumers and healthcare professionals alike.

(1) According to the World Health Organization, overweight or obesity affected: 39% of adults aged 18 and over in 2016 (i.e. 1.9 billion adults), almost three times more than in 1975, and 18% of children and adolescents aged 5 to 19 (340 million) compared with 4% in 1975. [2]

(2) Further information is available on the Group's website (exe-200630-brochure-bel-nutrition-hd-franais.pdf (groupe-bel.com).

In France, Bel worked with a team of researchers to assess the nutritional impact on children (aged 3-17) of consuming a portion of fruit compote with no added sugar at four different meal times (breakfast, lunch, snack, dinner), either on its own or as a substitute for the same portion of high fat, savory or sweet foods. The results show that these new diets for children are richer in beneficial nutrients, particularly fiber, iodine, selenium and vitamins A and C from fruit compote. At the same time, they appear lower in calories from nutrients to be limited, particularly refined sugar. This therefore helps to improve the nutritional balance for children, with more fiber and fewer sugars, especially at breakfast and snack time.

A nutritional profiling system and improvement objectives

In addition, based on the dietary recommendations of the World Health Organization (WHO) and several international nutrition experts, and to strengthen its nutritional process, Bel has deployed a nutritional profiling system called Bel Nutri+ since 2017.

"Bel Nutri+" establishes threshold values to orient Bel's nutritional approach to developing new products and updating existing ones. Portion thresholds are defined by product category (cheese, plant-based alternatives, fruit, etc.) and by target (adults and children) for certain nutrients:

- nutrients to favor: calcium and protein for dairy products, fiber for fruit;
- nutrients to limit: fat, saturated fatty acids, salt, added sugars.

Bel has set a target for 80% of the Cheese volumes in its portfolio of products for children and families to meet the Bel Nutri+ promise by 2025. At the end of 2023, this was the case for 76% of Cheese & Squeeze volumes.

In order to achieve this target, in 2023 for example:

- recipes for The Laughing Cow® sold in Canada were reworked to lower the fat content from 17% to 12.5%;
- the recipe for The Laughing Cow® Dip & Crunch sold in France was reduced from 15.5% fat to 13%, and from 1.5% salt to 1.3%, to meet the nutritional criteria set by WHO Europe for products that can be promoted to children;
- the Group now offers an additional line of products with no added sugar for most of its ranges. By the end of 2023, 93% of the volumes sold[1] under the Pom'Potes® and GoGo squeeZ® brands contained no added sugar. The Group's goal is to increase this percentage to 100% by 2026.

Finally, since 2016, Bel has been committed to the EU Pledge, a voluntary initiative by 22 food businesses to limit marketing aimed at children under 13 to products that meet certain nutritional criteria in Europe.

Committing to constantly improving naturalness

The Bel Group's "Healthier" policy features a second pillar on naturalness designed to guide product innovation and renovation projects. The goal is to offer simpler products with shorter ingredient lists, while continuing to ensure optimal health safety and the great taste of the Group's products.

Accordingly, since the end of 2021, all products from the Group's core brands (Babybel®, Boursin®, Kiri®, The Laughing Cow®, Nurishh®, Pom'Potes® and GoGo squeeZ®) no longer contain any added artificial flavors or colors.

The recipes for many of the Group's products have historically been very simple, such as Babybel Original®, made with just four ingredients (milk, salt, cultures and rennet) and no additives, and the 100% fruit snacks from GoGo squeeZ®. For other products, like The Laughing Cow® and Kiri®, much effort has been made in the last few years to improve their recipes by scaling back and/or eliminating additives whenever possible.

Developing "positive" recipes

The two challenges of improving the Group's nutritional quality are grouped under the "Positive" recipes strategic indicator, which measures the proportion by volume of branded products targeting children and families with "positive" recipes. A "positive" recipe is defined as either conforming to the *Bel Nutri+* nutritional profiling system or containing no more than one additive.

In 2023, the Group operationalized this objective with a digital tool accessible to all in-house teams. The software consolidates nutritional data on the one hand, and sales volumes on the other, making it possible to view performance by country and by brand for a given period.

Specifically, this tool facilitates the identification of priority projects aimed at improving the nutritional profiles of top-selling recipes that currently fall short of nutritional targets.

Moreover, following the consolidation of the Squeeze segment, the Group has updated its target for continuously improving the nutritional quality of its products. As a result, by 2030, 90% of product volumes for brands aimed at children and families will feature a "positive" recipe. At the end of 2023, this was the case for 87.7% of Cheese & Squeeze volumes.

(1) In number of references.

Selected key performance indicators

Bel's objectives	KPI	2021	2022	2023	2025 objective	Progress	2030 objective
Continuously improve the nutritional quality of products	"Positive" recipes (product portfolio for children and families meeting Bel Nutri+ criteria or with 0 or 1 additive)	[a]	88%	88%	[b]		90%
	Child and family product portfolio respecting the Bel Nutri+ criteria	72% [a]	74%	76%	80%		[b]
	Child and family product portfolio with 0 or 1 additive	[a]	70%	70%	[b]		[b]

(a) Indicator defined in 2022 for which historical data is not available or excludes Squeeze activity.
(b) The 2030 target was defined during the strategic planning process in 2023 and concerns the KPI for naturalness and nutrition: "Positive" recipes.

3.3.3 Promoting better eating habits and encouraging healthier and more sustainable lifestyles

Definition of the challenge and risks

Mindful of its responsibility to contribute to a healthier diet, and aware that changing eating habits will require raising awareness among families and their children, Bel is committed to promoting healthier, more sustainable lifestyles among its employees and consumers, through nutritional awareness programs.

Policies

Bel has developed nutritional awareness programs and projects that shape its approach:

- the "Healthy Smiles" program for employees;
- the "Healthy Lifestyle" program, aimed at consumers and children.

Governance

Bel works hand-in-hand with local partners to build long-term partnerships and maximize its credibility and impact. A corporate Nutrition team is involved in developing the strategy and rolling out nutritional awareness programs. To ensure that these programs are implemented consistently and effectively, local contacts are also in place within the Group's various operating entities.

Action plan

Encouraging its employees to adopt better eating habits

The Group is continuing the roll out of the "Healthy Smiles" nutritional awareness program. This program is organized around three fundamental principles: promoting a balanced diet and a healthier lifestyle, encouraging physical activity and improving the food offering, through seminars, sports activities and meal baskets, for example. All subsidiaries are committed to providing the Group's employees with healthier, more sustainable food on a daily basis, and improving their eating habits in the workplace. By 2023, 82% of subsidiaries had launched the program.

Encouraging consumers and children to adopt better eating habits

Bel supports nutritional awareness programs for its consumers and in particular for children through its "Healthy Lifestyle" program.

These programs are designed to help children and their parents better understand that good eating habits and physical activity are important for their health. They are led in partnership with other actors, such as public health associations, governmental and non-governmental organizations and universities and take a variety of forms (distribution of teaching tools, organization of events, talks by nutritionists/dietitians, etc.). Bel's goal is to support programs in 10 key Group countries by 2025. A total of eight such projects were carried out in 2023, including:

- a program in South Africa, launched in 2018, working with the country's Ministry of Education and local nutritionists to benefit over 15,000 children;
- a program to combat obesity by promoting regular physical activity in the United States and Canada, raising awareness among thousands of children;
- a program to combat malnutrition in Haiti, supporting nine schools.

Moreover, Bel is involved in the international SUN (Scaling Up Nutrition) movement to combat malnutrition in developing countries.

At the same time, the Group has also been working over the past 15 years to improve children's nutrition through its Corporate Foundation, targeting the most at-risk children. Since 2018, for example, the Foundation has supported the Racines d'Enfance association, active in the school cafeterias of 12 kindergartens in Senegal.

Selected key performance indicator

Bel's objectives	KPI	2021	2022	2023	2025 objective	Progress	2030 objective
Foster healthy consumption habits and lifestyle.	Countries that have implemented a program for consumers ("Healthy Lifestyle Program")	7[a]	8[a]	8	10	😐	[b]

(a) Excluding Squeeze.
(b) The roadmap to 2030 and the associated target are currently being developed.

Chapter summary

Highlights of 2023

- First survey of all employees to assess their level of proficiency in terms of food safety and quality.
- Study of the impact of fortifying The Laughing Cow® on the nutritional status of children in Morocco.
- Coordination of the "positive recipes" indicator in the strategic plan and budget, and definition of the Group's objective for 2030.

Priorities for 2024

- Establishment of a global and local action plan on food safety for employees as a follow-up to the internal survey.
- Continued work to improve the nutritional quality of the Group's products in line with the Bel Nutri+ promise, and to simplify recipes.
- Definition of the new 2030 roadmap for nutritional awareness programs.

3.4 > Fighting for the Planet

3.4.1 The Group's environmental strategy

Policies

The Group's environmental policy strives to ensure sustainable management of natural resources while at the same time reducing the Group's impacts along the entire value chain. Bel addresses environmental issues at all levels, from farm to plate, based on the concept of planetary limits. This concept describes nine critical ecological thresholds that, if crossed, could lead to irreversible damage for people and the planet: climate change, biodiversity loss, land-use change, pollution from aerosols and new substances released in the biosphere, disruption of biogeochemical cycles, ocean acidification, stratospheric ozone depletion, and the disruption of the freshwater cycle.

These boundaries are interdependent: for example, healthy soils have many positive impacts on the water cycle, carbon storage and biodiversity. Similarly, reducing CO2 emissions and fighting deforestation ensure the proper functioning of the water cycle and thereby help preserve natural environments and biodiversity.

That is why our environmental policies have several key focuses:

- fighting against climate change;
- using water sustainably, including the issue of water pollution;
- preserving biodiversity and natural ecosystems.

In addition, several other strategies adopted by the Group contribute indirectly to reducing Bel's greenhouse gas (GHG) emissions, such as the ambition for regenerative agriculture (see Chapter 3.5 – Promoting sustainable and regenerative agriculture) and the "Sustainable portions" policy (see Chapter 3.6 – Designing sustainable portions).

Interconnection of environmental issues

Governance

Environmental issues are managed at various levels of the organization by central CSR and environmental teams. Progress on the roadmaps is steered by various committees that meet quarterly, and topics are regularly presented to the CSR Operational Committee. As an example of how these issues are structured at Bel, in 2023 the Environment Committee turned its focus to Climate, while two new committees were created to focus on water and carbon sequestration.

These different bodies illustrate Bel's determination to ensure the effective coordination of each environmental issue, across its entire value chain.

At the same time, to facilitate implementation of the environmental strategy across its production sites, Bel has structured governance at every level of its operations – i.e., at the level of the industrial sites and each of the four industrial platforms, and at Group level.

3.4.2 Fighting against climate change

Definition of the challenge and risks

Climate change is one of the biggest issues of our time and a strategic priority for the Group. With an annual output of 4 million metric tons of GHGs, Bel is aware of the impact of its activities on climate change and the associated financial risk, and has adopted an ambitious policy in response.

A member of the Science Based Targets initiative (SBTi)[1] since 2017, Bel had committed from 2019 to a GHG emissions reduction trajectory aligned with the Paris Agreement's ambition to keep global warming below 2°C. Aware of the urgent need to step up its efforts, Bel set a new, even more ambitious trajectory in 2021, in line with expert recommendations to limit temperature rises to below + 1.5°C[2]. This trajectory to 2035 was validated by the SBTi in March 2022, and makes the Bel Group a pioneer in its sector.

Bel is also aware of the need to adapt to the consequences of climate change. Protecting the Group's sites and activities from the physical and operational risks associated with climate change is a critical issue.

As part of the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD), and in order to step up the operationalization of its carbon strategy, Bel has mapped the current and potential impacts as well as the risks and opportunities related to climate. This information was used to develop climate scenarios based on the IPCC 1.5°C and 4°C RCP scenarios, carbon prices, changes in agricultural production systems and consumer eating habits. This information has also enabled the Group to assess the resilience of its activities, its strategy and the associated financial impacts.

The risks and opportunities identified by the TCFD and their impact on the Group's strategy are shown in the table below.

The Group's communications on climate change follow the recommendations of the TCFD, and the table in the Appendix (see 3.14 – Appendix 4: Correlation table with the 11 TCFD recommendations) shows the correlation between the main information in this Universal Registration Document and the 11 TCFD recommendations, as well as the Group's work in these areas.

(1) The Science-Based Targets initiative, also called the SBT initiative or SBTi, is a partnership between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wildlife Fund (WWF). Aimed at businesses, its objective is to drive "ambitious climate action" by offering to make their transition to a low-carbon economy a competitive advantage. To this end, it seeks to ensure that the greenhouse gas reduction targets set by companies are consistent with the data from climate science.

(2) Bel is not excluded from the EU Paris-aligned Benchmarks, in accordance with the exclusion criteria stated in Articles 12.1 (d) to (g), 17 and 12.2 of the Climate Benchmark Standards Regulation.

Risks and opportunities related to climate change (TCFD)

Risks

Category	Description of risks and opportunities	Pers-pective	Potential financial impact	Impact on the Group's strategy
PHYSICAL / TRANSITION				
Carbon tax	The carbon tax is a policy instrument that takes into account the external costs of GHG emissions. This tax is calculated as a cost per metric ton of carbon emitted. An increase could have significant impacts on costs for Bel, affecting its entire value chain.	2050	++	Bel has defined a GHG emissions reduction trajectory that covers its entire value chain (Scopes 1, 2 and 3) and is in line with the Paris Agreement to limit global warming to +1.5°C. At the same time, the Group is committed to achieving carbon neutrality across its entire value chain by 2050. In order to operationalize Bel's carbon strategy at every level of the company, the Group has put in place several levers: › creation of tool to educate employees about the Group's carbon footprint; › use of the financial calendar (business plan, budget development) to guide brand, country, function and plant roadmaps; › definition and operationalization of an Internal Carbon Price aligned with the recommendations of the IPCC 1.5°C scenario. The price was set at €75/t in 2022, and at €150/t in 2023, steadily increasing to €270/t in 2030. This price is factored into: the Bel Carbon Impact tool; the performance monitoring of changes in a Carbon current operating income *[Group income - (Metric tons of Scopes 1, 2, 3 CO2 * Internal Carbon Price)]* per quarter at the total group, brand and country level; the accounting of the carbon impact in innovation/renovation and Capex projects.
PHYSICAL				
Procurement of raw materials	The yields of the agricultural raw materials (fruit, milk and other dairy or plant-based raw materials) used by Bel will be affected by global warming, resulting in availability and quality issues. This variability in raw materials could result in higher costs for Bel (for example, variability in weather conditions has an impact on animal feed production).	2035	+	The choice of agricultural raw materials used in our products is a key contributor to the Group's carbon footprint. Bel is implementing actions to make agricultural production more resilient: › encourage farmers to produce animal feed locally, in order to fight against imported deforestation and support the autonomy of farms and ecosystems; › promote virtuous agricultural practices by supporting breeders and farmers in the implementation of regenerative agricultural practices (pasture grazing, soil rotation, plant cover, no-till, etc.) and in the development of agroforestry (planting of hedgerows, wooded strips, etc.); › accelerate the development and marketing of products containing alternative sources of protein, in addition to its traditional dairy product ranges; › fight against food waste and losses at every point along the value chain in order to maximize the value of each input.
PHYSICAL				
Water scarcity	Reduced water levels in some geographic regions could result in water scarcity issues (decreased water quality, stricter regulations on water use, increased difficulties in accessing water). These risks could lead to higher operating costs and production difficulties in its agricultural basins and at Bel production sites.	2035	+/++	Bel has been taking steps since 2008 to reduce the water withdrawn at its plants by prioritizing sites according to their water scarcity: › the *Wasabel* improvement program allows each production site to monitor its water withdrawals and establish action plans to reduce it; › WWF France's Water Risk Filter provides an indication of water scarcity by water basin; › water recovery and reuse projects are being studied (in France, the Group is studying the possibility of recovering the water extracted from milk during cheese production); On top of measuring the water footprint of packaging with the "eQoPack" tool (used since 2021), in 2023 Bel measured the water footprint of its entire value chain (see section 3.4.3 – Sustainably preserving water resources). The Group also defined and presented its Water ambition to the CSR Committee and the Executive Committee.

RED Opex/Capex
GREEN Revenue

Opportunities

Category	Description of risks and opportunities	Pers-pective	Potential financial impact	Impact on the Group's strategy
TRANSITION				
Development of new products	Today, 61.8% of Bel's carbon footprint is linked to dairy raw materials. The Group's strategy is to increase the number of non-dairy products in its portfolio to reach a balance between revenue from its dairy and non-dairy products (fruit, plant-based, alternative proteins). This opportunity allows for the generation of new revenues from low-carbon, non-dairy products, and could improve the brand's image, competitiveness, access to capital, and attraction and retention of employees.	2035	++	This strategy consists of reducing Bel's carbon footprint, particularly in terms of Scope 3 emissions, and diversifying the Group's product portfolio in order to achieve a balance in its revenues between dairy and non-dairy products. The work undertaken by Bel mainly focuses on two areas: › the development of product ranges incorporating plant-based raw materials, in whole or in part in its core brands such as Babybel® or Boursin® Plant-Based; › research and development of product ranges introducing alternative proteins (strategic partnerships with SuperBrewed, Standing Ovation and Perfect Day). At the same time, the strong growth of the Pom'Potes® and GoGo squeeZ® fruit pouches is helping to reduce the average carbon intensity of the Group's portfolio.
TRANSITION				
Carbon sequestration	Carbon sequestration consists of increasing the capacities of carbon sinks through practices such as the preservation of ecosystems, forestation and/or afforestation, agroforestry, etc. Many companies and countries will be committing to work toward carbon neutrality in 2050, leading to an increase in the need for carbon credits. This will be a strategic issue in the years to come. Carbon sequestration should offer both environmental and social benefits (biodiversity, soil health, water quality, etc.).	2050	++	The priority of the Group's teams is to avoid and reduce GHG emissions to reduce total emissions to their lowest possible level. Labeled carbon sequestration projects will contribute to carbon neutrality across the entire value chain by 2050, starting with its first area of responsibility, its plants, by 2025. The Group first joined the Livelihoods Carbon Fund 3 (LCF3) launched by Livelihoods Venture in June 2021, and new carbon sequestration projects were established in 2022–2023, offering diversified typologies and regions: › As part of its partnership with WWF France, the Group joined the Nature Impact initiative launched in spring 2023. This is the first fund dedicated to forest preservation, combining biodiversity protection and carbon sequestration. › In 2022, Bel signed a 5-year contract with the African Parks non-governmental organization (NGO), which supports wildlife conservation projects in some of Africa's largest natural parks. › In December 2023, a Forestry Best Practices Charter was drawn up in collaboration with forest biodiversity expert Oréade, along with contributions from NGOs including WWF France and Canopée. As a result, an initial agreement has been signed with forestry cooperative Alliance Forêt Bois to engage in projects to restore degraded forests, manage forest stands sustainably, safeguard old-growth forests and restore wetlands.
PHYSICAL				
Energy management	Continuous improvement of our plants, distribution centers and administrative buildings is resulting in reduced energy consumption and CO_2 emissions through targeted investments and a transition to renewable energy. This opportunity will reduce Bel's operating costs and carbon footprint over the long-term, through improved energy efficiency and low carbon impact energy sources. This strategy helps Bel prepare for changes in local regulations and energy costs.	2035	+/++	Bel's ambition is to reduce GHG emissions at its sites by 75.6% in absolute terms between 2017 and 2035 (validated by SBTi). Since 2000, our environment and plant teams have been measuring and implementing actions to: › implement the ESABEL (Energy Saving At Bel) program, established over 10 years ago as an initiative that allows each site to access best practices, monitor its consumption levels and define action plans to reduce them; › improve energy efficiency by investing in our production sites to reduce their footprint (waste heat recovery, heat pumps, etc.); › develop renewable energies (investments in biomass, solar panels, etc.). In 2023, 25.11% of energy and 94.45% of electricity came from renewable sources.

RED Opex/Capex
GREEN Revenue

Action plan

Since 2017, the Group has participated in the SBT initiative started by the Carbon Disclosure Project (CDP), the World Resources Institute (WRI), the WWF France and the United Nations Global Compact to reduce its GHG emissions across its entire value chain (Scopes 1, 2 and 3).

In 2022 the Group stepped up the reduction of its carbon footprint and assumed an even more ambitious trajectory, in line with the ambition to limit global warming to less than 1.5°C. This commitment implies a net reduction by 2035 of one-quarter of Bel's greenhouse gas (GHG) emissions across its entire value chain as compared to 2017, taking into account the Group's growth.

- Reduce Scope 1 and 2 emissions by 75.6% in absolute value by 2035 versus 2017;
- Reduce Scope 3 emissions by 25% in absolute value by 2035 versus 2017.

In order to have a truly positive impact on the climate and to act transparently, Bel calculates its emissions and sets targets for reducing its carbon footprint in terms of absolute value (in k metric tons of CO_2 eq.) and in intensity (k metric tons of CO_2 eq. per k metric ton produced). This choice takes into account the Group's growth objectives and ensures a real reduction in GHG emissions over the long-term.

At the same time, the Bel Group became a member of the United Nations' "Race to Zero" initiative, which brings together pioneering companies that are committed to contributing to carbon neutrality along the entire value chain before 2050, through the following approach:

1) **Measure,** raise awareness and manage performance;
2) **Avoid** to the greatest extent possible the emission of GHG and the degradation of natural environments that absorb GHG by committing to fight against deforestation, through actions to preserve biodiversity and fight food waste and losses;
3) **Reduce** GHG emissions as much as possible across the entire chain to help limit global warming to below +1.5°C;
4) **Implement** carbon sequestration projects with a positive environmental, social and economic impact to offset incompressible CO2 emissions and contribute to the carbon neutrality of production sites in 2025 and along the entire value chain by 2050.

3.4.2.1 Measure, raise awareness and manage performance

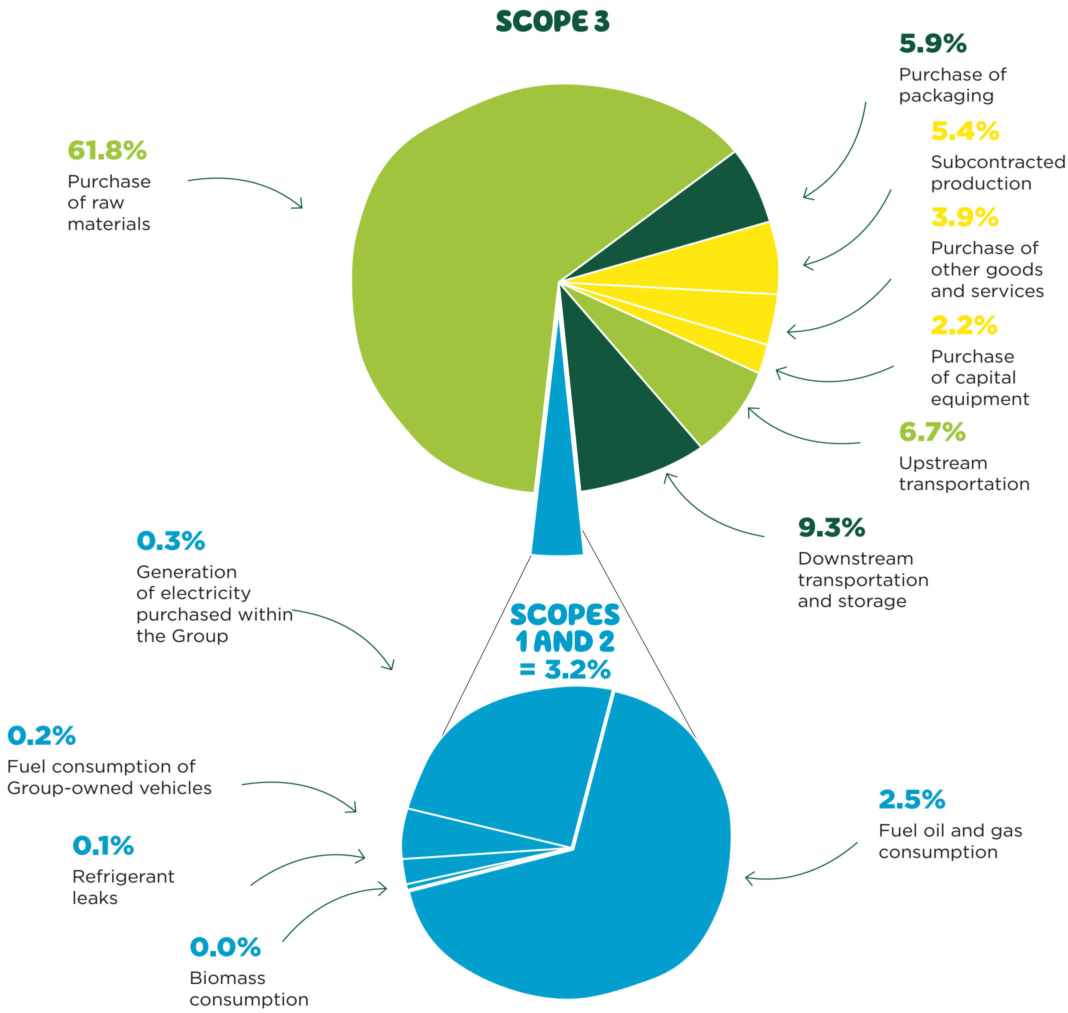
Overview of Bel's total carbon footprint

Since producing its first carbon report in 2017, on the advice of internal and external experts, the Bel Group has been using the so-called "useful materials" methodology, which consists of applying most of the carbon weighting to fat and protein (those valued for cheese production). Several years later, under the European Dairy Product Environmental Footprint (PEF) framework, it was recommended to apply the "dry extract" methodology, which allocates the carbon value to more milk components (fat, protein, whey, etc.). For the sake of consistency and comparability, the Bel Group decided in 2023 to use the "dry extract" methodology for its carbon footprint calculations for dairy raw materials. The Group has therefore recalculated its carbon footprint for 2017 and from 2021 onward using this new methodology, while maintaining the same SBTi trajectory targets validated in 2022.

The Group's 2022 emissions[1] are estimated at 4 million metric tons CO_2 equivalent, meaning 6.4 metric tons of CO2 emissions per 1 metric ton of product sold, or 1.1 metric tons of CO2 emissions per €1,000 of revenue (see section 5.3 – Review of financial position and results). Along the entire value chain, the main emissions sources are raw materials, transport, packaging and subcontracting.

(1) Because there is a one-year lag in determining the Scope 3 carbon footprint, only the 2022 performance can be presented for 2023.

The Group's carbon footprint broken down by emissions source



Deployment of measurement tools to support decision-making

In 2023, Bel managed its climate policy and ambition as part of its "BeLowCarbon" strategy, by (i) linking one of its strategic indicators to the Group's carbon objective (see Chapter 3.1.1 – A positive business model), (ii) deploying a measurement tool, (iii) by raising employee awareness on this subject and (iv) by integrating the tool into each of the Group's decisions.

In addition to the annual Carbon Footprint audit, the Group has developed several decision-making tools to better assess the climate impacts of its projects and enable employees to make informed decisions on carbon issues:

- an educational tool: the Bel Carbon Impact, which provides a consolidated and analytical view of the Group's carbon footprint across all its markets, brands, segments and products, and enables the Group to track its CO2 emissions on a monthly basis across the entire value chain;
- decision-making tools that enable employees to choose the best solutions for product innovations and renovations, for example by simulating recipe or packaging scenarios (eQoPack);
- the SC CO2 emissions calculator tool measures the carbon footprint of the transportation and storage of finished products downstream, and was developed as a continuation of the project set up with FRET 21 to simulate the carbon impact of different flows.

In addition, as part of the Group's strategic plan, Bel has drawn up specific transition plans for each brand and major link in the value chain (dairy upstream, transportation, packaging). The purpose of these plans is twofold: they enable the appropriate teams to obtain better visibility of the emissions within their scope of action (at the level of a plant or a brand, for example); and they enable Bel's transition plan to be operationalized within the framework of a strategic financial exercise. The results of the strategic carbon plan were presented to the Executive Committee and shared with the Board of Directors.

Outreach to external stakeholders

Bel is building its carbon strategy with the ambition of having a positive impact on its entire value chain, which requires all stakeholders to be mobilized. The Group carries out awareness-raising actions for its external stakeholders and encourages the co-construction of action plans to share efforts with its partners:

- by working with the WWF France for the past 10 years to reduce the environmental impact linked to the dairy upstream (see section 3.5.2. – Taking action for a sustainable dairy upstream);
- by exchanging with partner producers and suppliers to support them in their transition (see Chapter 3.2.2 "Promoting responsible practices with our suppliers and partners");
- by creating joint GHG reduction strategies with its customers (see Chapter 3.2.3 – Being a key and committed partner for its customers);
- by transparently publishing its climate trajectory through this Non-Financial Performance Statement, and through publications produced at Group level such as the CSR Scorecard (see Chapter 3.10 – CSR Scorecard), or the Group Sustainability-Linked Financing Framework[1] (see Chapter 3.2.5 – Promoting responsible financing practices among investors), as well as the OpenClimat[2] platform, which is accessible to consumers (see Chapter 3.2.3 – Developing positive products and responsible communication with consumers).

Raising employee awareness

Bel is convinced of the need to mobilize all employees around this key issue for the Group. Bel has made a commitment to train as many employees as possible on climate change via the Fresque du Climat, at all levels of the company, as part of the Actors for Good program. In 2023, a total of 2,758 employees were trained, bringing the overall number of Group employees trained in La Fresque du Climat since 2021 to nearly 4,100 (see section 3.2.1.5 – Believe: Involving employees in positive impact initiatives).

Finally, Bel has included the reduction of its Scopes 1 and 2 carbon footprint in the bonus objectives of all eligible employees (see section 3.2.1.2 Be Well – Feeling valued in a safe environment, with fair compensation and benefits).

3.4.2.2 Avoiding greenhouse gas emissions

Convinced that the best impact is the one we never create, our priority action is to avoid generating GHG emissions or altering natural environments that sequester carbon. This is why Bel is committed to:

- promoting a balanced diet between dairy and plant-based products, and thus offering alternatives that emit fewer GHGs (see Chapter 3.5.4 – Using plant-based raw materials within strict limits);
- fighting food waste and losses to avoid not only the emissions linked to unnecessary production, but also those linked to the destruction of wasted products (see Chapter 3.6.1 – Fighting food waste and losses);
- optimizing product end-of-life (see Chapter 3.6.2 – Designing responsible packaging);
- fighting against deforestation and preserving biodiversity, thereby avoiding the degradation of one of the main solutions for absorbing GHG emissions on a global scale (see Chapter 3.4.4 – Preserving biodiversity and natural ecosystems).

(1) The Group – Publications (groupe-bel.com).
(2) Bel | OpenClimat: data, approach and climate actions.

3.4.2.3 Reducing GHG emissions across its entire value chain

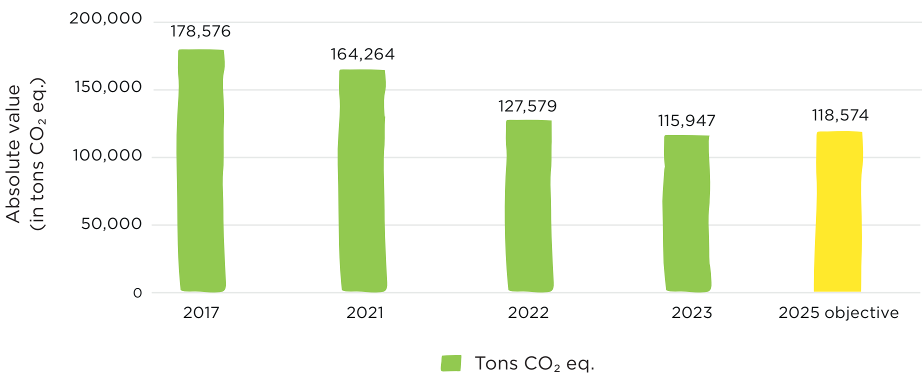
Compared to 2017, across its entire value chain, GHG emissions were reduced by -9% in absolute terms and by -20%[1] in intensity, mainly brought about by the action plans deployed to dairy upstream to make it more sustainable, based on the carbon diagnostics carried out at the farms, and the accelerated development of products using plant-based raw materials.

Reduce GHG emissions from Scopes 1 and 2

Bel's Scopes 1 and 2 emissions account for 3.2% (2.9% and 0.3%, respectively) of the Group's overall GHG emissions. In 2023, the Group's[2] carbon footprint for Scopes 1 and 2 was an absolute value of 115,947 metric tons of CO_2 eq. or 185 kilograms of CO_2 eq. per metric ton produced in terms of carbon intensity, broken down as follows:

- Scope 1: 103,590 metric tons of CO_2 eq.;
- Scope 2: 12,357 metric tons of CO_2 eq.;

Change in greenhouse gas emissions from Scopes 1 and 2



GHG emissions balance for Scopes 1 and 2

Greenhouse gas emissions at the Group's industrial sites come mainly from the processes used to manufacture its products and from the energy mix used. Refrigerant leaks and the fuel consumed by the Group's vehicle fleet also contribute to greenhouse gas emissions, but to a lesser extent.

The Group is working on these various emissions sources to reduce the carbon intensity of its production until it reaches an incompressible emissions threshold compatible with the +1.5°C trajectory by 2035. It will also contribute to the carbon neutrality of its Scope 1 & 2 emissions from 2025 by investing in carbon sequestration projects (see section 3.4.2.4 - Capturing residual emissions while protecting ecosystems).

Reducing energy consumption at industrial sites

The Group's energy consumption is 465,765 MWh, and its energy intensity in relation to revenue (see Chapter 5.3 – Review of financial position and results) of activities with a high climate impact[3] is 0.1 MWh/K€.

The Group has developed the EsaBel (Energy Saving at Bel) program, which provides each site with a compendium of best practices and enables them to draw up action plans to reduce their consumption. In addition, 17 of the Group's industrial sites have implemented an ISO 14001-certified environment management system.

A portion of the €10 million invested to reduce the environmental footprint of production sites in 2023 was allocated to this reduction effort. For example, a number of continuous improvement projects were developed on site, and a heat pump was installed in Mayenne in 2023.

These investments in heat pumps are taken into account when calculating the European Taxonomy's Green CapEx ratio (see Chapter 3.8 – Applying the European Green Taxonomy to Bel's businesses).

Recognizing that reducing energy consumption also requires raising awareness, Bel rolled out an energy savings awareness program at its plants in 2023.

(1) The Group's greenhouse gas (GHG) emissions have been recalculated due to a methodology change, enabling a more precise assessment of the impact of dairy raw materials (see section 3.4.2.1 – Measure, raise awareness and manage performance).
(2) In accordance with the methodology detailed in Chapter 3.9 – Methodological note, the Group is required to report its Scopes 1 and 2 carbon emissions for all its own operations, corresponding to the financial consolidation scope (100% consolidated). Non-controlling interests are therefore not included in the calculation of the Group's Scope 1 and 2 emissions.
(3) Bel's activities (code Nace C.) are considered to be in a sector with a high climate impact, according to Regulation (EU) 2019/2088.

Energy consumption of industrial sites	2021	2022	2023
Electricity consumption (in MWh)			
Electricity not from a renewable source	83,780	30,924	15,756
Electricity from a renewable source	195,648	256,857	267,894
Total electricity	**279,428**	**287,781**	**283,651**
Of which renewable electricity	*70%*	*89%*	*94%*
Consumption of oil, gas and biomass products for heat generation and other purposes (in MWh LHV)			
Oil and gas products	435,012	386,350	348,808
Biomass and biogas	74,469	97,939	116,957
Stationary combustion	**509,482**	**484,289**	**465,765**
Of which biomass and biogas	*15%*	*20%*	*25%*
Energy consumption all B-to-C and B-to-B products (in MWh/metric ton produced)			
Electricity	0.45	0.45	0.45
Oil and gas products	0.70	0.61	0.55
Biomass	0.12	0.15	0.19

Accelerating the transition to renewable energy sources

In addition to reducing energy consumption, the Group aims to develop the use of clean energies, such as renewable energies.

At Group level, 25.1% of the energy used comes from renewable sources.

The Bel Group has four biomass boilers, which today account for 25% of the energy consumed for heat production. In 2023, Bel installed a new biomass boiler at its Tangier site, and another project is currently under study.

These investments in biomass boilers are recognized in the calculation of the Green CapEx ratio under the European Taxonomy (see Chapter 3.8 – Applying the European Green Taxonomy to Bel's businesses).

In addition, two Bel sites in Vietnam and the Azores have been fitted with photovoltaic collectors, and the Group has established a roadmap to roll out projects to other sites in the coming years.

Finally, a plan to convert plants to purchase renewable energy is currently being rolled out. In 2023, sites in Egypt and Canada adopted a renewable electricity supply system. These new conversions, together with the sites already converted in previous years, bring the Group's consumption of electricity from renewable sources to 94% of its total.

Selected key performance indicator

Bel's objectives	KPI	2017	2021	2022	2023	Change 2017-2023	2025 objective	Progress	2030 objective
Reduce Scope 1 & 2 GHG emissions	GHG emissions Scopes 1 and 2 vs 2017 (absolute value in k metric tons CO_2)[(a)]	179	164	128	115	-35%	-34%[(b)]	☺	-55%[(b)]
Contribute to Scope 1 and 2 carbon neutrality	GHG emissions Scopes 1 and 2 after sequestration (absolute value in k metric tons CO_2)	179	164	128	115		0		

(a) Indicators considered in the reasonable assurance report.
This objective of a net reduction of one-quarter of Bel's GHG emissions across its entire value chain compared to 2017 is in line with the +1.5°C reduction scenario approved by the SBTi, and aims to reduce its Scope 1 and 2 emissions by -75% in absolute terms by 2035, and its Scope 3 emissions by -25% in absolute terms by 2035 compared to 2017.

Reduce Scope 3 GHG emissions

Bel's Scope 3 emissions account for 96.8% of the Group's overall GHG emissions – i.e. 3.9 $MtCO_2$, down -9% in comparison to 2017 in terms of absolute value.

Raw materials: 61.8%

Given the significant impact of agricultural raw materials on the Group's overall carbon footprint (61.8%), reducing GHG emissions from this source will be decisive in achieving the targets validated by the SBTi.

In light of its responsibility and of the impact dairy production has on the environment, the Group has made its commitment to a sustainable dairy sector a priority within its strategy:

• Since 2012, Bel has been partnering with WWF France to reduce the environmental impacts associated with dairy production, including GHG emissions (see Chapter 3.5.2 – Taking action for a sustainable dairy upstream).

• Bel uses several nationally recognized tools (CAP'2ER, Cool Farm Tool, etc.) to measure the environmental impact of dairy farms. These tools have made it possible to better measure the Group's footprint and to identify ways that milk producers in 84% of partner farms can help to reduce it. By fostering a privileged dialog with farmers about their environmental impact, these tools also help support its suppliers with their transformation.

• In 2023, Bel set up a pilot program in France and Slovakia with DSM to reduce methane emissions from cows through their feed. (see Chapter 3.5.2 – Taking action for a sustainable dairy upstream).

Moreover, by accelerating the Group's positioning in the fruits and plant-based segment where the carbon impact is lower, the Group is contributing to overall GHG emission reduction targets along the entire value chain. For example:

• a life cycle analysis conducted in 2021 with the consulting firm Quantis has shown that certain Nurishh® brand plant-based products have a carbon impact four times lower than their dairy equivalent;

• the carbon intensity of an apple ingredient can be up to ten times lower than that of a cheese ingredient (source: Agribalyse).

› Compared to 2017, GHG emissions related to raw materials were down by -604 $KtCO_2$, and -20% in terms of absolute value.

Transportation and distribution: 16%

The Group optimizes the transportation of its raw materials and finished products to reduce not just its greenhouse gas emissions, but also other nuisances (road congestion, noise, etc.). The locations of its plants and its logistics flows are designed to reduce distances both upstream (mainly for fresh milk) and downstream (as close as possible to consumer markets).

Bel works with its logistics providers in all the countries where it operates to reduce the mileage of empty trucks, optimize transportation flows, and optimize truck and container fill rates. In 2023, the Group focused on pallet density for some products headed for the United States. This optimization resulted in a 15% increase in pallet density for Boursin®, 30% for Babybel® and 24% for The Laughing Cow®, and helped to avoid 332 metric tons of CO_2 emissions over the year by reducing the number of shipments.

Since 2020, Bel been a partner in the FRET 21 program in France, a multi-stakeholder initiative that helps drive the reduction of GHG emissions from downstream transportation through various levers, such as multi-modal transportation, fill rates and green fuels. In 2023, Bel increased the number of trucks running on B100 (biodiesel) in France, resulting in a reduction of 178 metric tons of CO_2.

In 2023, the Group received an award as part of the Lean & Green program in two of its regions: in Portugal, for the 20% reduction in transportation-related CO2 emissions compared with 2020, largely thanks to mega-truck projects and optimization of the logistics network; and in Spain, for the 20% reduction in carbon emissions since 2019 related to the renewal of the truck fleet and the purchase of certified renewable energy. The Group is continuing in this vein through a project launched in November 2023 in Spain that uses HVO biofuel, thereby reducing CO_2 emissions by 80% compared with diesel fuel and avoiding an average of 255 metric tons of CO_2 per year.

In 2023, Bel also opted to prioritize short supply chains in order to limit environmental impact, by sourcing Boursin® ingredients more locally. The Group is aiming to implement this approach in 2024, in partnership with the Agropur cooperative.

› Compared to 2017, transportation-related GHG emissions transport increased by 72 $KtCO_2$, correlated, for upstream and downstream transport, with the increase in production. The action plans implemented, notably for downstream transport, contain the increase in intensity to 3%.

Packaging: 5.9%

The Group has defined a "Sustainable Portions" policy aimed at reducing the environmental impact linked to packaging use (see Chapter 3.6 - Designing sustainable portions).

- Compared to 2017, packaging-related GHG emissions were up by 71 tCO_2, linked to a rise in production as well as a 15% increase in intensity.

Reducing the Scope 3 footprint	2017[b]	2021[b]	2022 [a]	Change 2017–2022
GHG emissions in Scope 3 (absolute value in k metric tons CO_2)	4,278	3,836	3,908	-9%
GHG emissions in Scope 3 (T CO_2 eq./metric ton produced).	7.6	6.2	6.1	-19%

(a) Because there is a one-year lag in determining the Scope 3 carbon footprint, the indicator can only reflect the 2022 result.
(b) Past Group emissions were recalculated in 2022 to reflect methodological changes in order to maintain a comparable scope between 2017 and 2021, as required by SBTi.

3.4.2.4 Capturing residual emissions and protecting ecosystems

Developing field projects with a positive impact on carbon, biodiversity and regions

The priority of the Group's teams is to reduce its unavoidable GHG emissions to the lowest possible level. Bel is seeking to sequester its unavoidable emissions in order to contribute to the carbon neutrality of the entire value chain before 2050, starting with its first area of responsibility, its plants, by 2025.

In selecting projects, Bel seeks to support those having multiple positive impacts, not only in terms of carbon sequestration, but also in terms of biodiversity, water resource preservation, economic value creation and local social dynamics. These actions are taking place in different regions, depending on the type of project (agroforestry, forest conservation or restoration, etc.). To ensure the transparency and credibility of these projects, the initiatives are labeled and led with the support of outside experts (NGOs, forestry cooperatives, etc.).

Several partnerships have been established since 2021:

- The Group first joined the third Livelihoods Carbon Fund (LCF3) launched by Livelihoods Venture in June 2021, alongside 13 other businesses and financial investors. Its aim is to support rural communities in their efforts to preserve or restore their natural ecosystems and improve their livelihoods through sustainable agricultural practices, in particular agroforestry;
- in 2022, the Group also signed a five-year contract with the NGO African Parks, which supports wildlife conservation projects in some of Africa's largest natural parks. Bel's investments are dedicated to conserving Chinko Park in the Central African Republic, a treasure trove of biodiversity. By collaborating with local populations to manage seasonal herd migrations and agricultural practices, deforestation is avoided and biodiversity flourishes;
- as part of its partnership with WWF France, the Group joined the Nature Impact initiative launched in spring 2023. This is the first fund dedicated to preservation, based on the concept of Payments for Ecosystem Services (PES), and combining biodiversity protection and carbon sequestration.

Promoting protective forestry practices

To promote forestry practices that are most protective of biodiversity, in December 2023, the Bel Group established a Forestry Best Practices Charter in collaboration with forest biodiversity expert Oréade and supported by NGOs such as WWF France and Canopée. This charter, adhering to the principles of FSC certification, encompasses several key practices:

- promoting natural regeneration and restricting planting to targeted enrichment with native species for softwood stands;
- encouraging natural regeneration and enriching with a variety of native species for hardwood and mixed stands;
- minimizing stump removal, promoting residue grinding, and limiting soil disturbance during plantation projects to mitigate soil carbon losses;
- supporting forestry practices that facilitate long-term carbon storage and sequestration within the forest ecosystem.

Bel's aim is to sign agreements with several forest operators capable of implementing these practices. For example, an initial agreement has been signed with forestry cooperative Alliance Forêt Bois to engage in projects to restore degraded forests, manage forest stands sustainably, safeguard old-growth forests and restore wetlands. These projects aim to enhance carbon sequestration, biodiversity, and ecological functionality.

Peat bogs, a treasure trove of biodiversity and a key to carbon sequestration

Peat bogs play a crucial role in nature by naturally capturing significant amounts of carbon, conserving water resources, and harboring unique biodiversity. In these oxygen-deprived, humid environments, carbon captured during photosynthesis is stored in the soil as peat, effectively sequestering it and preventing its release into the atmosphere. Despite covering only 3% of the Earth's land area, peat bogs store approximately one-third of all soil carbon, or twice the amount of all the world's forests combined. Annually, the degradation of peat bogs is responsible for 5-10% of human-caused CO_2 emissions.

The Jura region, birthplace of the Bel Group, is home to two landmark plants in Lons-le-Saunier and Dole, which supply the Group's famous portions (Laughing Cow, Apéricube). This mountain range, spanning the Franco-Swiss border, is one of the most bog-rich areas in Western Europe, with 495 listed peat bogs (5,321 hectares), many of which are in need of restoration.

In partnership with the Conservatoire des Espaces Naturels Franche-Comté and the Haut-Doubs Haute-Loue and Doubs-Dessoubre water management authorities (EPAGE), the Bel Group entered into an innovative partnership in late 2023 to accelerate the restoration and conservation of over 40 peat bogs in the Jura region.

Selected key performance indicator

Bel's objectives	KPI	2017(b)	2021(b)	2022(a)	Change 2017-2022	2025 objective	Progress	2030 objective
Reduce the Group's overall carbon footprint to meet the goals of the Paris Agreement[(a)]	Global carbon footprint (absolute value in k metric tons CO_2)	4,457	4,001	4,036	- 9%	-12%[(c)]	☺	-20%[(c)]
Reduce Scope 1 & 2 GHG emissions	Global carbon footprint (T CO_2 eq./ metric ton produced).	8.0	6.5	6.4	- 20%			

(a) Scopes 1,2 and 3. Because there is a one-year lag in determining the Scope 3 carbon footprint, the indicator can only reflect the 2021 result.
(b) Past Group emissions were recalculated in 2022 to reflect methodological changes in scope in order to maintain a scope comparable with 2017, as required by SBTi.
(c) This objective of a net reduction of one-quarter of Bel's GHG emissions across its entire value chain compared to 2017 is in line with the 1.5°C reduction scenario approved by the SBTi, and aims to reduce its Scope 1 and 2 emissions by 75% in absolute terms by 2035, and its Scope 3 emissions by 25% in absolute terms by 2035 compared to 2017.

3.4.3 Sustainably preserving water resources

Definition of the challenge and risks

Water scarcity affects more than 40% of the world's population[(1)]: a worrying proportion that could worsen due to rising temperatures around the world. Bel is particularly concerned due to its significant impact related to its animal and plant-based production, and the high risk associated with its dependence on this production. For example, according to the Water Risk Filter[(2)] developed by WWF France, 66% of the Group's plants are located in a zone of water vulnerability.

In addition to resource availability, water quality is also considered an important indicator to consider in the analysis of the Group' water footprint. This represents a material financial risk for the Group, as it can generate various forms of pollution across the entire value chain, notably linked to excess nitrogen and phosphorus in water which can disrupt biogeochemical cycles.

This issue is linked to the UN's goal of guaranteeing universal access to water and sanitation by 2030, and ensuring sustainable management of water resources. To contribute to this essential collective effort, and to limit the risks of water scarcity and quality degradation, Bel is seeking to reduce the water withdrawals necessary for its activities and to improve the quality of its discharges, notably through the use of efficient technologies. Further upstream in its value chain, Bel also seeks out solutions to make dairy farms more resilient to water scarcity in certain dairy supply basins, brought on by climate change (see Chapter 3.5.2. – Taking action for a sustainable dairy upstream), and to reduce the use of water and optimize its management in orchards.

Policies

Since 2023, the Group's ambition and objectives on water-related issues have encompassed not only its plants (already included in the Group's environmental strategy), but also all the rest of its value chain. After consulting with internal and external experts, Bel's teams developed a global ambition focused on four key areas: measuring the Group's impact on water resources and defining targets for each site; avoiding and reducing water withdrawals by the entire value chain; protecting and regenerating natural environments; and building resilience in the Group and across its entire value chain.

Governance

Mindful of the importance of sustainable water use optimization, in 2023 Bel created a Water Committee to drive the reduction of the Group's water footprint across its entire value chain. A Water Risk Committee is also in place to specifically manage water-related risks year-round.

(1) Source: United Nations Sustainable Development Goals.
(2) Source: WWF Water Risk Filter.

Action plan

The Bel Group has implemented action plans to mitigate its impact on water resources, drawing inspiration from the approach deployed for its Climate Plan:

1) **Measuring** the Group's impact on water resources across its entire value chain;
2) **Avoiding and reducing** water withdrawals across its entire value chain;
3) **Protecting** the environment from waste across the entire value chain;
4) **Building** resilience in the Group and across its entire value chain.

3.4.3.1 Measuring the Group's impact on water resources across its entire value chain

As part of the process of defining its ambition for water, in 2023 the Group carried out a "water footprint assessment" – similar to a carbon footprint assessment – covering its entire value chain. Specifically, the Group partnered with Quantis to gather data on water quantity (water consumption, freshwater withdrawals and water scarcity-weighted freshwater withdrawals) and water quality (sea water eutrophication, freshwater eutrophication, ecotoxicity) across its entire value chain. These indicators all show that Scope 3 represents by far the water footprint's most significant impact (between 90% and 99% of the total). Initial analyses reveal that the fruit business has a greater impact on water resources than the dairy business, due to irrigation requirements for farms in France and the United States.

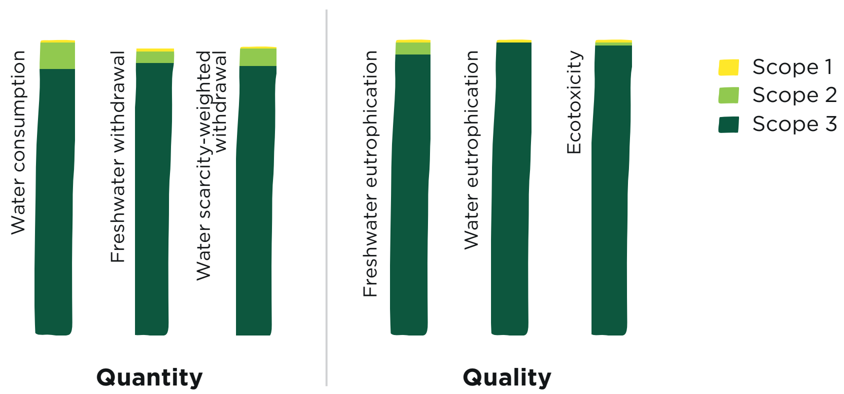
In terms of quantity, the analysis shows that the Group uses three times less water than it withdraws. Moreover, it appears that several production catchment areas are located in countries experiencing severe water scarcity, such as Iran, Egypt and Spain, resulting in a water scarcity-weighted withdrawal indicator eight times higher than the consumption indicator.

As far as water quality indicators are concerned, Bel focuses its attention on pollution caused by excess nitrogen from animal effluents, as well as phosphorus resulting mainly from the palm oil refining process.

This water footprint measurement enables the Group to better understand the areas requiring action and commitment. Reducing this footprint will be determined on a local scale, given that the issues and impacts differ from site to site, aligned with the methodology of the SBTN Science Based Targets Network initiative (see Chapter 3.4.4 – Preserving biodiversity and natural ecosystems), starting with a pilot project at the Pacy site.

Drawing on its experience with climate change, Bel intends to ultimately duplicate this approach with the introduction of a "Bel Water Impact Tool" empowering all employees to take action to reduce their businesses' water footprint.

Water footprint across the Group's entire value chain



3.4.3.2 Avoiding and reducing water withdrawals across its entire value chain

At the Group's plants

For example, the WasaBel (Water Saving at Bel) continuous improvement program, provides each site with a compendium of best practices, enabling it to monitor withdrawals and draw up action plans to reduce these as part of a continuous improvement process. The Group ensures that none of its activities withdraws more than the allocated quota in order to maintain a fair distribution of water resources. In 2023, the Group identified several levers for action, such as the recovery of water from dairy materials, the reuse of treated wastewater, and the reduction of water used for cleaning.

In 2023, the Group harmonized its calculation methodology between the dairy and fruit areas, and set an ambitious new reduction target for all its plants. The Group has set a target to reduce water withdrawals by 45% in 2035 compared with 2017.

Thus, in 2023, water withdrawals were lower compared to 2017 (-2.3%), amounting to 6.84 m^3 per metric ton produced in 2023. The intensity of water withdrawals at the Group's plants, expressed in relation to revenue (see section 5.3 – Review of financial position and results) from activities with a significant climate impact[1] is 1.2 m^3 per thousand euros of revenue.

(1) Bel's activities (code Nace C.) are considered to be in a sector with a high climate impact, according to Regulation (EU) 2019/2088.

Along the rest of the value chain

The Group is also seeking to reduce its water consumption along the rest of the value chain, notably by expanding the production of plant-based products, which consume less water than dairy products. Upstream of its value chain, the Group is also taking action via the adoption of regenerative agriculture practices that reduce crop water input, by avoiding excessive water evaporation from the soil surface, increasing the soil's water retention capacity (see Chapter 3.5 – Promoting sustainable and regenerative agriculture). The Group also helps its suppliers in implementing good water management practices.

As part of its policy on sustainable portions (see Chapter 3.6.2 – Designing responsible packaging), the Group also seeks to minimize its impact on water quantity and quality. It achieves this, for example, by limiting the use of aluminum and plastic, by ensuring that the paper and cardboard materials used are made from recycled or certified fibers, and by preferring plant-based packaging materials that consume little water while they replace materials of fossil origin. The Group measures the impact on water of its packaging by using the eQoPack tool (see Chapter 3.4.2 – Fighting against climate change).

The main levers have been identified for measuring the Group's water footprint and setting its ambition in this area. Action plans and their roll-out schedule will be refined in the coming years.

Water consumption	2021	2022	2023
In m^3 per metric ton produced (all B-to-B and B-to-C products)[(a)]	7.15	6.96	6.84
In thousands of m^3 [(a)]	4,420	4,423	4,294

(a) Total Group.

3.4.3.3 Protecting the environment from waste across the entire value chain

At the Group's plants

By reducing their water withdrawals, industrial sites automatically reduce their discharges, enabling them to better manage water quality. In addition, the Group strives to minimize accidental discharges into the natural environment. This effort aligns with Bel's ambition to help restore the environmental balance of aquatic ecosystems by 2035.

Wastewater discharges	2021	2022	2023
Total wastewater volume (in thousands of m^3)[(a)]	3,798	3,838	3,988
Treated internally	2,254	2,200	2,085
Treated by a third party with other effluents	1,544	1,638	1,164
Spread untreated	N.A.	N.A.	N.A.
Volume of wastewater per metric ton produced			
In m^3 per metric ton produced (all B-to-B and B-to-C products)	6.26	6.15	6.28
Quality of treated water (in metric tons)[(b)]			
Chemical oxygen demand (COD)	102	80.4	149.9
Suspended matter discharged	33	32	28
Total nitrogen discharged	14.4	12.7	10.7
Total phosphorous discharged	3.4	3.1	4.9
Cost of wastewater treatment (in thousands of euros)[(c)]	6,158	8,430	8,977
Spreading of sludge from wastewater treatment or untreated water [(d)]			
Total dry matter (in metric tons)	1,123	1,123	1,090
Nitrogen (in metric tons)	93	98	94
Phosphorous (in metric tons)	93	92	80

(a) Total Group.
(b) Data available for 27 sites, i.e. 74% of total production for this reporting scope.
(c) Data available for 13 out of the 13 sites providing full treatment before discharge into the natural environment.
(d) Data available for all five sites that spread their waste.

Along the rest of the value chain

Upstream of its value chain, Bel's regenerative agriculture practices (see Chapter 3.5 – Promoting sustainable and regenerative agriculture) help to slow down the water cycle by improving soil porosity, preventing soil leaching and thus significantly reducing water pollution. At the same time, the Group intends to support its partners in manure management practices by 2025, in order to reduce leakage into the environment that can pollute the water.

With regard to the impact of its packaging, the Group's Sustainable Portions policy (see Chapter 3.6 – Designing sustainable portions) promotes a transition toward a circular economy, thus reducing pressure on natural resources and avoiding water pollution.

In addition, Bel strives to ensure that none of its activities degrade wetlands, and is committed to the active restoration and conservation of peat bogs, particularly in France's Jura region (see Chapter 3.4.2.4 – Capturing residual emissions and protecting ecosystems).

3.4.3.4 Building resilience in the Group and across its entire value chain

Increasing the resilience of its industrial sites and its employees

Most of the drinking water used in the Group's plants is managed by public utilities and comes from surface waterways (rivers, lakes, etc.) or from groundwater (aquifers), which may be subject to availability problems in certain areas. An assessment of the risk related to water availability is carried out annually by using WWF France's "Water Risk Filter" tool, which provides insight into how much water is available in each water basin. 66% of Bel sites are in areas of vulnerability. Action plans are implemented in priority at sites located in areas of vulnerability, stress or shortage.

Increasing the resilience of our sites also requires sustainable access to water for the people who work there. The Group is committed to ensuring access to drinking water, sanitation and hygiene for all its employees by 2026.

Increasing the resilience of upstream agriculture

Agricultural basins are subject today to increased pressure from the effects of climate change (although this pressure differs from one basin to another). Some areas where the Group operates are experiencing water scarcity. Water is a vital input for agricultural production, yet farming affects the quality and availability of water resources. Bel is pursuing two complementary tactics to increase the resilience of farms:

- reducing water needs;
- implementing solutions to meet critical needs while guaranteeing the healthy balance of the water cycle (through changes in fodder, the introduction of regenerative agriculture practices or the planting of hedgerows).

The Group's sourcing strategies play a crucial role in building Bel's resilience. By adjusting its supply sources to address region-specific water-related risks, such as shortages or flooding, Bel aims to ensure sustainable access to its ingredients. The current initiative to relocate the sourcing of Boursin® ingredients in partnership with Agropur is a clear example of this approach.

Selected key performance indicator

Bel's objectives	KPI	2021	2022	2023	2025 objective	Progress	2030 objective
Reducing the water footprint of its production sites	Water withdrawal per metric ton of finished product vs. 2017[(a)]	2.1%	-0.6%	-2.3%	-16% [(b)]	☹	-33% [(b)]

(a) Indicator considered in the reasonable assurance report.
(b) This objective reflects the 2035 target of reducing water withdrawals by 45% compared with 2017.

3.4.4 Preserving biodiversity and natural ecosystems

Definition of the challenge and risks

The sustainability of the Bel Group's activities is closely linked to the continuity of ecosystem services (pollination, access to quality water, etc.), which determine the availability of the agricultural raw materials used to manufacture Bel's products. The complexity and interdependence of ecosystems mean that we must act collectively. Indeed, the disruption or breakdown of supply chains as a result of the reduced availability of raw materials linked to damaged ecosystem services constitutes a material risk for the Group.

In addition, Bel's upstream agricultural activities have impacts on biodiversity, linked in particular to land use, habitat destruction, water and soil degradation, waste and disturbances such as reduced water accessibility. For these reasons, Bel strongly supports regenerative agriculture as a major pillar of its strategy to fight against climate change and to reduce its impact on biodiversity (see Chapter 3.5 – Promoting sustainable and regenerative agriculture).

Policies

The Group is convinced of the need to adopt a holistic approach to all environmental issues (see Chapter 3.4.1 – The Group's environmental strategy). In 2020, the Bel Group published a policy, co-written with WWF France, to protect, enhance and restore biodiversity along its entire value chain. This policy details the Group's commitments in several areas aimed at restoring biodiversity and measuring, reducing and avoiding its biodiversity footprint:

- first, preserving forests and natural ecosystems, with the goal that, by 2025, none of Bel's key raw materials contributes to deforestation or the conversion of natural ecosystems;
- second, the Group's commitment to assessing its biodiversity footprint so it can set robust objectives backed by a scientific approach;
- the Group's pledge to improve its biodiversity footprint through projects that protect, restore and raise awareness about biodiversity, in close collaboration with its partners who work in the field every day (see section 3.4.2.4 – Capturing residual emissions and protecting ecosystems), as well as regenerative agriculture projects (see Chapter 3.5 – Promoting sustainable and regenerative agriculture).

Action plan

The Bel Group has implemented action plans to mitigate its impact on biodiversity, drawing inspiration from the approach deployed for its Climate Plan:

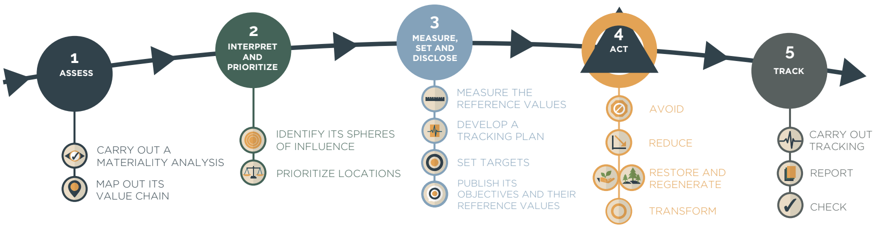
1) Measuring its biodiversity footprint;
2) Avoiding impacts on biodiversity by aiming for "zero deforestation";
3) Reducing the impact on biodiversity through collective action to preserve natural ecosystems;
4) Restoring biodiversity and ecosystems.

3.4.4.1 Measuring its biodiversity footprint

Recognizing the pivotal, interconnected role of biodiversity and its intrinsic correlation with the climate, Bel is one of the pioneering businesses to have joined the Science Based Targets Network (SBTN) and the Corporate Engagement Program in 2020. The aim of this collaborative effort is to develop and test a new, resilient calculation methodology. This methodology will enable businesses to pinpoint their most significant challenges concerning the natural environment and establish targets aligned with planetary boundaries.

The general approach draws from the five-step SBTN methodology: (1) Assess, (2) Interpret and Prioritize, (3) Measure, Set and Disclose, (4) Act, (5) Track. These five steps constitute SBTN's methodological framework, empowering businesses to set scientifically robust targets and supporting them toward achieving environmental sustainability within their business model.

SBTN methodology in five steps



In 2023, the Bel Group relied on the support and expertise of WWF France and the Metabolic agency to complete steps 1 and 2 of the SBTN methodological framework across Bel's entire value chain. The materiality analysis offers a comprehensive vision of how various raw materials entering production chains impact natural environments, from upstream to downstream pressures. Moreover, contextualized data can be acquired for each production site, offering a precise understanding of which activities exert the most significant impact in specific areas.

The second step aids in identifying priority ingredients and locations that should be the focus of company targets. This offers a comprehensive vision of the most critical impacts associated with each pressure exerted on natural resources, and helps prioritize the ingredients and corresponding locations that require action.

The work has been regularly shared by Bel within the framework of the Natural Capital Lab, co-founded by WWF France and the Ecological Accounting Chair at AgroParisTech, which brings together many companies interested in testing and promoting the use of these tools to preserve and integrate biodiversity.

For the third step in the SBTN methodological framework, the Group has been selected by SBTN from more than 200 candidates to participate in a pilot program, alongside 17 businesses globally, aimed at testing the methodology. With the assistance of WWF France and Quantis, the Group is currently working on this program, and outcomes are expected to be made available in 2024.

3.4.4.2 Avoiding impacts on biodiversity by aiming for "zero deforestation"

Protecting ecosystems is crucial due to their vital environmental and social functions. Forest ecosystems, in particular, harbor a significant portion of Earth's biodiversity.

Bel has set an ambitious objective to eliminate the risk of contributing to the conversion of ecosystems for three key raw materials, the production of which could directly or indirectly lead to deforestation and the alteration of natural habitats:

- soy meal and palm oil cakes used by partner dairy farmers to feed their cows (see section 3.4.1 "Taking action for a sustainable dairy upstream");
- palm oil included in certain current recipes (see section 3.4.2 – Using plant-based raw materials within strict limits);
- paper and cardboard used in packaging and marketing materials (see section 3.5 "Designing responsible packaging and fighting food waste and losses").

In 2023, the Group updated its calculation methodology for the packaging sub-criterion to make it more robust and representative of the true state of its packaging. As a result of this change, the area of at-risk land compared to the total area needed for production of monitored raw materials was measured at 36% for 2023, down from 38% in 2022. This reduction is linked to the decrease in the area of at-risk land for palm oil procurement, as well as the reduction in the proportion of non-certified and/or non-recycled packaging.

3.4.4.3 Reducing the impact on biodiversity through collective action to preserve natural ecosystems

Protecting and promoting biodiversity at its production sites

Bel is committed to preserving and enhancing biodiversity at its own production sites by performing a preliminary analysis before setting up each new site, and by implementing actions to preserve the environment around its sites, in particular with regard to its wastewater discharges (see section 3.6.3 "Using water sustainably").

In 2021, a biodiversity diagnostic was carried out at the Pacy-sur-Eure plant, located on an 8-hectare site with abundant greenery, in partnership with the Observatoire de la Biodiversité, resulting in an inventory of the various species of flora and fauna present and recommendations consistent with the ecological issues identified.

Working together across the value chain to reduce its impact

Bel firmly believes that the production of its ingredients can play a pivotal role in reducing its impact on biodiversity. Therefore, it actively encourages its partners to adopt practices aimed at minimizing their contribution to biodiversity loss. For example, Bel encourages pasture grazing whenever conditions permit because pastures are rich in biodiversity (see section 3.4.1 "Taking action for a sustainable dairy upstream"). Encouraging the adoption of sustainable pasture grazing practices for dairy cows helps reduce the need for purchased fodder, concentrates, and protein feed supplements like soy meal and palm oil cakes whose production can contribute to deforestation.

Giving consumers the option to reduce the environmental impact of their food

Two primary strategies for reducing the Group's environmental footprint, in terms of both CO2 emissions and biodiversity, involve supporting the transition to ecologically sustainable agricultural practices (see Chapter 3.5 - Promoting sustainable and regenerative agriculture) and promoting a balanced diet that encourages consumption of more fruit and plant-based foods. This is why Bel has a long-term commitment toward upstream agriculture, working in harmony with its entire ecosystem, and is aiming for a more balanced product offering consisting of 50% fruit and plant-based products and 50% dairy products.

3.4.4.4 Restoring biodiversity and ecosystems

Promoting regenerative agriculture

Convinced that the production of its ingredients can have a positive impact on the environment and contribute to biodiversity preservation and ecosystem regeneration, Bel is committed to regenerative agriculture (see Chapter 3.5 – Promoting sustainable and regenerative agriculture). By adopting sustainable agricultural practices that respect the environment, these projects promote soil health, benefit crop diversity and natural habitats, and reduce the use of harmful chemicals.

Promoting agroforestry

The Group is helping to create new spaces that combine agriculture with respect for biodiversity by encouraging the development of agroforestry. This approach contributes to the preservation of ecosystems in the same way as the fight against deforestation. To this end, Bel has continued its partnership with WWF France and the Pays de la Loire Chamber of Agriculture, to raise awareness, provide training and support dairy farmers in implementing various agroforestry practices (planting hedgerows, wooded strips, trees and forest plantations to promote biodiversity and sequester carbon). Additionally, Bel is financing local tree-planting initiatives as part of this effort. Between 2019 and 2023, this initiative facilitated the planting of 40,000 trees across 40 dairy farms in western France. The Chamber of Agriculture contributed its expertise by conducting soil surveys and assisting with species selection.

The Kiri® brand is also developing agroforestry projects on Bel farms. Since 2022, 24 projects have been completed. A total of 20.3 km of hedges and 20,300 trees have been planted, with a target of 30,000 trees set for 2025.

Supporting ecosystem restoration projects

In 2023, ahead of COP15 on biodiversity, the Group endorsed the European Parliament's Nature Restoration Law. This legislation proposes that public authorities restore at least 20% of the European Union's land and sea areas by 2030, and all ecosystems in need of restoration by 2050. This measure would contribute to the long-term restoration and resilience of biodiversity and the natural environment.

Also in 2023, the Bel Group was invited, alongside the Carrefour Group, to co-lead the "Agri-food" sector group as part of the "Entreprises & Biodiversité" (Business and Biodiversity) initiative of the French Secretary of State for Biodiversity.

The Group supports projects that are located close to its production and distribution areas:

- peat bog rehabilitation projects in the Jura region (see section 3.4.2.4 – Capturing residual emissions and protecting ecosystems). These initiatives aid in long-term CO2 sequestration, while also safeguarding water resources and the distinctive biodiversity that occupies these ecosystems;
- ecological restoration project in the municipality of Boticas, in northern Portugal, in partnership with WWF France and Portugal. Barroso is particularly affected by forest fires, which alter the region's landscape and diversity. Owing to the area's authenticity, traditions, and longstanding agricultural practices, Barroso stands as the inaugural region in Portugal to receive recognition as a World Agricultural Heritage Site by the FAO (Food and Agriculture Organization of the United Nations).
- reforestation project led jointly by Carrefour and Bel Spain, in Leoz, Navarre, an area severely affected by the fires of 2022.
- reforestation project, "A Tree in Hand" in Vietnam to replant forest areas affected by erosion and mangrove loss. Over four years, 2,500 mangroves will be planted in partnership with the Manglub NGO. The project will create local jobs, raise awareness of biodiversity erosion and capture carbon.

Selected key performance indicator

Bel's objectives	KPI	2021	2022	2023	2025 objective	Progress	2030 objective
Preserve natural ecosystems and fight deforestation through its supply chain	Zero deforestation (area of at-risk land/total area needed for production of monitored raw materials)	34%	38%	36%	0%	😐	0%

Chapter summary

Highlights of 2023

- Change in methodology for calculating the carbon footprint for dairy upstream, to improve comparability with other players.
- Measurement of the Group's impact on water resources and definition of its ambition for water across the entire value chain.
- Biodiversity materiality analysis carried out using SBTN methodology, covering the entire value chain.
- Drafting of a forestry charter reviewed by NGOs and forest biodiversity experts.

Priorities for 2024

- Continued implementation of decarbonization action plans throughout the value chain.
- Deployment of a plan to raise employee awareness of the Group's water footprint and related issues.
- Continuation of the pilot program to test the SBTN methodology at the Pacy-sur-Eure site, in partnership with Quantis and WWF France.
- Launch of a project to rehabilitate peat bogs in the Jura region, to help preserve biodiversity and water resources, as well as capture carbon.

3.5 > Promoting sustainable and regenerative agriculture

Definition of the challenge and risks

The food sector is critical to feeding more than 10 billion people by 2050. However, this sector also faces major challenges, such as soil erosion, water scarcity and greenhouse gas emissions. In facing these challenges, food is a major part of the problem, and therefore also of the solution. Indeed, the impacts linked to climate change, the loss of biodiversity and dwindling water resources expose the Group to major supply risks, particularly in the event of drought or soil degradation.

On the other hand, the Group itself generates significant environmental impacts through the agricultural production it uses for its products. As a result, Bel promotes regenerative agriculture for a number of reasons:

- to reduce the overuse and pollution of soils generated by intensive agricultural systems,
- to help restore the natural capacity of soils to regenerate, and by extension their fertility,
- to ensure farm resilience and succession, and
- to continue offering quality products with healthy ingredients.

Governance

The issues of regenerative agriculture are championed by the Regenerative Agriculture Committee, which brings together corporate CSR teams and in-house experts for quarterly meetings and drives progress on the roadmaps.

3.5.1 Moving toward regenerative agriculture

Encouraging sustainable agricultural practices is one of Bel's chief concerns. For over ten years, Bel has been working with WWF France to promote a more sustainable food model. Today, the Group aims to take further action and become a catalyst for the food transition and the transformation of agricultural practices across its ecosystem through regenerative agriculture.

An ambitious regenerative approach

In 2023, the Group defined its ambition focused on regenerative agriculture, in collaboration with the relevant stakeholders, including the Earthworm Foundation and WWF France, as well as the Group's customers and suppliers. The overall reference framework for regenerative agriculture has three major aspects – environmental, social and economic – across the Group's three business areas: dairy, fruit and plant-based products.

This comprehensive approach aligns with six primary objectives: preserving soil health, supporting carbon sequestration and CO2 emissions reduction, promoting biodiversity, optimizing water management in terms of both quantity and quality, minimizing the use of synthetic inputs, and enhancing the economic viability of farms.

The Group has set ambitious goals and budgeted resources, with an initial target of sourcing 100% of the milk and apples used in the Group's products from regenerative agriculture by 2030, extended to all its other key raw materials by 2035.

Initial pilot projects are already underway for milk in the Unites States and Portugal (on the mainland and in the Azores) and for apples in France. The goal is to learn, draw conclusions, and then roll out these projects more widely, by adapting them to the local environments.

An Alliance to accelerate the movement

To bring about a significant and lasting transformation, the Group understands the importance of mobilizing everyone involved in the agri-food industry. This includes cooperatives, farmers, breeders, retailers, experts, NGOs, and consumers. It is for this reason that Bel decided to launch the Alliance for Regenerative Agriculture. The Alliance for Regenerative Agriculture is a movement to unite all players in the agri-food industry who are dedicated to accelerating the adoption of regenerative agriculture practices.

3.5.2 Taking action for a sustainable dairy upstream

Policies

The "Dairy Upstream Charter"

Milk is the basic ingredient for cheese making: Bel collects over one billion liters of milk from 1,169 producers or collection centers in its nine dairy supply basins worldwide each year.

The dairy upstream sector has a major impact on natural resources and climate change, and also plays a major social role in numerous local communities. The Group's aim is to ensure that this sector can maintain this social role while contributing to regenerative agriculture. To this end in 2023, after several years of field projects and learning, the Group updated its Charter for a Sustainable Dairy Upstream, co-signed with WWF France, around three strategic priorities: Partner producers, Animals, and Regenerative agriculture. Based on action plans tailored to the realities of the producing countries, and with tangible objectives, the Charter reaffirms the commitment of the Bel Group and its partners to a low-carbon dairy sector.

The Animal Welfare Charter

Since 2019, the topic of animal welfare has been covered by a Charter(1) developed with experts from CIWF(2) and based on standards issued by associations such as Welfarm, the World Organization for Animal Health (OIE) and the CNIEL (the French national dairy industry council).

By 2025, Bel intends to roll out the Animal Welfare Charter across all its dairy basins, and to have all its partner farms assessed.

Action plan

Partner producers

The goal is to jointly construct long-term relationships that foster more efficient, sustainable and innovative agricultural practices, helping to transform the food chain and promote better living and working conditions.

Being a close and reliable partner

Most of the milk used in Bel products is collected directly from its partner producers every two or three days. The Group relies on this direct, regular link to develop long-lasting relations with dairy producers, even in a fragile economic environment. Dairy producers' quality of life and working conditions are a major concern for the Group, for which a sustainable growth model is inconceivable without long-lasting partner relations.

Bel has thus set a target for 2025 of visiting 100% of its farms at least once a year and inviting them to an annual meeting to ensure transparent dialog and share the vision of the Group and its businesses.

In 2023, Bel launched a pilot survey of farmers in Poland and Portugal called the "Farmer's voice" to monitor producers' well-being, particularly on issues of fair compensation and workload.

Creating a fair and sustainable economic balance

Bel seeks to create a fair and sustainable economic balance by fostering long-term contractual relationships, supporting sustainable practices through financial solutions geared to individual circumstances, and promoting incremental income for producers (on-farm processing, on-farm fruit trees, etc.).

In France, for the sixth year in a row, Bel renewed its partnership with the APBO through an agreement for better milk prices(3). Among other things, this agreement responds to the short-term challenges of inflation and reaffirms longer-term commitments by putting a monetary value on differentiating farming practices, such as GMO-free animal feed, pasture grazing and transforming toward a low-carbon industry. Within this framework, since 2023, the price of milk has been 100% indexed to farmers' production costs, based on the IPAMPA – Cow's milk index.

In 2023, Bel also formed a partnership with Producteurs Laitiers du Québec, which runs CSR programs in the Quebec dairy upstream.

Encouraging future generations

The Group also aims to inspire future generations of farmers and make farming a more appealing profession. This involves providing training for farmers and promoting innovative, sustainable practices through showcase farms. The goal is for 100% of countries to have a "Generational Renewal" program in place by 2025.

In France, for the second consecutive year in 2023, the Babybel®, Kiri®, and Boursin® brands helped to fund a portion of projects for young farmers starting out, such as new fences, calf hutches, drinking troughs, and more. To raise awareness among consumers, Babybel®, Boursin® and Kiri® encouraged them to play a part in raising a €100,000 fund to be donated to a number of young farmers to finance projects on their farms.

Animals

Our aim to ensure animal welfare and promote local feed for the herds, thus contributing to sustainable milk production.

(1) For more information, the Animal Welfare Charter can be viewed on the Bel Group's website (https://www.groupe-bel.com/wp-content/uploads/2019/10/animal-welfare-charter-eng.pdf).
(2) Compassion In World Farming, an international NGO that promotes animal husbandry practices that preserve animal welfare.
(3) The Bel Group – Decisive years for milk production in France: APBO and the Bel Group renew their agreement for the next 15 months (groupe-bel.com)

Ensuring animal welfare

The Group has committed to promoting good practices in animal welfare and sharing strict common standards by addressing this sensitive issue with its partners. A key aim is to guarantee an environment and practices that are suited to the animals' physiological and behavioral needs.

Since the publication of the Animal Welfare Charter in 2019, the Group has worked on harmonizing and promoting all of these best practices, with the ambitious goal of 100% of its partner dairy farms being assessed according to the Bel Animal Welfare Charter (or a local equivalent) by 2025.

By 2023, the Group had already audited 55% of its farms (100% of farms in the United States, Portugal and Iran). If any non-compliance is identified or if the existing national framework is less rigorous than its own commitments, Bel requires the implementation of recommendations and verification by an independent third party. Action plans are drawn up when non-compliance is identified, ranging from training courses to recommendations for changes in practices.

Promoting pasture grazing

Whenever conditions are favorable, Bel works to increase the food autonomy of farms and encourages pasture grazing. This regenerative farming practice also benefits soil health and fertility, as well as its carbon storage capacity, while preserving biodiversity and improving the water cycle. Pasture grazing also helps increase the protein self-sufficiency of farms compared to other systems, and it benefits the health and well-being of dairy cows.

In France, 100% of milk producers give their animals access to pasture grazing, and are financially incentivized to improve pasture grazing conditions and to switch to growing high protein crops and legumes. In 2023, 150 producers took advantage of these incentives.

The "Happy Cow" program initiated in the Azores in 2022 was also continued. The program notably provides loans to farmers to incentivize them to adopt dynamic rotational pasture grazing practices.

Bel has set a target for 2025 of 100% of the milk it sources to come from cows with access to pasture grazing (in areas where pasture grazing is feasible). In 2023, 99% of the milk sourced met this target.

Encouraging sustainable local food

Feed varies according to the farm's geographic location. The Group actively encourages the adoption of sustainable and local animal feed wherever possible. This approach has many advantages:

- Protecting the environment: The use of local feed enables crop diversification and reduces CO2 emissions linked to food transportation. It also reduces the risk of "imported deforestation."
- Positive economic impact: Local food supports the local economy and strengthens the connection between producers and consumers.

Regenerative Agriculture

Our aim is to promote agricultural practices that have a positive impact on the environment, thereby helping to fight against climate change and biodiversity loss, and fostering a more resilient ecosystem. The Group has set ambitious goals and budgeted resources, with an initial target of sourcing 100% of the milk used in its products from regenerative agriculture by 2030.

Initial pilot projects are already underway for milk in Portugal (on the mainland and in the Azores) and will soon be rolled out more widely, in adapting them to local environments. In the Azores, five partner farms have tested the adoption of regenerative practices such as reduced fertilizer use, improved manure management, and crop rotation and diversity. Other pilot projects are also underway in Portugal, in collaboration with the Earthworm Foundation.

In the United States, Bel supported the roll-out of the Truterra® program, in partnership with the Land O'Lakes cooperative, by assisting partner pilot farms to implement regenerative agriculture practices. Six farms are involved in the program, representing 14% of milk sourced in the United States as of 2023.

The Group also promotes agroforestry within its various dairy supply basins. (see section 3.4.4.4 – Restoring biodiversity and ecosystems).

Reducing the Group's carbon impact

All the initiatives carried out as part of the three strategic priorities of the Dairy Upstream Charter contribute to developing practices aimed at reducing the sector's CO2 emissions. Moreover, they align with the new decarbonization pathway outlined by the Bel Group in 2022. Bel set a goal to reduce emissions from dairy upstream activities by 50% by 2035, compared to 2017 levels.

Deploying carbon diagnostics on the farm

To meet that target, identifying emissions contributors is crucial: Bel in France therefore worked with CNIEL (the French national dairy industry council) to create Cap2'ER, a tool to measure the environmental impact of farms and to identify new pathways (see Chapter 3.4.2 – Fighting against climate change). Tools have also been deployed to carry out carbon diagnostics in the Group's other dairy supply basins. Such is the case for FARM ES in the United States, and the Cool Farm Tool in other Group countries outside Canada.

These carbon diagnostics on the farm are key to the Group's decarbonization roadmap (see Chapter 3.4.2 – Fighting against climate change), and as such their successful deployment is listed as a key indicator in the Sustainability-Linked Financing Framework (see Chapter 3.2.5 – Promoting responsible financing practices among investors).

A total of 84% of the Group's farms have carried out an initial carbon diagnostic(1), including 100% of farms in the Cheese segment in France, and 100% of farms in the United States and Iran. Follow-up action plans are currently being implemented, and 21% of farms have carried out a second carbon diagnostic to measure the progress already made. In the United States, 68% of farms have completed their second carbon diagnostic, and some have implemented an associated action plan. The Group wants 100% of the farms it works with to have undergone a second carbon audit by 2030.

Methane reduction

According to the FAO(2), nearly one third of the world's greenhouse gas emissions come from the food chain, and 32% of the methane emitted as a result of human activities comes from livestock farming.

Faced with these facts, Bel is testing and introducing the Bovaer® feed additive, developed by the DSM-Firmenich company to reduce methane emissions from cows. The effect of this additive is to limit some of the reactions responsible for methane production in the rumen, one of the cow's four stomachs. Using Bovaer® should reduce each farm's methane emissions by around 25%.

In Slovakia, after successfully completing a series of pilot tests for Bovaer®, Bel began to roll out this pioneering solution with the majority of its dairy farmers in that country in July 2023. These farms supply around 70 million liters of milk a year to make the Group's famous Babybel® cheeses to be distributed in Central Europe and the UK. At the end of 2023, a quarter of Slovakia's dairy farms representing nearly 2,600 cows had adopted this solution.

In France, Bovaer® was tested in partnership with the Institut de l'Elevage (IDELE – French livestock research institute) between January and March 2023. Five farms were chosen to participate in the pilot program on a voluntary basis because they represented a diverse range of APBO livestock farms in terms of feed distribution equipment, types of rations provided at the trough, and methods of distribution throughout the day. The results published by IDELE(3) confirm the approximately 25% reduction in methane expected on average according to previously published studies on Bovaer®.

In 2023, Bel also joined the Dairy Methane Action Alliance (DMAA) led by the NGO Environmental Defense Fund, with the aim of finding common solutions to reduce methane emissions, and providing technical and financial support to livestock farmers. Action plans will be drawn up by alliance members by the end of 2024.

Selected key performance indicator

Bel's objectives	KPI	2021	2022	2023	2025 objective	Progress	2030 objective
Contribute to better quality of life and working conditions for partner producers	Percentage of farmers having had at least one visit from a Bel milk technician and been invited to an annual meeting	(a)	(a)	85%	100%	(a)	100%
Encourage good practices to promote animal welfare	Share of farms abiding by the Animal Welfare Charter certified by a third party	15%	29%	55%	100%	☺	100%
Developing practices to reduce upstream CO2 emissions	Percentage of farms having carried out an initial carbon diagnostic	64%	75%	84%	100%	☺	100%
	Percentage of farms carrying out a second carbon diagnostic(b)	(b)	0%	21%	(b)	(b)	100%

(a) New indicator defined in 2023 for which no historical data is available.
(b) New indicator available in 2022: a second diagnostic to be completed three to five years after the first, to measure progress.

(1) Several tools were used: Cap'2ER in France, SMART in the United States and Cool Farm Tool for the other supply basins.
(2) https://www.fao.org/home/en
(3) https://idele.fr/detail-article/distribuer-du-bovaerr-dans-des-exploitations-laitieres-quelle-faisabilite-et-quels-resultats-pour-reduire-les-emissions-de-methane

3.5.3 Delivering the goodness of healthy and responsible fruit

Policies

Firmly convinced that quality products can only be made from quality raw materials, the Group has been working for several years to source its apples in an increasingly responsible and sustainable way. Beginning this year, apples have been included in the Group's global reference framework for regenerative agriculture. The first target is to source 100% of the apples used in the Group's products from regenerative agriculture by 2030.

Action plan

Ensuring responsible and local sourcing

The bulk of the Group's fruit supply comes from fruit that has been excluded from the fresh produce market for quality reasons. The Group works closely with farmers to make the most of this discarded fruit, to limit food waste as much as possible, and to provide farmers with additional income. This does not come at the expense of quality, since the Group ensures both the health safety, and visual quality of the fruit purchased.

Concerning the origins of its apples, the Group strives to source apples as close to its production plants as possible in France and the United States. For instance, since 2021, recipes for the Pom'Potes® and Materne® organic ranges have been made using French organic apples, while traditional apples purchased for the US market come from either the United States or Canada.

In addition to apples, since 2021 the Group has been encouraging local sourcing of other fruits wherever possible. With its "Fruit de nos régions" range, the Group selects fruit from several regions of France and continues to promote French agriculture. When local sourcing is not possible, the Group favors responsible sourcing through certification. Such is the case, for example, for bananas and vanilla, some of which are certified fair trade by Max Havelaar.

Prioritizing the sourcing of certified apples and maintaining a relationship of trust with partner farmers

For several years, the Group has been committed to sourcing traditional apples from orchards with sustainable agriculture practices. In 2019, the Group pledged to increase the proportion of apples sourced from certified sustainable orchards.

In 2023, 100% of its apples came from orchards certified as "Vergers écoresponsables" (Eco-friendly Orchards)[1].

In the United States and Canada, the Group sources the vast majority of its apples from growers certified USDA GAP[2], Global GAP[3], Primus[4] or Canada GAP[5]. These certifications are focused mainly on food safety. These supplies accounted for 87% of the Group's total apple supply in the United States in 2023. In addition, 31% of the apples purchases are certified "Organic."

Moreover, the Group is committed to building relationships of trust with its partners. Currently, nearly 14.5% of fresh apple supplies in France come from partner orchards. These orchards are covered by long-term contracts (from 1 to 15 years). In 2023, the Group is therefore stepping up its commitment to this type of long-term contractual arrangement, supporting the apple-growing sector by agreeing to an indexed price for a set period of time. This provides a guarantee of compensation that reflects changes in production costs, in accordance with the French "EGAlim Act." It also guarantees the quality of fruit supplies.

Accelerating toward regenerative agriculture

In keeping with its ambition to promote regenerative agriculture, the Group has set a target of sourcing 100% of its apples according to the principles of regenerative agriculture by 2030 (see Chapter 3.5.1 – Moving toward regenerative agriculture).

In its partner orchards, the Group encourages the use of agroecological practices, including the use of biological control methods that protect plants using natural mechanisms (plant cover to preserve moisture and prevent soil erosion, mating disruption, use of nesting boxes for chickadees that feed on insect pests, etc.), the rational management of soils, water use optimization and biodiversity, and ensuring the health, safety and working conditions of farm employees.

In 2023, Bel set up the first regenerative agriculture field experiments in fruit orchards in France to test the actions identified by the Group on a small scale. The aim of these projects is to obtain valuable feedback to guide the large-scale deployment phase over the next three years, and spread these practices to the entire segment.

(1) The Vergers Ecoresponsable endorsement gives the Group certainty that the approved orchards comply with six major commitments: promote orchard biodiversity; prioritize biological control methods; adopt sustainable agriculture methods; harvest apples by hand at optimal maturity; guarantee traceability from orchard to the point of sale; and check adherence to these good practices through certification by an independent third party.
(2) USDA GAP audits are voluntary audits that verify that the fruits and vegetables are produced, packaged, handled and warehoused in a way that minimizes microbiological risks.
(3) The Global GAP standard is an international benchmark covering environmental protection and worker health and safety.
(4) PrimusGFS is a certification program recognized by the Global Food Safety Initiative (GFSI) that covers agricultural practices, manufacturing practices, and food-safety management systems.
(5) Canada GAP® is a food hygiene program for businesses that produce, handle and sell fruits and vegetables.

3.5.4 Using plant-based raw materials within strict limits

Policies

Bel has defined a common set of commitments to be honored for the sourcing of all plant-based ingredients used by the Group: first, plant-based ingredients must be of non-GMO origin, not linked to deforestation, and must come from supply chains/suppliers that abide by business ethics principles. Second, these ingredients are classified according to their country of supply in order to identify and manage specific risks. Finally, the use of ingredients that follow the main principles of regenerative agriculture or that are organically produced is encouraged.

Bel's policies and efforts focus primarily on two types of plant-based raw materials: vegetable fats, which have already been included for several years in the Group's policies, and plant-based ingredients, which are the subject of new work in connection with Bel's development in this area.

Action plan

Using sustainable plant-based ingredients

To guarantee an approach in line with the Group's various environmental policies (preservation of ecosystems, responsible purchasing, regenerative agriculture, etc.), a set of commitments was established for plant-based ingredients in 2020. Starting at the end of 2020, Bel set the goal of using 100% responsible vegetable fats, i.e., those sourced from sustainable, traceable and certified agricultural supply chains where they exist (e.g., palm oil). In the absence of certified chains, the Group promotes local sources whenever possible and ensures that it procures non-GMO materials that pose no risk of deforestation and comply with a baseline of ethical practices (see Chapter 3.4.4 – Preserving biodiversity and natural ecosystems).

This year, total vegetable fat procurements totaled 12,431 metric tons, of which 9,474 metric tons were sustainable vegetable fats (RSPO segregated palm oil or other vegetable fats complying with the Group's policy on this issue). This means that 76% of supplies complied with the Vegetable Fats Charter. Despite a complex economic environment in some regions, earnings remained stable compared with 2022. The exceptions have been identified, and the corresponding action plans put in place, to work toward 100%.

Selected key performance indicator

Bel's objectives	KPI	2021	2022	2023	2025 objective	Progress	2030 objective
Guarantee the responsible procurement of the vegetable fats used in products	Procurements which are certified or honor the commitments of the Vegetable Fats Charter (where there is no certification)	87%	77%	76%	100%	😐	100%

Chapter summary

Highlights of 2023

- Development of the Group's formal guidelines for Regenerative Agriculture and first pilot projects for milk and fruit.
- Continued coordination of the Alliance for Regenerative Agriculture, bringing together the various players in the agri-food industry: manufacturers, cooperatives, farmers, customers, suppliers, experts and NGOs.
- Updating of the Dairy Upstream Charter: Partner producers, Animals, and Regenerative agriculture.
- Strengthening of partnerships with apple growers, through long-term contracts.
- Introduction of Bovaer®, a feed additive to reduce methane emissions from cows, to the majority of dairy producers in Slovakia.

Priorities for 2024

- Launch of new Regenerative Agriculture pilot projects on milk with Earthworm Foundation in Normandy, France, and on apples in France with Biosphères and in Michigan with UnderstandingAG.
- Leadership of the Alliance for Regenerative Agriculture.
- Membership in the Sustainable Agriculture Initiative (SAI) which supports the development and implementation of sustainable and regenerative agricultural practices through collaboration and knowledge sharing.
- Launch of Bovaer® in France in 2024 in collaboration with APBO (voluntary participation).

3.6 > Designing sustainable portions

Definition of the challenge and risks

The issue of sustainable portions has always been an integral part of Bel's business model, and offers a number of advantages:

- Preserving food quality and safety over long shelf lives, sometimes even without refrigeration (see Chapter 3.3.1 – Offering high quality, safe and healthy products);
- Enabling as many consumers as possible to be able to enjoy its products, offered in a practical format that can be easily transported (see Chapter 3.7 – Improving the accessibility and affordability of its products);
- Limiting excess consumption and offering consumers the right nutritional intake for their needs (see Chapter 3.3.3 – Promoting better eating habits and encouraging healthier and more sustainable lifestyles);
- Helping to reduce food waste, which remains a major challenge in achieving the Sustainable Development Goals (SDGs)[1]. Compared with bulk cheese, the individual portion allows cheese consumption to be spread out over time, providing just the right amount and avoiding leftovers.

Nevertheless, Bel is aware of the environmental challenges posed by the use of individual packaging, and more generally of the environmental impact of consuming raw materials and managing the packaging end-of-life. Indeed, the extraction of the raw materials needed to manufacture packaging, as well as their transformation and end-of-life management, represent a major environmental impact for the Group. A more sustainable portion helps to minimize reputational and legal risks, and better meet consumers' needs.

Policies

In 2023, in collaboration with in-house packaging experts and the CSR team, the Sustainable Portions policy was updated and then validated by the Executive Committee. Objectives are set in the framework of external commitments made to the Consumer Goods Forum and the French National Plastic Packaging Pact ("Pacte National sur les emballages plastiques").

The policy is structured according to the "5Rs" aligned with the Ellen MacArthur Foundation's butterfly diagram[2]:

- "Refuse" unnecessary items and waste;
- "Reduce" the use of materials and food waste;
- "Reuse" as much as possible and repurpose losses for people or animals;
- "Restore" resources by using recycled or renewable materials;
- "Recycle" packaging.

The Sustainable Portions policy includes the Charter for Food Waste and Losses[3] which encompasses the Group's commitments and best practices throughout its value chain.

3.6.1 Fighting food waste

Governance

The fight against food waste and losses is led by a Food Waste Committee. This committee brings together various key functions for quarterly meetings, including the Environment, Industrial Performance, Logistics, Research, Innovation and Development (R&D), Quality, CSR and Regulations departments.

In 2023, the Committee primarily focused on strengthening the data consolidation system through training, implementing new monitoring tools, enhancing governance over product destruction monitoring, and developing action plans.

Action plan

In a circular economy, fighting food waste and losses is crucial to avoiding the unnecessary consumption of resources and the generation of food waste and its associated greenhouse gas emissions. Bel joined the Consumer Goods Forum's "10x20x30" initiative in 2021, with the ambition of halving its food waste 2030 compared to 2021.

Measuring to reduce food loss and waste

Since 2022, the Group has constructed and monitored an indicator relating to losses and food waste, with the aim of achieving a 50% reduction in losses during operations in 2030 in comparison to 2021. Food losses and waste represent the percentage of food (edible or otherwise) sent to one of the "waste destinations" expressed in relation to the total amount of food sold or donated. Donations for the purpose of human or animal consumption are excluded from FLW, as is the use of co-products to make other, non-food products.

(1) According to the FAO and WWF, nearly 40% of the food produced in the world for human consumption is never consumed. For Bel, fighting food waste is a critical issue in our society and an ethical and environmental imperative. It contributes to achieving the United Nations Sustainable Development Goal (SDG) number 2 of "Zero hunger," as well as 12.3. "Global Food Loss and Waste," which aims to halve the volume of food waste per capita worldwide: wwf_uk__driven_to_waste___the_global_impact_of_food_loss_and_waste_on_farms.pdf (panda.org)
(2) https://ellenmacarthurfoundation.org/circular-economy-diagram
(3) https://www.groupe-bel.com/wp-content/uploads/2023/02/food-waste-en.pdf

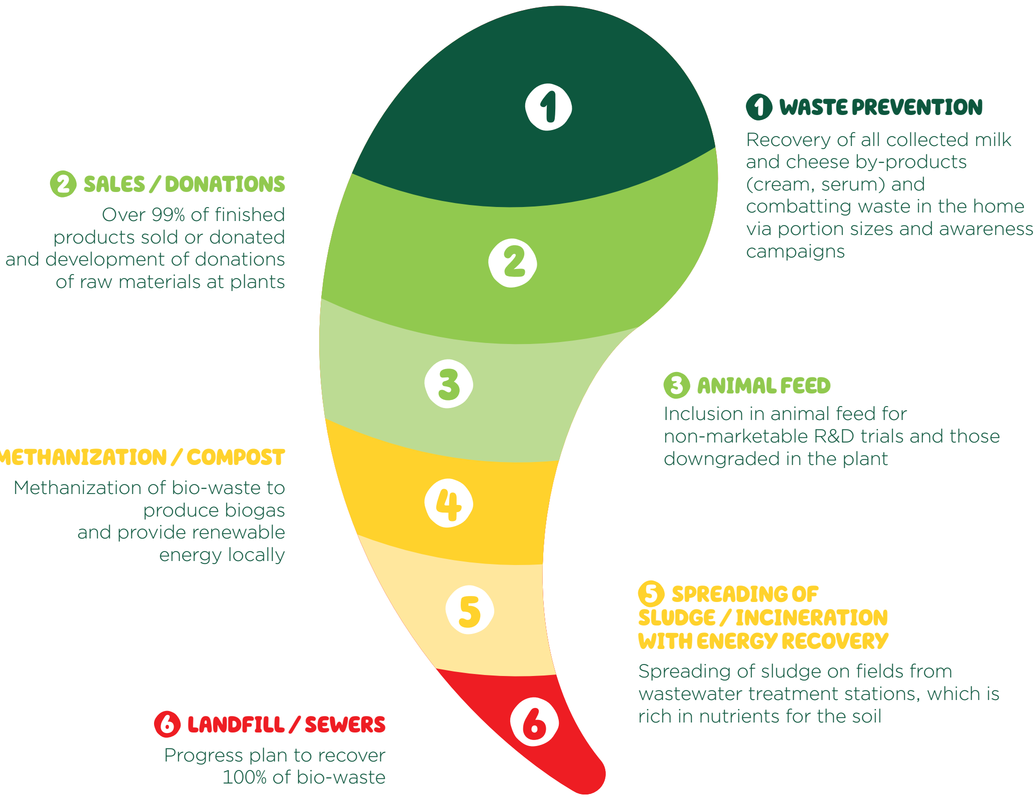
Taking collective action and raising consumer awareness

Because lasting positive change can only come from collective action, the Group is committed to fighting food waste and losses through external coalitions that gather different players in the food and consumer sectors:

- As part of the Food Waste coalition of the Consumer Goods Forum (CGF), the Group has shared its progress as a pioneer in measuring dairy waste in wastewater. Bel also led the working group that launched the first consumer awareness campaign run by CGF members to mark the International Day of Awareness of Food Loss and Waste. Producers and retailers in the coalition have launched a call to action on social networks using the hashtag #TooGoodToWaste[1], to share key actions that will help consumers reduce food waste.
- Bel joined the communication campaign launched by Too Good To Go as part of its initiative on "Best Before" food labels. Bel is promoting the inclusion of information and pictograms explaining the difference between "Best Before" and "Use By" dates on product packaging. This initiative was launched in France with The Laughing Cow® brand and has been extended to the Apéricube®, Kiri®, GoGoSqueeZ®, Pom'Potes®, and Mont Blanc® brands and to other countries. An explanatory pictogram with the words "Look Smell, Taste: Don't Waste" is available on some packaging in Portugal, Great Britain, Spain, Italy, Belgium and the Netherlands, and may be rolled out to other countries on a voluntary basis.
- To mark the European Week for Waste Reduction (EWWR), Bel promoted its partnership with Phenix (a French company that supports businesses, especially mass retailers, in their waste-reduction efforts) by airing two videos on donations of raw materials from its plants and the donation of products from R&D pilot tests to be used as animal feed.

Action at every level of the food waste management hierarchy

BEL HAS COMMITTED TO REDUCING FOOD WASTE BY 50% BY 2030



(1) "Trop bon pour être gaspillé" in French

Bel is committed to adhering to the food waste prevention/management hierarchy. The preferred routes (minimizing losses and downgrades, emphasizing reuse in production, and prioritizing donation for consumption by people or animals) yield the greatest environmental benefits and contribute to advancing a circular economy. The least-preferred routes (landfill, incineration, and discharging foodstuffs into sewers) have the highest environmental impact and offer limited potential for contributing to a circular economy.

Minimizing losses and downgrades

Bel strives to keep losses of raw materials to a minimum across its entire value chain. The Group collects milk locally and regularly (at least every three days) from partner producers to reduce the time elapsed between milking and processing. All milk is either used on the farm or collected by Bel year-round, even during peak production periods. The Group supports its partner farmers by identifying and sharing best practices to avoid milk losses on the farm.

In the Squeeze segment, it is through its activity as a processor that Bel actively contributes to avoiding post-harvest losses. In fact, products are prepared with quality fruit, much of which is excluded from table consumption due to size or appearance, or because of a gap between demand and production (see Chapter 3.5.3 – Delivering the goodness of healthy and responsible fruit).

Every effort is made to minimize food waste, from raw materials to finished products. Strict quality requirements, well-maintained production tools and continuous improvement processes ensure optimum performance and maximize industrial output.

Prioritize reuse in the production process

Bel has also always endeavored to reuse dairy production surpluses and all components of the milk collected, including by-products of cheese production, such as cream and whey. In addition, all Bel's manufacturing cycles generate some substandard cheeses as a result of deviations from production specifications (weight differences, esthetic reasons, etc.). These production surpluses and by-products are recovered and may be reused in the Group's own plants or resold for use in manufacturing other products.

For example, in 2023, to reduce losses generated on production lines and promote reuse, the Group invested in new equipment at its Sorel plant in Canada, which enabled downgraded Mini Babybel® cheeses to be repurposed for other recipes. This resulted in a sharp increase, from 12% to 40%, in recovered losses from the production process.

Encourage donations to feed people or animals

When losses are unavoidable or cannot be reused, the Group is committed to redistributing them as donations, prioritizing feeding people, and then animals. The Group's vision is thus to achieve zero destruction of finished products that are still suitable for consumption.

A new protocol has been established to redirect losses of raw materials and others generated by non-marketable R&D trials. For example, since 2023, the R&D site in Vendôme has been donating products from pilot tests to a nearby kennel, providing dogs with a low-cost supply of protein.

Recovering unavoidable food waste

If the above options are no longer feasible, or if the food losses present a consumption risk, the Group will seek to recover energy from food waste through anaerobic digestion processes or from incineration. Sludge from wastewater treatment plants may also be spread on fields or composted. Since 2023, the Tangier plant in Morocco and the Traverse City plant in the United States have been incinerating and recovering energy from their previously landfilled food waste.

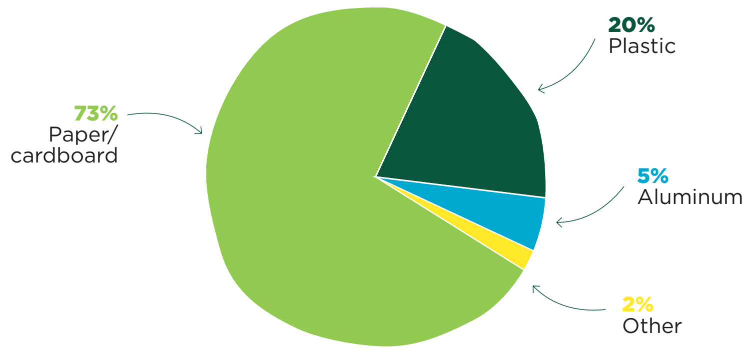
Reducing the rate of food loss and waste by 50% in operations in 2030 vs. 2021	2021	2022	2023
Rate of food loss and waste, including wastewater	4.3% [(a)]	4.1% [(a)]	4%
Rate of food loss and waste, excluding wastewater	1.5%	1.5%	1.6%

(a) New indicator defined in 2022, historical data recalculated to improve reliability.

3.6.2 Designing responsible packaging

In 2023, the Group's packaging was primarily comprised of paper- or cardboard-based materials – including cartons (73%), followed by plastic (20%) and aluminum (5%). The information presented below is based on actual data relating to materials purchased by the Group's Packaging Purchasing teams during the reporting period, excluding subcontracting.

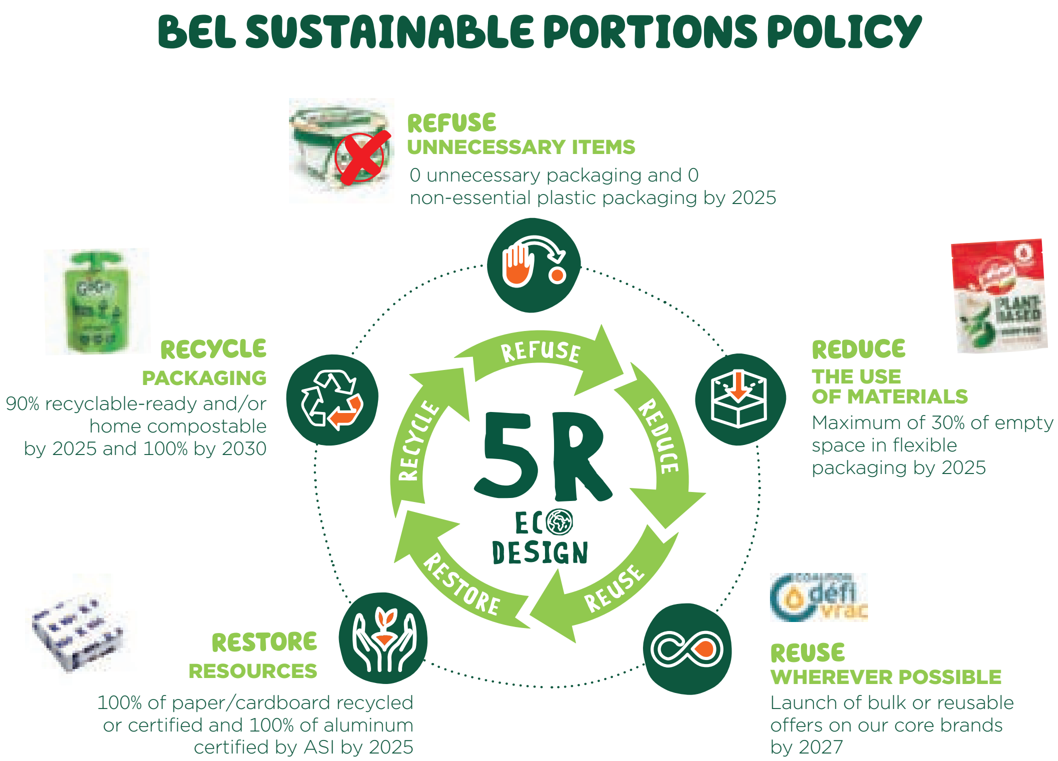
Breakdown of packaging weight by type of material



Governance

A Packaging Committee convenes quarterly to steer medium- and long-term action plans, set priorities, and track progress on key performance indicators derived from the 5Rs. The committee brings together packaging experts, including a specialized packaging transformation team dedicated to developing new packaging with reduced environmental impact, alongside representatives from the CSR, Marketing and Purchasing departments. Packaging is a topic regularly on the agenda of the of the CSR Operational Committee.

Action plan



"Refuse" unnecessary items

Given the best packaging is that which does not exist, the Group's first objective is to eliminate all unnecessary packaging. This objective echoes that of the "Consumer Goods Forum" (CGF) coalition, which the Group joined in 2020, with the goal of eliminating all plastic bulk packaging that does not serve to conserve the product by 2025. Over the long-term, by minimizing packaging, the Group is prioritizing essential functions and gearing up for the introduction of bulk, refillable, and reusable product options.

Commitments to 2025 include eliminating secondary plastic packaging that is not essential for product preservation, along with unnecessary packaging components. For example, the cardboard overwrap on Boursin® tubs has been eliminated, reducing the packaging weight by 25% and saving 26 metric tons of cardboard per year.

In addition, the Group is committed to eliminating PVC/PVDC materials by 2025, and has already removed them from consumer products.

"Reduce" the use of materials

Using eco-design principles, once all unnecessary components have been removed from packaging, the Group acts on two key drivers:

- reducing the quantity of materials as much as possible;
- simplifying the packaging by prioritizing mono-materials, which are easier to recycle and limit the number of small secondary materials.

The Group is also committed to limiting the amount of empty space between food and packaging ("headspace") to a maximum of 30% by 2025, and to eliminating non-technically justified headspace in all its packaging by 2030.

To achieve these ambitious goals, the R&D teams utilize specific tools when making decisions for each innovation or renovation project:

- An evaluation grid for all packaging introduced on the market. This grid scores packaging based on its alignment with the Group's eco-design objectives;
- eQoPack, a cutting-edge Life Cycle Assessment (LCA) tool developed by Quantis, a leading LCA consultancy, that measures the environmental impact of packaging. This tool makes it possible to simulate the impact of different packaging options and thus to make choices in line with the Group's commitments. Since its launch in 2021, 202 projects and 725 scenarios have been evaluated using eQoPack.

One example of a "reduce" project is the gradual introduction of new plastic caps for fruit pouches. The plastic weight of these caps is 40% lower, which will represent a potential annual savings of 1,265 metric tons of plastic and a 20% reduction in greenhouse gas emissions.

"Reuse" as much as possible

To encourage consumers to curb their reliance on single-use packaging, Bel is developing offerings in reusable, refillable and bulk packaging. Recognizing the significant technological and commercial challenges associated with packaging spreadable, perishable products subject to strict hygiene and conservation requirements, Bel joined up with Danone, Lesieur, and Famille Michaud Apiculteurs in 2023 to form the "Défi Vrac" ("Bulk Challenge") coalition in France. The coalition will work together on solutions to make bulk packaging possible for new categories of semi-liquid products, such as Bel's spreadable cheese. The Group is thus committed to market-testing various solutions for reusing, refilling and bulk selling its main brands by 2027.

"Restore" resources by prioritizing recycled or renewable materials

In the same vein, Bel aims to consistently prioritize renewable, recycled or certified materials that do not compete with food products in their manufacturing processes. Bel is thus working over the long-term to reduce its use of plastic and aluminum materials, and is exploring alternative solutions to minimize the Group's impact on natural resources. For example, in April 2023, the plastic tub for Boursin® cheese spread was replaced by one made of cardboard, eliminating 79 metric tons of plastic and reducing greenhouse gas emissions by 226 metric tons per year.

Bel is committed to using 25% recycled plastic by 2030 (averaged over the total Bel portfolio) to reduce the need for extracting the fossil fuels required to produce virgin plastic. In Portugal, the Group's Limiano® brand earned recognition for incorporating 50% post-consumer recycled (PCR) plastic from recycled PET bottles, i.e. eight metric tons, in the packaging for its products. In addition, the Terra Nostra brand uses 35% recycled plastic in the packaging film for its milk cartons, i.e. seven metric tons less of virgin plastic per year.

Similarly, when it comes to aluminum packaging, suppliers are encouraged to use aluminum certified by ASI (Aluminium Stewardship Initiative) as a means of helping to improve corporate management practices in the aluminum industry related to social, environmental and traceability challenges. The Sablé-sur-Sarthe plant, where the Kiri® aluminum portions are produced, was one of the first food processing plants to be certified with the ASI performance standard and ASI chain of custody standard since June 2022.

The Group is also committed to avoiding deforestation by using paper and cardboard made from recycled fibers or certified virgin fibers from sustainably managed forests (see Chapter 3.4.4 – Preserving biodiversity and natural ecosystems).

In 2023, the Group significantly increased its purchases of paper and cardboard of certified origin. Certified materials now represent 54% of the total, while 57% use recycled fibers. These figures represented 47% and 55% respectively in 2022.

"Recycle" packaging

To optimize the packaging end-of-life cycle, the Group promotes sorting and recycling through educational communications aimed at consumers to help them properly dispose of packaging. As part of this initiative, Bel intends for all of its packaging to include instructions on waste sorting and end-of-life disposal by 2025.

Bel aims to have 100% of its packaging "eco-designed" to be recyclable and/or compostable at home by 2030, with an intermediate target of 90% by 2025. In 2023, 82% of the Group's product packaging was recyclable-ready and/or home compostable[(1)], a slightly lower performance than in 2022 due in particular to the sales of certain products at Group scale.

The Group is also forging partnerships to develop packaging waste collection and recovery channels. As a signatory to the position papers of the Ellen MacArthur Foundation and the CGF supporting the implementation of Extended Producer Responsibility (EPR), Bel aims to promote greater recycling and recovery of packaging waste in the countries where it operates. Through the CGF's Plastic Waste Coalition of Action, the Group is already committed to EPR initiatives in seven countries, with plans to extend its commitments to 12 countries by 2030. For example, the Group is an active member of organizations working to improve the aluminum and steel waste processing through the CELAA (Club de l'emballage léger en aluminium et acier – Aluminum and steel lightweight packaging association) in France, AREME (Association for the Recycling of Light Metal Packaging and Items) in Belgium and Luxembourg, COAALI (Coalición por el reciclaje del aluminio y acero ligero – Coalition for Aluminum and Light Steel Recycling) in Spain, and AIRE (Alliance pour l'innovation et le recyclage des emballage – Alliance for innovation and recycling of packaging) in Morocco.

Selected key performance indicator

Bel's objectives	KPI	2021	2022	2023	2025 objective	Progress	2030 objective
Work toward 100% recyclable-ready and/or home-compostable packaging	Recyclable-ready and/or home-compostable packaging[(a)]	84%	83%	82%	90%	😐	100%

(a) Excluding subcontractors. Packaging excluding wax.

Chapter summary

Highlights of 2023

- Publication of the Bel Charter to fight against food waste and losses.
- Introduction of tools to monitor food loss and waste.
- Publication of the Bel "sustainable portions" policy, focused on five priorities: Refuse, Reduce, Reuse, Restore, and Recycle.

Priorities for 2024

- Development of a medium-term action plan to continue reducing food waste.
- Strengthening of the consumer awareness campaign conducted with the CGF.
- Implementation of our sustainable packaging roadmaps for each of the 5Rs.

(1) 74% including wax.

3.7 > Improving the accessibility of our products

Definition of the challenge and risks

Bel has made the accessibility and affordability of its products one of its key strategic commitments, with the aim of offering quality products tailored to as many consumers as possible, all around the world. In an economic context marked by inflation, the accessibility and affordability of our products presents a significant challenge, and Bel is working to limit the impact on consumers' purchasing power. Similarly, Bel is adapting to people's budgets and needs as it seeks to guard against the risk of losing market share. It is not just about pricing but also ensuring accessibility for consumers in the right markets and through appropriate distribution channels that align with their lifestyles and eating habits.

Policies

Bel's ambition is to provide access to healthier and more sustainable products to 600 million consumers by 2035. Bel has also defined a steering indicator "For All Consumers," which tracks the number of consumers who have access to Bel products. This commitment can be achieved through two major areas of focus:

- Adapting products to the needs and means of all through affordability, sustainable portion sizes and the development of products that meet nutritional needs and tastes;
- Geographic accessibility and availability of Bel products through several innovative and/or supportive distribution channels.

In 2023, the Group served 397 million consumers, a 3% decrease from 2022. This decline was mainly attributable to the rise in the price of the Group's products – itself driven by raw material inflation – which exceeded certain psychological thresholds for consumers.

Governance

Accessibility is managed at different levels of the organization through the corporate CSR, Strategic Insights and Marketing teams. The overall strategic vision and action plan are validated by the Executive Committee.

3.7.1 Offering healthy and sustainable products, adapted to the needs and means of all

Action plan

Putting the Group's products within everyone's reach

The portion format has been at the heart of the Bel model ever since its creation and contributes toward improving the accessibility of its products. The Group is committed to making healthier and more sustainable food products available to everyone. Its portioned products allows as many people as possible to enjoy healthy and nutritionally balanced snacks, offered in an affordable, practical and easy-to-transport format, which can be consumed in just the right amount.

This year, in response to inflation, Bel introduced productivity plans aimed at keeping its products as accessible as possible for all.

In Central Europe, for example, the Group launched a more affordable format featuring two portions of The Laughing Cow®. In this way, the product can be purchased in smaller quantities and at a lower price.

In the United States, the GoGo squeeZ® brand has extended its partnership with the special food assistance program aimed at "Women, Infants, and Children" (WIC), to help meet the health and nutrition needs of mothers and young children from low-income households. Participating families receive a monthly voucher to buy fruit or fruit compotes, giving them access to healthy food options regardless of their financial limitations.

Develop a range of plant-based products

The Group is committed to offering products and recipes adapted to the tastes and needs of everyone, by developing its traditional dairy area, as well as that for fruit and plant-based products.

The year 2023 marked the launch of numerous product portfolio innovations in the areas of fruit and plant-based products, such as:

- The Laughing Cow® Plant-Based line in the UK;
- Nurishh® Palet Végétal Saveur Chèvre, a wheel-shaped plant-based alternative to goat's cheese, offering more variety to consumers and satisfying their diverse tastes;
- Nurishh® dés Végétaux à la Grecque, a plant-based alternative to feta cubes which are popularly used in salads;
- The expansion of the Mini Babybel® Plant-Based line into new countries and the launch of a new "White Cheddar" flavor in the United States.

At the same time, the Group is working with start-ups that are developing cutting-edge technologies to create proteins with high nutritional quality and no animal origin. For example, on the US market in 2023, the Group launched "Nurishh® Incredible Dairy" – an alternative to cheese that contains real dairy proteins obtained by precision fermentation.

Developing an offering that is adapted to the nutritional needs of all

Accessibility also means adapting Bel's products to the nutritional needs of as many people as possible. Bel is constantly adapting its products by working with independent nutrition experts to develop appropriate nutritional specifications. The priority is to enrich the vitamin and mineral content of these products to help better cover the nutritional needs of populations in the different regions, and to adapt the composition of recipes to guarantee optimal food safety and quality.

Group offerings adapted to nutritional needs in 2023:

- A new range of Materne® fruit compotes designed for adults, fortified with vitamins and/or minerals, to meet the needs of consumers at different times of the day;
- in Morocco, the study on the impact of fortifying The Laughing Cow® shows that 100% of Moroccan children's nutritional needs for iron, iodine and zinc are being met (see Chapter 3.3.2 – Improving the nutritional quality of its products).

3.7.2 Developing innovative and socially responsible distribution models

Action plan

Adapting to new regions and consumption habits

Improving the accessibility and affordability of its products requires the Group to adapt to new consumption habits and be even closer to its consumers. Accordingly, the Group is putting the focus on new regions. The acquisition of Shandong Junjun Cheese® in China and the joint venture with Britannia® in India in 2022 will accelerate this ambition. In 2023, Bel launched a Laughing Cow® product in India, co-branded with Britannia®, confirming the Group's strategy in this region.

Improving the accessibility and affordability of our products also means adapting to all types of consumption habits, which in turn requires us to adapt our distribution models in order to be present in the right channels. In 2023, the Group continued to develop its e-commerce and out-of-home distribution channels in almost all of its regions.

Another innovation for Bel this year was introducing its Laughing Cow® products in tubs in Europe. This format better is suited for kitchen use, especially among people from the Middle East and North Africa.

Development of inclusive distribution models

To adapt to the reality of consumption and shopping habits and to offer healthy foods to a larger proportion of the population, Bel has positioned itself in inclusive distribution channels for several years. It is currently working to strengthen the quality of its relationships with its partners by offering three types of services: job training, health insurance and financial inclusion.

To this end, Bel has developed two innovative and inclusive distribution models: Sharing Cities and Inaya. However, the roll-out of these programs continues to be heavily impacted by the consequences of Covid-19 in the countries concerned, particularly with difficult economic conditions marked by widespread inflation and store closures in some countries. This backdrop explains the sharp decline in the number of participants in an Inclusive Business program since 2020. Against this backdrop, now more than ever, the Group has reiterated its ambitions and redefined its commitments for 2023 in the geographical regions identified as priorities: Madagascar, Vietnam, Morocco, India and the Middle East and North Africa (MENA). The target set for 2025 of 40,000 participants in an Inclusive Business program has been maintained, but extended to 2030.

Sharing Cities, *a program for street vendors*

In 2013, Bel launched its "Sharing Cities" program to supplement traditional marketing channels with alternative distribution networks rooted in local buying practices, while improving the quality of life for vendors involved in the project. The Group uses existing networks of street vendors to sell its products and expand its consumer base. In exchange, the Group helps these vendors develop and sustain their business and revenue and offers them access to health coverage and professional training. In 2023, to better orient the support program and address the challenges posed by high inflation in the markets concerned, Bel conducted fresh consultations with street vendors across the cities where the program operates. This led Bel to adapt its support program, for example, by proposing new services, such as educational assistance for the children of street vendors.

At the end of 2023, the Sharing Cities program counted 1,062 partners, down 26% on last year, reflecting the difficult economic climate of recent years.

Inaya, *a loyalty program for retailers*

Since 2019, Bel has developed a second inclusive business model called Inaya. This is a loyalty program for retailers who are already Bel customers, giving them access to services that improve their living conditions or professional activity, and are adapted to local contexts. In 2023, in discussions with retailers, Bel reviewed the support provided under the "Inaya" program in order to re-identify priority needs. In Morocco, a new need was identified for educational assistance for the children of retailers. In 2023, the Group had a total of 369 participants in the Inaya program.

Selected key performance indicator

Bel's objectives	KPI	2021	2022	2023	2025 objective	Progress	2030 objective
Helping to make its offering accessible to as many consumers as possible	Number of consumers who bought at least one of the Group's products in the reference year (in millions) [(a)]	421	410	397	440	☹	500
Developing innovative and socially responsible distribution models	Number of people participating in an Inclusive Business program	4,027	2,298	1431	40,000	☹	40,000
	Sharing cities	2,892	1,444	1062			
	Inaya	1,135	854	369			

(a) A data reliability exercise was carried out in 2023, resulting in a new N-1 and N-2 value. The data for 2023 are based on consumer panels at third quarter 2023 and end 2021 for small countries where data have not been updated (Iran, Iraq, Italy, Senegal, Slovakia, South Africa, South Korea and Switzerland).

Chapter summary

Highlights of 2023

- Launch of a number of product portfolio innovations in the fruit and plant-based areas through the Laughing Cow® and Mini Babybel® brands.
- Roll-out of the Group's products in new regions, primarily following the acquisition of Shandong JunJun Cheese® in China and the joint venture with Britannia® in India.
- Redefinition of the Group's commitments and ambitions for "Inclusive Business" programs.

Priorities for 2024

- Development of new distribution channels with special emphasis on Out of Home and e-commerce.
- Continuation of efforts to keep products accessible to the greatest number of people, in an inflationary economic environment.
- Roll-out of Inclusive Business programs focusing on health insurance, financial inclusion and educational assistance in priority countries.

3.8 > Applying the European Green Taxonomy to Bel's businesses

Presentation of the European Green Taxonomy

Established by EU regulation 2020/952, the European Green Taxonomy is an essential component of the European Green Deal, the roadmap to help achieve carbon neutrality by 2050. By implementing a classification system for sustainable activities, the Taxonomy Regulation aims to redirect capital flows toward more sustainable economic activities.

The Taxonomy Regulation establishes six major environmental objectives for the EU:

- Climate change mitigation;
- Climate change adaptation;
- Sustainable use and protection of water and marine resources;
- Transition to a circular economy;
- Pollution prevention and control;
- Protection and restoration of biodiversity and ecosystems.

Reporting requirements

As of January 1, 2021, businesses subject to the NFRD (Non-Financial Reporting Directive) must implement a Taxonomy reporting in order to assess the sustainability of their economic activities in relation to the classification system set out by the Taxonomy. An economic activity shall qualify as environmentally sustainable where that economic activity:

- is eligible for at least one of the environmental objectives;
- contributes substantially to at least one of the environmental objectives;
- does not significantly harm any of the environmental objectives;
- is carried out in compliance with the minimum safeguards.

The Taxonomy regulation adopts a progressive approach. Therefore, at December 31, 2023, and as part of this reporting:

- Only activities that contribute to the first two climate change objectives have been thoroughly reviewed for eligibility and alignment; and
- Activities contributing to the remaining four objectives are assessed solely for eligibility.

2023 results

The key performance indicator disclosure requirements for the 2023 financial year relate to "eligibility" and "alignment": Bel is required to disclose the indicators that highlight the proportion of its eligible revenue, capital expenditure (CapEx) and operating expenditure (OpEx) resulting from products and/or services associated with economic activities identified as sustainable in Appendices I & II of the Climate Delegated Acts[1].

The Group is revising its methodology, analysis, and calculations as the Taxonomy is implemented. In 2023, for example, the Group made the CapEx reporting process more robust by developing a formal procedure for finance teams, as well as activity-by-activity data sheets setting out the criteria to be met by engineering teams.

Revenue

Bel's activities are mainly focused on research and innovation, manufacturing and marketing related to Bel's activities across its three segments: dairy, fruit and plant-based products. At present, these activities do not qualify as making a substantial contribution to the six environmental objectives defined by the Taxonomy.

Given the absence of eligible revenue, the capital expenditure (CapEx) and operating expenditure (OpEx) related to these activities do not qualify as eligible. As a result, the analysis of CapEx and OpEx eligibility has focused exclusively on "individual measures" that enable the target activities to lead to GHG reductions, the protection of water resources, or to meet the challenges of the circular economy, as defined in the EU Taxonomy Regulation[2].

(1) Regulation (EU) 2020/852 of June 18, 2020. EU Climate Delegated Act of June 4, 2021 and its appendices supplementing Regulation (EU) 2020/852 by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation.

(2) Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of the information to be disclosed by businesses subject to Articles 19a or 29a of Directive 2013/34/EU on environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.

OpEx

The operating expenditure disclosed by the Group pursuant to the Taxonomy regulations are selling and distribution costs, research and development costs, maintenance costs, and general and administrative costs.

In 2023, after analyzing this OpEx, we deemed that the amount involved was not material in terms of industry practices and the Group's materiality thresholds. The ratio of the "Taxonomy-eligible OpEx" (€114 million) to "Total Group OpEx" (€3,219 million, excluding depreciation and amortization [see Chapter 5.3.2 – Operating expenses by nature]) amounted to 3.5% (see Appendix 4 – "European Taxonomy tables").

CapEx

In 2023, out of a total CapEx of €186.8 million, the proportion of eligible CapEx was 14.7% (vs. 11.3% in 2022) of total deferred CapEx, calculated as described in the methodology note below (see Appendix 4 – European Taxonomy tables).

Eligible CapEx, shown in the numerator, primarily comprises the acquisition and long-term leasing of buildings and vehicles (IFRS 16), investments in biomass boilers, heating/cooling distribution systems, the construction or upgrading of wastewater and water treatment plants, and improvement projects for packaging end-of-life. In 2023, reforestation, forest rehabilitation and restoration, and forest conservation projects were also included in eligible CapEx (see section 3.4.2.4 – Capturing residual emissions and protecting ecosystems).

Under the Taxonomy provisions, these investments correspond to the following activities:

- 1.1 – Afforestation;
- 1.2 – Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event;
- 1.4 – Conservation forestry;
- 2.2 – Production of alternative water resources for purposes other than human consumption;
- 4.15 – District heating/cooling distribution;
- 4.16 – Installation and operation of electric heat pumps;
- 4.24 – Production of heating/cooling from bioenergy;
- 5.2 – Renewal of water collection, treatment and supply systems;
- 5.3 – Construction, extension and operation of waste water collection and treatment;
- 5.4 – Renewal of waste water collection and treatment;
- 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles;
- 7.2 – Renovation of existing buildings;
- 7.3 – Installation, maintenance and repair of energy efficiency equipment;
- 7.5 – Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings;
- 7.7 – Acquisition and ownership of buildings;
- 5.3 – Preparing end-of-life products and components for reuse.

The analysis of the substantial contribution and DNSH (Do No Significant Harm) criteria and the minimum safeguards for eligible projects produces a percentage of aligned CapEx of 2.7% in 2023 compared to 2.8% in 2022. This improvement is attributed to investments in forest conservation, reforestation and forest rehabilitation and restoration, as well as investments in biomass boilers at the Tangier and Ulzama sites (see section 3.4 – Fighting for the planet).

Compliance with DNSH criteria

The climate change adaptation criterion applies solely to the Group's eligible activities. However, all Group locations were included in the analysis of how the criterion should be applied. The Group analyzed the risks of exposure to the physical and adaptation risks associated with climate change.

In line with the recommendations issued by the Task Force on Climate-Related Financial Disclosures (TCFD), Bel has mapped current and potential financial impacts, as well as climate-related risks and opportunities for the years 2035 and 2050. This information was used to develop climate scenarios based on the IPCC 1.5°C RCP scenarios, carbon prices, changes in agricultural production systems and consumer eating habits. This information has also enabled the Group to assess the resilience of its activities and strategy, as well as the associated financial impacts (see Chapter – Fighting for the planet – "Risks and opportunities relating to climate change (TCFD)").

Compliance with Minimum Safeguards

A special analysis of the Minimum Safeguards was performed at the Group level. These consist of compliance with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the UN International Bill of Human Rights, and the Fundamental Conventions of the International Labour Organization (ILO), and mainly cover human rights and business ethics (anti-corruption, responsible taxation, and competition law). This initial analysis measured the gap between the Group's practices in these areas and the expectations of the regulations, and identified what needed to be done to increase compliance.

The Group will update its methodology for the 2024 disclosure cycle.

Methodology note

Analyses are carried out within the scope of the financial consolidation.

To avoid double counting, the eligible aligned amounts shown are for the climate change mitigation objective only. Taking into account the reporting scope defined in the Methodological Note in Chapter 3, the total CapEx can be reconciled from the consolidated financial statements. This amount corresponds to:

- property, plant and equipment (see Chapter 5 – Note 4.3.1);
- the Group's rights-of-use assets (see Chapter 5 - Note 4.3.2);
- Group intangible assets (see Chapter 5 – Note 4.2).

As part of the eligibility analysis, CapEx investments in excess of €50,000 were reviewed one by one and assigned to a taxonomic activity, taking into account the NACE codes. This inventory of investment projects was carried out jointly by the Environment Department and the Impact Department. The CapEx reported is individual CapEx. Green CapEx ratios by taxonomic activity are available in the tables in Appendix 4.

On this eligible project basis, the most significant projects (at a threshold of €300,000) were reviewed by expert teams on these subjects (such as engineering or the Group's forest plan manager) to assess their alignment. This assessment includes verifying whether the projects meet substantial contribution criteria, especially in the case of forest conservation initiatives. The Group has verified that these projects have established conservation plans spanning over 10 years, which protect ecosystems and adhere to IPCC recommendations for inventory management.

3.9 › Methodology note

The Group's non-financial Reporting satisfies the requirements of Decree No. 2017-1265 of August 9, 2017, implementing Ordinance No. 2017-1180 of July 19, 2017, relating to the publication of non-financial information. Bel's CSR program is modeled on two international frameworks: the United Nations Global Compact and the Global Reporting Initiative's G4 Sustainability Reporting Guidelines (see appended "GRI cross-reference table"). The Group contributes to 12 of the 17 United Nations' Sustainable Development Goals through its CSR strategy.

Double materiality matrix

In 2023, the Group carried out a double materiality analysis in advance of the CSRD's implementation.

The double materiality matrix was developed using a five-step methodology:

1. **Defining the universe of issues**: Based on the list of sub-issues provided by the CSRD, the issues identified in its previous materiality analysis, and sector-specific issues, Bel constructed a universe of issues relevant to its sector and activities. This was done through the expertise and skills of an outside consulting firm and in-house experts from the CSR, Packaging, Legal, Human Resources, Risk, Communication, Quality, Marketing and Purchasing departments.
2. **Identifying IROs**: Next, for each issue, Bel identified a list of impacts, risks and opportunities (IROs), specific to its segments, activities and regions, using reference documentation and contributions from in-house experts.
3. **Determining scoring scales:** Scoring scales were then defined in line with the risk assessment metrics used in the Group's annual risk mapping exercise (see Chapter 2 – Risk Factors and Insurance Policy).
4. **Scoring**: Three successive workshops on environmental, social and ethical issues enabled in-house experts to score the impacts, risks and opportunities associated with these issues.
5. **Review by stakeholders**: To ensure the robustness and objectivity of the exercise, the scores were then discussed with stakeholders.
   - External: representatives of coalitions, civil society, customers and suppliers
   - Internal: employees, then validated by the Audit Committee and the Executive Committee.

A cross-reference table between the chapters of the current Non-Financial Performance Statement and the material issues according to the Group's dual materiality exercise is available as of this year (see 3.12 – Appendix 2 – Cross-reference table between the URD chapters and the requirements of the Corporate Sustainability Reporting Directive [CSRD]).

For each material issue, to ensure transparency, a progress report on the following minimum disclosure requirements is provided:

- the Group's sustainability policies;
- the governance mechanisms in place to address these issues and oversee roadmaps;
- actions and resources deployed and/or planned across the entire value chain, where relevant;
- targets to be achieved, when defined;
- indicators, where available.

Choice of indicators

Bel's non-financial key performance indicators were defined with respect to the Group's activities and the employee-related, social and environmental challenges arising from them. First, they enable operational steering of the progress made with initiatives in each of the areas defined by the Group. They also enable transparent reporting on the Group's non-financial performance in this Annual Report and on other media (e.g. on the Group's website and social networks).

The results of these key performance indicators can be found both in the chapters on priority levers for action and in a consolidated scorecard in the Appendices.

A system of emojis is used to indicate the progress made in relation to these indicators. This system is based on the following rule: a smiley face means that the result obtained is in line with the plan, a sad face means that it is not in line with the plan, and a neutral face means that the indicator is stable compared to the previous year.

Time horizon

The Group tracks its indicators over different time horizons. Performance is analyzed over the short term, in relation to the previous year. Medium-term targets are set for 2025, and more long-term targets for 2030/2035.

External audit

The nature of the work carried out by the independent third-party auditor and its findings are presented in the appendix.

Reporting procedures have been externally verified by PwC, the independent third-party auditor. For key performance indicators and information considered to be the most important, the following work was carried out:

- analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
- tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work involved a critical review of the data. The selected key performance indicators have all been examined with moderate assurance (see Chapter 3.1.2 - Analysis of primary non-financial risks), and some of them have been examined with reasonable assurance, identified by the symbol √ in the CSR Scorecard (see Chapter 3.10 – CSR Scorecard).

Reporting procedure and protocol

The non-financial reporting procedure describes the methods to be used to collect and calculate the Group's non-financial key performance indicators. It is circulated, read and applied at every data compilation and reporting level.

This procedure is supplemented by a non-financial reporting protocol. It defines all the Group's performance indicators. This reporting protocol outlines the methodologies for reporting indicators, including definitions, methodological principles, calculation formulas, the designated individual responsible for calculations, and the validator. The calculation, measurement and analysis methods used all comply with appropriate national or international standards, where these exist.

The reporting protocol undergoes annual updates. In 2023, enhancements included the integration of internal control principles, such as task segregation (identification of the validator) and continuity (identification of backup).

Organization of the Reporting

The CSR Department is responsible for coordinating the reporting process and consolidating the indicators gathered from the various business lines. It ensures compliance with the reporting schedule and, together with the functional departments, organizes the external communication of the data, in particular through the Group's Annual Report. It ensures the overall consistency of the reporting and is the main contact for the external auditors.

The collection of CSR indicators is managed by a network of business contributors, in their respective areas of expertise. They are supported by a network of local experts, whom they are responsible for coordinating in order to ensure that the data shared by this local network complies with the reporting protocol..

Consolidation and internal control

The business line contributors perform internal controls on the data for which they are responsible, checking for consistency and plausibility. This involves running consistency tests on the indicators for which this is appropriate (e.g. highlighting and justifying year-on-year variations or calculating ratios to compare the performance of different entities). Any significant variations identified are examined in detail with the data's contributor and may be corrected.

The business line contributors also consolidate the data collected, in order to generate the Group indicators (present in this chapter), and communicate them to the CSR Department. Since 2022, environmental indicators have been subjected to second-level internal control with the introduction of Environmental Platform Managers. This measure aims to enhance the quality and reliability of data in anticipation of the CSRD.

Reporting tools

Data is reported and consolidated using several collection systems, under the responsibility of the business line contributors who coordinate them.

All data on environmental KPIs is collected using the Reporting tool developed by Tennaxia and most calculations are made using this tool.

The bulk of the data on employee-related KPIs is collected through the HRIS tool developed by the Human Resources Department. The data used to calculate the accident frequency rate comes from Intelex.

Some data are derived from the Group's information systems (e.g. SAP, Magdalena, Power BI, Dairy Upstream Platform, etc.) or dedicated software (e.g. EcoVadis, Glint).

Reporting period

General principles

The scope of non-financial reporting encompasses all of the Group's operations and those of their value chain, mirroring the financial consolidation scope (fully consolidated) (see Chapter 5.5 – Financial statements). Non-controlling interests, over which the Group has no operational control, are therefore not included in the scope of calculation of these indicators.

In this context, the Group has defined the following rules for the consolidation and disposal of activities:

Disposal: ESG data and the performance of any entity sold during the current reporting period are excluded from ESG indicators. N-1 indicator data is recalculated on a like-for-like basis to ensure comparability (N-1 Pro Forma) as well as the reference financial year (the baseline).

Acquisition: the ESG data and performance of any entity acquired during the reporting period were not considered for the ESG indicators, unless otherwise indicated in this note. ESG data from newly acquired entities will be included in the ESG indicators no later than two full financial years after the closing of the transaction.

The data published for the year 2023 concerns all the Group's entities and subsidiaries integrated as of December 31, 2023, with the exception of the Shandong Junjun Cheese® subsidiary in China and the joint venture with Britannia® in India (see Chapter 5.5 – Financial statements).

To ensure that data is properly understood, it is automatically mentioned if an indicator is calculated for a specific scope. All indicators include the former MOM scope, unless otherwise stated.

The data collected covers the period from January 1 to December 31, 2023. Depending on the indicators, the figures are taken from:

- an annual data consolidation from January 1, 2023 to December 31, 2023; or
- data measured on December 31, 2023.

If historical data is available, it is provided for the last three financial years. In matters concerning water, energy and GHG emissions, the areas for improvement are being addressed over long time horizons.

The Group has not identified any potential material errors from the previous reporting period.

Mandatory reporting areas

Pursuant to Article L. 225-102-10 of the French Commercial Code, which sets out the criteria for the non-financial performance statement, the Group is not concerned by the following themes: actions to strengthen ties between the nation and the armed forces, and to endorse engagement in the reserves. All other reporting areas are addressed in this document, including:

- information regarding the impact of the company's activities on climate change, encompassing direct and indirect greenhouse gas emissions associated with upstream and downstream transportation activities, along with an action plan to reduce these emissions;
- information on the use of the goods and services it produces;
- societal commitments promoting sustainable development, the circular economy, the fight against food waste and losses, the fight against food insecurity, the protection of animal welfare, and responsible, fair, and sustainable food;
- collective bargaining agreements concluded within the company and their impact on the company's financial performance and on employees' working conditions; actions to combat discrimination and promote diversity;
- measures to promote physical activity and sports, as well as initiatives aimed at supporting individuals with disabilities.

Workforce

Bel's employee-related reporting covers all its industrial sites and subsidiaries (in France and abroad) that had at least one employee under a fixed-term contract or permanent contract during the period from January 1 to December 31, 2023.

Environment

Environmental Reporting includes all the Group's industrial and research sites.

Environmental Reporting also includes the Group's collection centers, warehouses as well as the head office and the Laughing Cow® Museum. It does not, however, cover the exclusively tertiary sites of subsidiaries: the impacts of the corporate headquarters account for a negligible share of the Group's total environmental footprint.

Some environmental indicators are reported in metric tons produced (e.g. water consumption and GHG emissions). Since 2015, the metric tons produced have included manufactured products to be reprocessed within the Group. Products that result from a main manufacturing process are considered to be by-products.

The direct impacts of the on-site activities of subcontractors and suppliers are recorded by the sites concerned. The impacts of the off-site activities of subcontractors and suppliers are not recorded by the sites concerned. The impacts of subcontracted production activities are not recorded.

The emission factors used for the consumption of electricity, fuel oil, gas, chlorofluorocarbons, gasoline and diesel are taken from the French Environment and Energy Management Agency (ADEME). All emission factors are updated annually based on data published by the International Energy Agency (IEA) for the international scope and by the ADEME for France.

In 2023, the Group revised its methodology for calculating the carbon footprint of its dairy raw materials. This calculation now uses "milk equivalents" in line with the recommendations of the European Dairy PEF as part of the GHG Protocol. This change enables a more accurate estimate of the carbon footprint of dry extracts from dairy products such as milk powder. As part of this process, the Group also recalculated its carbon footprint for 2017 and 2021 on the basis of this new methodology. With respect to emission factors linked to milk sourcing, the gradual implementation of diagnostic tools at the farm level enables Bel to replace generic emission factors with actual emission factors for the farms audited and to arrive at weighted averages per dairy basin.

The generic emission factors used in the carbon valuation of the OpEx and CapEx are in kg of CO_2 eq. per euro of expenditure, and include an uncertainty factor (80%). However, this high level of uncertainty remains acceptable due to the application of emission factors to reliable financial data extracted from the Group's accounts. Additionally, OpEx and CapEx constituted only 6% of total emissions within the value chain in 2022.

GHG emissions from the Group's own fleet of vehicles include emissions from vehicles under long-term leases.

The classification of water availability risk is based on data from the FAO and a risk analysis using the "Water Risk Filter" tool provided by the WWF. This classification is updated every year.

3.10 > CSR Scorecard

CONTRIBUTING TO HEALTHIER AND MORE SUSTAINABLE FOOD

Commitments	KPI	2022	2023	2025 target	Progress	2030 target
Continuously improve the nutritional quality of products	"Positive" recipes (portfolio of children & family products meeting Bel Nutri+ criteria or with 0 or 1 additives)	88%	88%	(a)	-	90%
	Children & family product portfolio meeting "Bel Nutri+" criteria	74%	76%	80%	☺	(a)
	Portfolio of children & family products with 0 or 1 additives	70%	70%	(a)	-	(a)
Foster healthy consumption habits and lifestyle	Countries where a program is implemented for consumers: "Healthy Lifestyle Program"	8*	8	10	😐	(b)

PROMOTING SUSTAINABLE AND REGENERATIVE AGRICULTURE

Commitments	KPI	2022	2023	2025 target	Progress	2030 target
Contribute to better quality of life and working conditions for partner producers	Percentage of farmers having had at least one visit from a Bel milk technician and been invited to an annual meeting	(h)	85%	100%	☺	100%
Encourage good practices to promote animal welfare	Share of farms abiding by the Animal Welfare Charter certified by a third party	29%	55%	100%	☺	100%
Develop practices to reduce upstream CO_2 emissions	Percentage of farms having carried out an initial carbon diagnostic	75%	84%	100%	☺	100%
Guarantee the responsible procurement of the vegetable fats used in products	Procurements which are certified or honor the commitments of the Vegetable Fats Charter (where there is no certification)	77%	76%	100%	😐	100%

DESIGNING SUSTAINABLE PORTIONS

Commitments	KPI	2022	2023	2025 target	Progress	2030 target
Work toward 100% recyclable-ready and/or home-compostable packaging	Recyclable-ready and/or home-compostable packaging**(c)	83%	82%	90%	😐	100%

Progress vs. 2025 target

☺ In line with the plan
😐 Stable
☹ Not in line with the plan

* Excluding Squeeze.
** Excluding subcontractors.

(a) The 2030 target was defined during the strategic planning process in 2023 and concerns the "positive" recipes indicator.
(b) The roadmap to 2030 and the associated target are currently being developed.
(c) Packaging excluding wax.
(d) Because there is a one-year lag in determining the Scope 3 carbon footprint, only the 2022 performance can be reported.
(e) This objective of a net reduction of one-quarter of Bel's GHG emissions across its entire value chain compared to 2017 is in line with the 1.5°C reduction scenario approved by the SBT, and aims to reduce its Scope 1 and 2 emissions by -75% in absolute terms by 2035, and its Scope 3 emissions by -25% in absolute terms by 2035 compared to 2017.
(f) A data reliability exercise was carried out in 2023, resulting in a new N-1 value. Data to October 2022 for Saudi Arabia and to the end of 2021 for countries where the data are not renewed every year: Iran, Iraq, Italy, Senegal, Slovakia and South Africa.
(g) As part of the new employee "value proposition" fo its employees, the definition of "Top management" has been broadened to include the Executive Committee, as well as grade 1, 2 and 3 industrial site and country managers.
(h) New indicator in 2023 for which no historical data is available.
(i) Excluding collected milk and apples. The 2025 target is for the Cheese segment only. Since combining the Cheese & Squeeze segments in 2023, a common target was defined for 2030.
(j) Ten "Advantage Surveys" carried out in 2023 in France, the UK, Portugal, Canada, Spain, Slovakia, Belgium and the Netherlands. In 2025, our ambition is to be ranked among the Top 5 by our partners, then in the Top 3 by 2030.
(k) Positive products are those that meet one of the "positive" recipes nutritional criteria AND one of the following environmental criteria: organic milk, recyclable and/or home-compostable packaging, or carbon intensity.
(l) Inclusion of the Squeeze segment in 2023 with a target to be set.
(✓) Indicators considered in the reasonable assurance report.

FIGHTING FOR THE PLANET

Commitments	KPI	2022	2023	2025 target	Progress	2030 target
Preserve natural ecosystems and fight deforestation through its supply chain	Zero deforestation (area of at-risk land/total area needed for production of monitored raw materials)	38%	36%	0%	😐	0%
Reduce Scope 1 & 2 GHG emissions	GHG emissions in Scopes 1 and 2 vs 2017[(v)] (absolute value in ktons CO_2)	-28%	-35%	-34%[(e)]	🙂	-55%[(e)]
Reduce the Group's global carbon footprint to meet the Paris Agreement targets	Global carbon footprint (Scopes 1, 2, 3) vs 2017 (absolute value in ktons CO_2)	-9%	(d)	-12%[(e)]	😐	-18%[(e)]
Reduce the water footprint of its production sites	Water withdrawal per ton of finished product vs 2017 [(v)]	-1%	-2%	-16%	☹️	-33%

IMPROVING THE ACCESSIBILITY OF OUR PRODUCTS

Commitments	KPI	2022	2023	2025 target	Progress	2030 target
Help to make its offering accessible to as many consumers as possible	Number of consumers who bought at least one of the Group's products in the reference year (in millions) [(f)]	410	397	440	☹️	500
Develop innovative and socially responsible distribution models	Number of people participating in an *Inclusive Business* program	2,298	1,431	40,000	☹️	40,000
	Sharing Cities	*1,444*	*1,062*			
	Inaya	*854*	*369*			

CREATING SHARED VALUE FOR OUR EMPLOYEES AND OUR ECOSYSTEM

Commitments	KPI	2022	2023	2025 target	Progress	2030 target
Work toward zero accidents at sites	AFR (Accident Frequency Rate) [(v)]	3.4	2.8	3	🙂	1
Promote gender diversity and inclusion	Share of women in Top management [(g)]	27%	30%	35%	🙂	40%
Promote a positive dialog	Sense of inclusion according to the "Your Voice" survey (out of 100)	(h)	77	(h)	(h)	85
Develop our employees' talent	Percentage of employees who took part in at least one development action during the year	(h)	73%	(h)	(h)	100%
Strengthen the sense of inclusion	Employee commitment (Your Voice) (score out of 100)	76	77	77	🙂	80
Promote good social and environmental practices among its suppliers	Average EcoVadis supplier score (out of 100) [(i)]	54.9	57.2	55	🙂	65
Become a key and committed partner for its customers	Number of surveys in which the Group is identified as a best-in-class partner (Advantage Survey)* [(j)]	83%	80%	100%	😐	100%
Offer positive products to consumers	Share of revenue generated by the sale of positive products* [(k)]	50%*	51%	(l)	(l)	(l)

3.11 > Appendix 1: Contributing to the United Nations' Sustainable Development Goals

Document section		The Sustainable Development Goals
3.2	**Creating shared value for our employees and our ecosystem**	1 No poverty; 3 Good health and well-being; 5 Gender equality; 8 Decent work and economic growth; 17 Partnerships for the goals
3.2.1	Building a sustainable future with its employees	
3.2.2	Promoting responsible practices with its suppliers and partners	
3.2.3	Being a key and committed partner for its customers	
3.2.4	Developing positive products and responsible communication with consumers	
3.2.5	Promoting responsible financing practices among investors	
3.3.	**Contributing to healthier and more sustainable food**	2 Zero hunger; 3 Good health and well-being; 12 Responsible consumption and production
3.3.1	Offering high quality, safe and healthy products	
3.3.2	Improving the nutritional quality of products	
3.3.3	Promoting better eating habits and encouraging healthier and more sustainable lifestyles	
3.4	**Fighting for the Planet**	6 Clean water and sanitation; 9 Industry, innovation and infrastructure; 12 Responsible consumption and production; 13 Climate action; 15 Life on land
3.4.1	The Group's environmental strategy	
3.4.2	Fighting against climate change	
3.4.3	Sustainably preserving water resources	
3.4.4	Preserving biodiversity and natural ecosystems	
3.5	**Promoting sustainable and regenerative agriculture**	1 No poverty; 2 Zero hunger; 8 Decent work and economic growth; 12 Responsible consumption and production; 15 Life on land; 17 Partnerships for the goals
3.5.1	Moving toward regenerative agriculture	
3.5.2	Taking action for a sustainable dairy upstream	
3.5.3	Offering the finest healthy and responsible fruits	
3.5.4	Using plant-based raw materials within strict limits	
3.6	**Designing sustainable portions**	12 Responsible consumption and production; 15 Life on land
3.6.1	Fighting food waste	
3.6.2	Designing responsible packaging	
3.7	**Improving the accessibility of our products**	1 No poverty; 2 Zero hunger; 10 Reduced inequalities; 17 Partnerships for the goals
3.7.1	Offering healthy and sustainable products, adapted to the needs and means of all	
3.7.2	Developing innovative and socially responsible distribution models	

3.12 > Appendix 2: GRI cross-reference table

3.12.1 General profile elements

GRI sections	GRI code:	Information	Reference – Total match
Organization profile	102-1	Organization name	Chapter 8.2 – Information on Unibel
	102-2	Activities, brands, products and services	Chapter 1 – Presentation of activities
	102-3	Geographic location of the head office	Chapter 8.2 – Information on Unibel
	102-4	Geographical locations of activity sites	Chapter 1 – Presentation of activities Chapter 8.3 – Information on subsidiaries and interests
	102-5	Share capital and legal form	Chapter 8.2 – Information on Unibel
	102-6	Markets served	Chapter 1 – Presentation of activities
	102-7	Organization size	Chapter 1 – Presentation of activities
	102-8	Organization’s workforce	Chapter 1 – Presentation of activities
	102-9	Organization’s supply chain	Chapter 1 – A positive business model
	102-10	Significant change in the organization and its supply chain	Chapter 1 – A year of expansion
	102-11	Precautionary principle	Chapter 3.1.5 – Vigilance Plan
	102-12	Charters, principles and other external initiatives	Chapter 3.2.2 – Promoting responsible practices with its suppliers and partners
	102-13	Membership in national or international associations	Chapter 3.7 – Improving the accessibility and affordability of its products
Strategy and analysis	102-14	Statement from the most senior decision maker about the relevance of sustainability to the organization and its strategy	Chapter 1 – Message from Antoine Fiévet, Chairman of the Bel Group
	102-15	Description of key impacts, risks and opportunities	Chapter 2 – Risk Factors and Insurance Policy
Ethics and Integrity	102-16	Values, principles, standards and rules of the organization such as codes of conduct and codes of ethics	Chapter 3.1.4 – Ethics: a common foundation for conducting business
	102-17	Internal and external mechanisms for guidance on ethical and law-abiding behavior	Chapter 3.1.4 – Ethics: a common foundation for conducting business
Governance	102-18	Governance structure of the organization, including committees of the highest governance body	Chapter 3.1.3 – Governance of CSR issues at every level of the Company Chapter 4 – Corporate governance
	102-19	Process for delegating authority from the highest governance body to senior executives and other employees	Chapter 4 – Corporate governance Chapter 6 – Shareholding
	102-20	Senior executives designated to oversee CSR related issues and whether they report to the highest governance body	Chapter 3.1.3 – Governance of CSR issues at every level of the Company Chapter 4 – Corporate governance
	102-21	Consultation between stakeholders and the highest governance body on CSR issues	Chapter 3.1 – Bel: a growth model to champion healthier and more sustainable food for all
	102-22	Composition of the highest governance body and its committees	Chapter 1 – Our Executive Committee & Board of Directors Chapter 4 – Corporate governance
	102-23	Chair of the highest governance body	Chapter 1 – Our Executive Committee & Board of Directors Chapter 4 – Corporate governance
	102-24	Nomination and selection of members of the highest governance body	Chapter 4 – Corporate governance
	102-25	Conflicts of interest	Chapter 2.1 – Risk management policy Chapter 3.1.4 – Ethics: a common foundation for conducting business
	102-26	Role of the highest governance body in defining purpose, values and strategy	Chapter 1 – Our Executive Committee & Board of Directors Chapter 4 – Corporate governance

GRI sections	GRI code:	Information	Reference – Total match
Governance (continued)	102-27	Shared knowledge of the highest governance body	Chapter 1 – Our Executive Committee & Board of Directors Chapter 4 – Corporate governance
	102-28	Evaluation of the highest governance body	Chapter 1 – Our Executive Committee & Board of Directors Chapter 4 – Corporate governance
	102-29	Identification of economic, environmental and social impacts	Chapter 2 – Risk factors and insurance policy Chapter 3.1.2 – Analysis of primary non-financial risks
	102-30	Effectiveness of risk management procedures	Chapter 2 – Risk factors and insurance policy
	102-31	Review of economic, environmental and social issues	Chapter 3.1.3 – Governance of CSR issues at every level of the Company Chapter 3.1.2 – Analysis of primary non-financial risks Chapter 4 – Corporate governance
	102-32	Role of the highest governance body in sustainability reporting	Chapter 3.1.3 – Governance of CSR issues at every level of the Company Chapter 4 – Corporate governance
	102-33	Communicating critical concerns	Chapter 2 – Risk factors and insurance policy
	102-34	Type and total number of major complaints	Chapter 3.3 – Contributing to healthier and more sustainable food
	102-35	Applicable compensation policies for the highest governance body and senior executives	Chapter 4.2 – Compensation and benefits
	102-36	Process for determining compensation	Chapter 4.2 – Compensation and benefits
	102-37	Stakeholder engagement in compensation	Chapter 4.2 – Compensation and benefits
	102-38	Total annual compensation ratio	Chapter 4.2 – Compensation and benefits
	102-39	Percentage increase in total annual compensation ratio	Chapter 4.2 – Compensation and benefits
Stakeholder Engagement	102-40	List of stakeholder groups with whom the organization engages in dialog	Chapter 3.2 – Creating shared value for our employees and our ecosystem
	102-41	Percentage of all employees covered by a collective agreement	Chapter 4 – Corporate governance
	102-42	Criteria used to identify and select stakeholders with whom to establish a dialog	Chapter 3.2 – Creating shared value for our employees and our ecosystem
	102-43	Stakeholder engagement approach	Chapter 3.2 – Creating shared value for our employees and our ecosystem
	102-44	Key issues and concerns raised	Chapter 1 – A model that brings together responsibility and profitability Chapter 3.2 – Creating shared value for our employees and our ecosystem
Reporting practice	102-45	Entities included in the financial consolidation: including reasons for exclusion	Chapter 8.3 – Information on subsidiaries and interests Chapter 3.9 – Methodological note
	102-46	Defining the content of the report and the scope of the issues	Chapter 8.3 – Information on subsidiaries and interests Chapter 3.9 – Methodological note
	102-47	List of relevant issues	Chapter 1 – A model that brings together responsibility and profitability Chapter 3.2 – Creating shared value for our employees and our ecosystem
	102-48	Restatement of information	Chapter 5 – Financial and accounting information
	102-49	Changes in reporting	Chapter 5 – Financial and accounting information
	102-50	Reporting period	Chapter 5 – Financial and accounting information
	102-51	Date of last published report, if any	March 2022
	102-52	Reporting cycle	January to December 2022 (FY2022)
	102-53	Contact person for questions regarding the report or its content	Maud de Meynard
	102-54	"Compliance" option chosen by the organization and Content Index	Chapter 3.9 – Methodological note
	102-55	GRI cross-reference table	Chapter 3.9 – Methodological note Chapter 3.12 – GRI cross-reference table
	102-56	External audit of the report	Chapter 3.9 – Methodological note Chapter 5.5.3 – Information on the Statutory Auditors

3.12.2 Specific items

GRI sections	GRI Code Materials		Information	Reference – Total match
Economy – 200	201 – Economic performance	201-1	Direct economic value generated and distributed	1 – A positive business model
		201-2	Financial implications and other risks and opportunities due to climate change	3.1.2 – Analysis of primary non-financial risks Appendix 3: Correlation table with the 11 TCFD recommendations
	202 – Market presence	202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	3.2.1 – Building a sustainable future with its employees
		202-2	Proportion of senior executives hired from the local community at the main operating sites	3.2.1 – Building a sustainable future with its employees
	205 – Anti-corruption	205-1	Operations assessed for risks related to corruption	2.1 – Risk management policy 3.1.4 – Ethics: a common foundation for conducting business
		205-2	Communication and training about anti-corruption policies and procedures	2.1 – Risk management policy 3.1.4 – Ethics: a common foundation for conducting business
Environment – 300	301 – Materials	301-1	Materials used by weight or volume	3.6 – Designing sustainable portions
		301-2	Recycled materials used	3.6 – Designing sustainable portions
		301-3	Recovered products and packaging materials	3.6 – Designing sustainable portions
	302 – Energy	302-1	Energy consumption within the organization	3.4.2 – Fighting against climate change
		302-3	Energy intensity	3.4.2 – Fighting against climate change
		302-4	Reduction of energy consumption	3.4.2 – Fighting against climate change
	304 – Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	3.4.4 – Preserving biodiversity and natural ecosystems
		304-3	Habitats protected or restored	3.4.4 – Preserving biodiversity and natural ecosystems
	303 – Water and Effluents	303-1	Water withdrawal by source	3.4.3 – Sustainably preserving water resources
		303-2	Water sources significantly affected by withdrawal of water	3.4.3 – Sustainably preserving water resources
		303-3	Percentage and total volume of water recycled and reused	3.4.3 – Sustainably preserving water resources
	305 – Emissions	305-1	Direct (Scope 1) GHG emissions	3.4.2 – Fighting against climate change
		305-2	Energy indirect (Scope 2) GHG emissions	3.4.2 – Fighting against climate change
		305-3	Other indirect (Scope 3) GHG emissions	3.4.2 – Fighting against climate change
		305-4	GHG emissions intensity	3.4.2 – Fighting against climate change
		305-5	Reduction of GHG emissions	3.4.2 – Fighting against climate change
		305-6	Emissions of ozone-depleting substances (ODS)	3.4.2 – Fighting against climate change
		305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.4.2 – Fighting against climate change
	306 – Effluents and Waste	306-1	Total water discharge by quality and destination	3.4 – Fighting for the Planet
		306-2	Total weight of waste by type and disposal method	3.4 – Fighting for the Planet
		306-3	Number and total volume of significant spills	3.4 – Fighting for the Planet
		306-4	Transport of hazardous waste	3.4 – Fighting for the Planet
		306-5	Water bodies affected by water discharges and/or runoff	3.4 – Fighting for the Planet

GRI sections	GRI Code Materials		Information	Reference – Total match
Environment – 300 (continued)	**307 – Environmental Compliance**	307-1	Non-compliance with environmental laws and regulations	2.1 – Risk management policy 3.1.4 – Ethics: a common foundation for conducting business
	308 – Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	3.2.2 – Promoting responsible practices with its suppliers and partners
		308-2	Negative environmental impacts in the supply chain and actions taken	3.2.2 – Promoting responsible practices with its suppliers and partners
Economy – 400	**401 – Employment**	401-1	New employee hires and employee turnover	3.2.1 – Building a sustainable future with its employees
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.2.1 – Building a sustainable future with its employees
	403 – Occupational Health and Safety	403-1	Worker representation in formal joint management–worker health and safety committees	3.2.1 – Building a sustainable future with its employees
		403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	3.2.1 – Building a sustainable future with its employees
		403-4	Health and safety topics covered in formal agreements with trade unions	3.2.1 – Building a sustainable future with its employees
	404 – Training and Education	404-1	Average number of hours of training per year, broken down by employee, gender and professional category	3.2.1 – Building a sustainable future with its employees
		404-3	Percentage of employees receiving regular performance and career development reviews, by gender and professional category	3.2.1 – Building a sustainable future with its employees
	405 – Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	3.2.1 – Building a sustainable future with its employees 1 – Our Board of Directors & Executive Committee 4 – Corporate governance
		405-2	Ratio of base salary and compensation for women and men	3.2.1 – Building a sustainable future with its employees
	408 – Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	3.2.2 – Promoting responsible practices with its suppliers and partners 2.1 – Risk management policy 3.1.4 – Ethics: a common foundation for conducting business
	412 – Human rights assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	3.2.2 – Promoting responsible practices with its suppliers and partners 3.1.4 – Ethics: a common foundation for conducting business
		412-2	Employee training on human rights policies or procedures	3.2.1 – Building a sustainable future with its employees
	414 – Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	3.2.2 – Promoting responsible practices with its suppliers and partners 3.1.4 – Ethics: a common foundation for conducting business
	416 – Customer Health and Safety	416-1	Assessment of the health and safety impacts of products and services on consumers	3.3.1 – Offering quality, safe and healthy products
	417 – Marketing and Labeling	417-1	Requirements for product and service information and labeling	3.3 – Contributing to healthier and more sustainable food
		417-2	Incidents of non-compliance concerning product and service information and labeling	3.3 – Contributing to healthier and more sustainable food
		417-3	Incidents of non-compliance concerning marketing communications	3.3 – Contributing to healthier and more sustainable food

3.13 > Appendix 3: Correlation table with the 11 TCFD recommendations

TCFD Recommendations		Corresponding chapters in the URD		Progress	Achieved and areas of work
Governance	(a) Describe the board's role in monitoring climate-related risks and opportunities.	4.1.4	Various clarifications on the members of the management and control bodies		Bel's Executive Committee and Board of Directors are committed to the profound and proactive transformation of the Group's business model, where profitability and climate responsibility go hand in hand. Our organization makes it easier to take climate issues into account, from the management bodies to the operational teams. The governance of the Bel Group, combining responsibility and profitability under a Chief Impact Officer, enables a high level of integration between its growth strategy and its CSR commitments.
	b) Describe management's role in assessing and managing climate-related risks and opportunities	2.1 4.3.2 4.3.3	Risk management policy Internal control environment of the Company Management of primary risks		
Strategy	a) Describe the climate-related risks and opportunities identified by the Company in the short-, medium-, and long-term.	3.4.2	Fighting against climate change		Bel has undertaken to more thoroughly assess all of the climate-related risks and opportunities that the Group faces. Bel has mapped current and potential impacts, as well as risks and opportunities related to climate. This information was used to develop climate scenarios based on the IPCC +1.5°C RCP scenarios, carbon prices, changes in agricultural production systems and consumer eating habits. This information has also enabled the Group to assess the resilience of its activities, its strategy and the associated financial impacts (see Risks and Opportunities Table – Chapter 3.4.2 – Fighting against climate change). The Bel Group has also undertaken to review its alignment strategy with the Paris agreements. Aware of the urgency of accelerating these efforts, Bel set forth an even more ambitious trajectory in 2021 in line with experts' recommendations to limit the temperature rise to below +1.5°C. This trajectory to 2035 was validated by the SBTi in March 2022.
	b) Describe the impact of climate-related risks and opportunities on the Company's business, strategy and financial planning.	3.4.2	Fighting against climate change		
	c) Describe the resilience of the Company's strategy, taking into consideration different climate-related scenarios, including a scenario where temperatures rise by 2° or less.	3.4.2	Fighting against climate change		
Risk management	a) Describe the Company's procedures for identifying and assessing climate-related risks.	2.1 2.2 2.3 2.4 3.4.2	Risk management policy Ranking of risks Risks related to the external environment in which the Group operates Operational risks Fighting against climate change		Climate change risks are integrated into the Group's Enterprise Risk Management (ERM), which is structured, steered and attached to the Trust and Ethics Department. With the objective of reinforcing climate risk management at all levels of the Company and by all business lines, Bel has made a commitment to train as many employees as possible on climate change via La Fresque du Climat. Employees are also made aware of Bel's challenges in the face of climate change via webinars. In addition, all Group employees are involved in monitoring their carbon performance through the deployment of a strategic indicator linked to the carbon goal. Finally, Bel has included the reduction of the Scopes 1 and 2 carbon footprint in the bonus objectives of all eligible employees.
	b) Describe the Company's procedures for managing climate-related risks.	2.3 2.4 3.4.2	Risks related to the external environment in which the Group operates Operational risks Fighting against climate change		
	c) Describe how procedures for identifying, assessing and managing climate-related risks are integrated into the company's overall risk management.	2.1 2.2 2.3 2.4	Risk management policy Ranking of risks Risks related to the external environment in which the Group operates Operational risks		

TCFD Recommendations		Corresponding chapters in the URD		Progress	Achieved and areas of work
Objectives and indicators	a) Disclose the metrics used by the Company to assess climate-related risks and opportunities in line with its risk management strategy and process.	3.4.2 3.14	Fighting against climate change Appendix 4: Summary of environmental data		Bel has defined a GHG emissions reduction trajectory that covers its entire value chain (Scopes 1, 2 and 3) and is in line with the Paris agreements to limit global warming to +1.5°C, representing a net reduction of 1/4 of Bel's GHG emissions, compared to 2017, and taking into account the Group's growth. In order to achieve this goal, Bel has structured indicators and commitments in such a way as to reduce its environmental footprint, and that of its farm-to-fork ecosystem. At the same time, the Group has committed to helping reach carbon neutrality across its entire value chain by 2050. The Group's overall carbon footprint was updated in 2022 in accordance with the guidelines of the Greenhouse Gas Protocol. In order to have a positive impact on the climate, and to act transparently, Bel calculates its emissions and sets targets for reducing its carbon footprint first in absolute terms (in k metric tons CO_2) and then in terms of intensity (kg eq. CO_2/metric ton produced). This choice takes into account the Group's growth objectives and ensures a real reduction in GHG emissions over the long-term. The Group has developed several decision-making tools to better assess the climate impacts of its projects and enable employees to choose lower-carbon alternatives: › Bel Carbon Impact, an educational tool that provides a consolidated and analytical view of the Group's carbon footprint; › decision support tools that allow employees to choose the best solutions for product innovations and renovations, such as eQoPack; › the SC CO_2 emissions calculator tool, which measures the carbon footprint of downstream transportation and storage of finished products. For the first time this year, Bel has drawn up specific carbon plans for each of its brands and the major links in its value chain.
	b) Disclosure of Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas (GHG) emissions and related risks.	3.4.2 3.14	Fighting against climate change Appendix 4: Summary of environmental data		
	c) Describe the targets used by the company to manage climate-related risks and opportunities, and provide a comparison of performance against targets.	3.4.2 3.1.2	Fighting against climate change Analysis of primary non-financial risks		

3.14 > Appendix 4: Summary of environmental data

	Units	2021	2022	2023
Circular economy				
Recovered by-products				
Substandard cheeses or similar recovered internally or externally	mt	11,199	12,987	13,237
Dry whey extract recovered internally or externally	mt	45,280	46,187	42,337
Cream recovered internally (production site or within the Group) or externally	mt	21,036	17,919	17,390
Quantity of recovered by-products	mt	77,516	77,092	72,964
Water consumption				
Water consumption in vulnerable zone	m^3	1,759,804	1,449,635	1,464,762
Water consumption in scarcity zone	m^3	759,081	979,919	928,310
Water consumption in water shortage zone	m^3	465,710	472,948	525,898
Water consumption in non-vulnerable zone	m^3	1,435,445	1,520,740	1,375,238
Total water quantity	m^3	4,420,041	4,423,242	4,294,208
Energy				
Electricity				
Consumption of grid electricity from non-renewable source	MWh	83,479	30,757	15,338
Consumption of self-generated electricity from fuel oil or gas	MWh	301	167	418
Electricity consumption from a certified renewable energy source	MWh	195,270	256,370	267,894
Total electricity consumption	MWh	279,428	287,782	283,651
Fuels				
Fuel oil	MWh_LHV	65,555	60,589	57,376
Gas	MWh_LHV	369,458	325,761	291,432
Biomass	MWh_LHV	74,469	97,939	116,957
Total stationary combustion	MWh_LHV	509,482	484,289	465,765
Greenhouse gas emissions				
GHG				
GHG emissions linked to electricity consumption	tCO_2 eq.	40,642	13,118	11,496
GHG emissions linked to fuel oil and gas consumption	tCO_2 eq.	109,385	97,370	88,680
GHG emissions linked to biomass consumption	tCO_2 eq.	1,817	1,606	1,984
GHG emissions linked to refrigerant leaks	tCO_2 eq.	3,751	5,278	4,558
GHG emissions linked to the Group's own vehicle fleet	tCO_2 eq.	8,088	9,239	9,017
GHG emissions, Scopes 1 and 2	tCO_2 eq.	164,265	127,579	115,947

	Units	2021	2022	2023
Discharges into water				
Discharge into the natural environment				
Volume of water purified internally with discharges into the natural environment	m^3	2,253,558	2,199,878	2,085,335
Discharged chemical oxygen demand	kg	102,078	80,368	149,946
Discharged phosphorous	kg	3,436	3,134	4,851
Discharged suspended matter	kg	33,208	31,818	27,746
Discharged nitrogen	kg	14,432	12,759	10,739
Discharged to an urban wastewater treatment facility				
Volume of water treated by a third party with other effluents	m^3	1,544,127	1,637,937	1,164,125
Discharges into soil				
Spreading of untreated water				
Volume of wastewater spread as untreated water	m^3	N.A.	N.A.	N.A.
Agricultural recovery of sludge from wastewater treatment facilities				
Nitrogen	mt	93	98	N.A.
Phosphorous	mt	92	92	N.A.
Dry matter	mt	1,123	1,123	N.A.
Discharges into water and soil				
Total volume of discharges	m^3	3,797,685	3,837,815	3,987,684
Total cost of treatment of these discharges	euros	6,158,237	8,429,531	8,977,012
Other emissions into the air				
Nitrous oxide, nitrogen dioxide	mt	176	181	185
Sulfur dioxide	mt	126	119	114
Noise pollution				
Percentage of sites whose noise level at their boundaries and emergence level for the most at-risk residents is compliant	%	76	76	88
Environmental damage				
Number of incidents	Unit	178	56	84
Corrective actions	Unit	178	53	72
Production of waste				
Quantity of non-hazardous waste sorted and sent for recovery	mt	32,317	34,697	35,923
Quantity of hazardous waste sorted and sent to appropriate treatment channels	mt	699	2,046	932
Waste incinerated to generate energy	mt	7,147	2,665	3,352
Waste incinerated without energy generation	mt	0	132	0
Waste deposited in landfills	mt	7,132	7,875	7,930
Total quantity of waste	mt	47,295	47,415	48,136
Cost of treatment	euros	4,355,864	5,860,460	5,408,470
Income from sale	euros	1,035,628	1,336,954	1,078,690

3.15 > Appendix 5: European Taxonomy Tables (eligibility and alignment)

Revenue

Fiscal year	Year			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities(1)	Code(s) (2)	Absolute revenue (3)	Proportion of revenue (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned (A.1.) or eligible (A.2.) proportion of revenue, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		€ millions	%			*Y/N/N-El.*				*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned) 0																			
Revenue from environmentally sustainable activities (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		
of which enabling		0	0%	0%	0%	0%	0%	0%	0%								0%		
of which transitional		0	0%														0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
						El./N-El.													
Revenue from Taxonomy-eligible but not environmentally sustainable activities (A.2)		**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		
Revenue from Taxonomy-eligible activities (A)		**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**										
B. Taxonomy-non-eligible activities																			
Revenue from Taxonomy-non-eligible activities (in €M)	3,598	100%																	
Total (A + B)		**100%**																	

OpEx

Fiscal year		Year		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities(1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned (A.1.) or eligible (A.2.) proportion of OpEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		€ millions	%			Y/N/N-El.				Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (A.1)		0	0%	0%	0%	0%	0%	0%	0%								0%		
of which enabling		0	0%	0%	0%	0%	0%	0%	0%								0%		
of which transitional			0%														0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
						El./N-El.													
OpEx of Taxonomy-eligible but not environmentally sustainable activities (A.2)		**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		
OpEx of Taxonomy-eligible activities (A)		**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**										
B. Taxonomy-non-eligible activities																			
OpEx of Taxonomy-non-eligible activities	**0**	100%																	
Total (A + B)	**0**	**100%**																	

CapEx

Fiscal year		Year		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities(1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy aligned (A.1.) or eligible (A.2.) proportion of CapEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		€ millions	%			Y/N/N-El.				Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Reforestation	CCM 1.1 CCA 1.1	0.7	0.4%	Y	N	N-EL	N-EL	N-EL	N-EL	Y	Y	Y	Y	Y	Y	Y	0%		
Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event	CCM 1.1 CCA 1.2	0.8	0.4%	Y	N	N-EL	N-EL	N-EL	N-EL	Y	Y	Y	Y	Y	Y	Y	0%		
Forest conservation	CCM 1.1 CCA 1.4	2.5	1.3%	Y	N	N-EL	N-EL	N-EL	N-EL	Y	Y	Y	Y	Y	Y	Y	0%		
District heating/cooling distribution	CCM 4.15 CCA 4.15	0.4	0.2%	Y	N	N-EL	N-EL	N-EL	N-EL	Y	Y	Y	Y	Y	Y	Y	0%		
Production of heat/ cool from bioenergy	CCM 4.24 CCA 4.24	0.6	0.3%	Y	N	N-EL	N-EL	N-EL	N-EL	Y	Y	Y	Y	Y	Y	Y	2.8%		
CapEx of environmentally sustainable activities (A.1)		5.0	2.7%	2.7%	0%	0%	0%	0%	0%								2.8%		
of which enabling		3.9	2.1%	2.1%	0%	0%	0%	0%	0%								0%		
of which transitional		0	0%														0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
						El./N-El.													
Production of alternative water resources for purposes other than human consumption	CCM 2.2 CCA 2.2	0.4	0.2%	EL															
Installation and operation of electric heat pumps	CCM 4.16 CCA 4.16	0.1	0.0%	EL															
Renewal of water collection, treatment and supply systems	WTR 2.1	1.5	0.8%			EL													
Construction, extension and operation of waste water collection and treatment	WTR 2.2	1.4	0.7%			EL													
Renewal of waste water collection and treatment	WTR 2.3	0.5	0.3%			EL													
6.5 - Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5 CCA 6.5	2.9	1.5%	EL															
7.2 - Renovation of existing buildings	CCM 7.2 CCA 7.2	0.2	0.1%	EL															
7.3 - Installation, maintenance and repair of energy efficiency equipment	CCM 7.3 CCA 7.3	0.2	0.1%	EL															

Fiscal year		Year		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
		Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy aligned (A.1.) or eligible (A.2.) proportion of CapEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
7.5 – Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5 CCA 7.5	0.1	0.0%	EL															
7.7 – Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	10.4	5.5%	EL															
5.3 – Preparing end-of-life products and components for reuse	CE 5.3	4.4	2.4%				EL												
CapEx of Taxonomy-eligible but not environmentally sustainable activities (A.2)		22.5	12.0%	7.8%	0%	1.8%	2.4%	0%	0%								%		
CapEx of Taxonomy-eligible activities (A)		27.5	14.7%	10.5%	0%	1.8%	2.4%	0%	0%								11.3%		
B. Taxonomy-non-eligible activities																			
CapEx of Taxonomy non-eligible activities in €M	159.3	85.3%																	
Total (A + B) in €M	186.8																		

3.16 > Report of one of the Statutory Auditors on the verification of the consolidated non-financial information statement

(For the year ended December 31, 2023)

This is a free translation into of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Bel
2, allée de Longchamp
92150 Suresnes

In our capacity as Statutory Auditor of your company BEL (hereinafter the "Entity"), we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2023 (hereinafter the "Information" and the "Statement", respectively), presented in the annual report on a voluntary basis pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

Conclusion

Based on the procedures we have performed as described under the "Nature and scope of procedures" and the evidence we have obtained, nothing has come to our attention that cause us to believe that the non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the non-financial performance statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarised in the Statement and available on request from its headquarters.

Inherent Limitations in preparing the Information

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Entity

Management of Unibel are responsible for:

- selecting or establishing on a voluntary basis suitable criteria for preparing the Information;
- preparing on a voluntary basis a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- preparing the Statement by applying the Entity's "Guidelines" as referred above; and
- designing, implementing and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been endorsed by the Board of Directors.

Responsibility of the Statutory Auditor

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information".

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on:

- the Entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French duty of care law and against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 *et seq*. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagement, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, *Intervention du commissaire aux comptes – Intervention de l'OTI – déclaration de performance extra-financière*, and acting as the verification programme and with the international standard ISAE 3000 (revised).

Independence and quality control

Our independence is defined by the provisions of Article L. 821-28 of the French Commercial Code and French Code of Ethics for Statutory Auditors (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of 6 people between September 2023 and March 2024 and took a total of 12 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 29 interviews with the people responsible for preparing the Statement, representing in particular CSR, Human Resources, Upstream Dairy, Nutrition, Environment and Purchasing departments.

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information, we:

- obtained an understanding of all the consolidated entities' activities and the description of the main risks associated;
- assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector;
- verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code as well as information regarding compliance with Human rights and anti-corruption and tax avoidance legislation and includes, where applicable, an explanation of the reasons for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code;
- verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the main risks;
- verified that the Statement presents the business model and a description of the main risks associated of all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the main risks;
- referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1. Concerning social and societal risks, our work was carried out on the consolidating entity, for environmental and health and safety risks, our work was carried out on the consolidating entity and on a selection of sites: Boué (France), Evron (France), Sablé (France), Suresnes (France), Brookings (USA), Koléa (Algeria), Ribeira Grande (Portugal) and Tanger (Morocco);
- verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- obtained an understanding of internal control and risk management procedures the Entity has implemented and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;

- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing sites (Boué (France), Evron (France), Sablé (France), Suresnes (France), Brookings (USA), Koléa (Algeria), Ribeira Grande (Portugal) and Tanger (Morocco)) and covers between 17% and 24% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- assessed the overall consistency of the Statement in relation to our knowledge of all the consolidated entities.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Neuilly-sur-Seine, March 19, 2024

One of the Statutory Auditors
PricewaterhouseCoopers Audit

Xavier Belet	Anne Parenty
Partner	Partner, Sustainable Development

Appendix: List of the information we considered most important

Key performance indicators and other quantitative results :

- "Positive" recipes (portfolio of children & family products meeting Bel Nutri+ criteria or with 0 or 1 additives);
- Countries where a program is implemented for consumers ("Healthy Lifestyle Program");
- Share of farmers having received at least one visit by a Bel milk technician and having been invited to an annual meeting;
- Share of farms abiding by the Animal Welfare Charter certified by a third party;
- Percentage of farms having carried out an initial carbon diagnostic;
- Procurements which are certified or honor the commitments of the Vegetable Fats Charter (where there is no certification);
- Recyclable-ready and/or home-compostable packaging;
- Rate of food loss and waste, including wastewater;
- Rate of food loss and waste, excluding wastewater;
- Zero deforestation (area of at-risk land/total area needed for production of monitored raw materials);
- GHG emissions in Scopes 1 and 2 vs 2017;
- Global carbon footprint (Scopes 1, 2, 3) vs 2017;
- Water consumption per ton of finished product vs 2017;
- Number of consumers who bought at least one of the Group's products in the reference year;
- Number of people participating in an Inclusive Business program: Sharing Cities and Inaya;
- AFR (Accident Frequency Rate);
- Share of women in Top management;
- Percentage of employees who attended at least one training course during the year;
- Employee commitment (Your Voice) (score out of 100);
- Average EcoVadis supplier score (out of 100);
- Number of surveys in which the Group is identified as a best-in-class partner (Advantage Survey);
- Share of revenue generated by the sale of positive products.

Qualitative information (actions and outcomes):

- Action plan to promote well-being;
- "We all Belong" program;
- Talents@Bel program;
- Agreement between Bel and Carrefour in favor of the food and climate transition;
- Opdate of the corruption risk map across the entire Group;
- Monitoring the deployment of the Charter of commitments for sustainable upstream dairy;
- Measurement of the impact of La Vache qui rit® fortification on the nutritional status of children in Morocco;
- Creation of an educational tool (Bel Carbon Impact) for monitoring the Group's carbon footprint;
- WasaBel (Water Saving at Bel) continuous improvement program;
- Definition of the Group's ambition around regenerative agriculture, in collaboration with the various stakeholders concerned, including the Earthworm foundation and WWF France, as well as the Group's customers and suppliers;
- Participation in the Too Good To Go program;
- Calculation of the share of recyclable and compostable packaging in relation to the total quantity of packaging used;
- Customer week event in the Azores;
- In Central Europe, launch of a more affordable format with two servings of La Vache qui rit, allowing the purchase of the product in smaller quantities and therefore at a lower price;
- Raising awareness of managers' unconscious biases;
- SkillUp Festival;
- Launch of the "Become guardians of biodiversity" campaign;
- Obtaining the Prize as part of the Lean & Green program;
- Communication via the hashtag "Toogoodtowaste";
- Setting up a Junior Sales Activist Board.

3.17 > Statutory auditors' reasonable assurance report on selected social and environmental indicators for the year ended December 31, 2023

(For the year ended December 31, 2023)

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Bel SA
Société Anonyme
2, allée de Longchamp
92150 Suresnes

To the attention of the Executive Board,

In our capacity as statutory auditors of Bel SA (hereinafter the "Company") and in response to your request, we have performed work designed to provide a reasonable assurance opinion on the selected social and environmental indicators for the year ended December 31, 2023 (hereinafter the "Selected Sustainability Information") included in the Consolidated Statement of extra-financial performance presented in the management report included in the 2023 Annual Report (hereinafter the "RA 2023") and presented below :

- Environmental indicators :
  - Water consumption per ton of finished goods vs. 2017 amounting to -2.3% ;
  - Greenhouse gas emissions (Scopes 1 and 2) amounting to 115ktons of CO_2;
  - Monitoring of the deployment of the upstream dairy charter (qualitative).
- Health and safety indicators :
  - Bel frequency rate of work-related accidents amounting to 2.78.

Our commitment does not cover information relating to prior periods or any other information included in the RA 2023.

Reasonable assurance opinion

In our opinion, the Selected Sustainability Information included in the RA 2023 has been prepared, in all material respects, in accordance with the reporting protocol established by the Company (« *Protocole de reporting extra-financier du Groupe Bel – version décembre 2023* ») and the basis of preparation set out in paragraph « 3.9 Methodological Note » in Section 3 of the RA 2023 for the year ended December 31, 2023.

Preparation of Selected Sustainability Information

The lack of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of Selected Sustainability Information allows for the use of different, but acceptable, measurement techniques that may affect comparability across entities and over time.

Therefore, the Selected Sustainability Information should be read and understood with reference to the reporting protocol established by the Company (*« Protocole de reporting extra-financier du Groupe Bel – version décembre 2023 »*), which is available upon request from the Company's headquarters, as well as to the basis of preparation as described in paragraph « 3.9 Methodological Note » of Section 3 of the RA 2023 for the year ended December 31, 2023 (together the « Criteria »).

Limitations inherent in the preparation of Selected Sustainability Information

The Selected Sustainability Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and in the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates used to establish it and presented in the RA 2023.

In addition, the quantification of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific knowledge used to determine the emission factors and values needed to combine the emissions of different gases.

Responsibility of the Company's management

It is the responsibility of the Company's management:

- to select or establish appropriate criteria for the preparation of the Selected Sustainability Information, taking into account, where applicable, applicable laws and regulations ;
- to prepare the Selected Sustainability Information in accordance with the Criteria ;
- and to implement such internal control as it determines is necessary to ensure that the Selected Sustainability Information is free from material misstatement, whether due to fraud or error.

Responsibility of the Statutory auditors

Our responsibility is to:

- plan and perform the engagement to obtain reasonable assurance about whether the Selected Sustainability Information is free of material misstatement, whether due to fraud or error ;
- express an independent opinion based on our procedures and on the evidence we have obtained;
- and to communicate our opinion to the Executive Board of the Company.

As it is our responsibility to express an independent opinion on the Selected Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Selected Sustainability Information as this could compromise our independence.

Regulatory provisions and applicable professional doctrine

Our work described below was performed in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* relating to this commitment and with the International Standards "*Assurance Engagements other than Audits and Reviews of Historical Financial Information*" (ISAE 3000 (Revised)) and ISAE 3410, "*Assurance Engagements on Greenhouse Gas Statements*", issued by the International Auditing and Assurance Standards Board (IAASB).

Independence and quality control

We conducted our engagement in accordance with the independence requirements set out in Article L.821-28 of the French Commercial Code (*Code de commerce*), the Code of Ethics for the profession of statutory auditor and the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

We also apply the "International Standard on Quality Management 1", which requires the definition and implementation of a quality management system including policies and procedures relating to ethical rules, professional doctrine and compliance with applicable legal and regulatory texts.

Our work was carried out by an independent and multidisciplinary team experienced in insurance and sustainable development issues.

Nature and scope of work

A reasonable assurance engagement involves performing procedures to obtain audit evidence about Selected Sustainability Information. The nature, timing and extent of the procedures determined are matters of professional judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. The assessment of these risks takes into account the internal control relating to the preparation of the Selected Sustainability Information by the Company. A reasonable assurance engagement also includes:

- assessing the appropriateness, in the context of the engagement, of the entity's use of the rules, criteria, and assumptions established by the entity as described in the Criteria for the Preparation of Selected Sustainability Information ;
- the assessment of the appropriateness of the determination and valuation methods used, the reporting rules applied and the reasonableness of the estimates made by the Company's management;
- assessing the overall presentation of the Selected Sustainability Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Neuilly-sur-Seine, March 19, 2024

The Statutory Auditors

Grant Thornton French member of Grant Thornton International	PricewaterhouseCoopers Audit
Vincent Frambourt Partner	Xavier Belet Partner

4

Corporate governance

This chapter forms an integral part of the Corporate Governance Report prepared in accordance with Article L. 225-37 of the French Commercial Code.

4.1 > Governance principles

Following the delisting of the Company's shares on January 25, 2022, the Board of Directors considered that the reference to a corporate governance code was no longer relevant.

Indeed, the company no longer issues any equity securities admitted to trading on a regulated market, but only bonds listed on Euronext.

Thus, while the recommendations of the Middlenext Corporate Governance Code are no longer fully relevant to the Company, they are nonetheless standards which the Company takes into account when appropriate to its situation.

4.1.1 Composition, terms of office and expertise of the Board of Directors and Executive management

Composition of the Board of Directors and Executive management

The Company's Articles of Association provide that the Company is managed by a Board of Directors comprising no fewer than three and no more than twelve members unless otherwise authorized by law. The members of the Board of Directors are appointed by the Ordinary Annual General Meeting, on the proposal of the Board of Directors.

The term of office for Directors is set at four years (renewable). It may exceptionally be reduced to one, two or three years for the sole purpose of staggering Directors' terms of office. The number of Directors over age 72 must not exceed half (rounded up to the nearest whole number) of the serving Directors at December 31 of any given year.

Moreover, the Company's Internal Regulations require that a Lead Independent Director be appointed for a term that may not exceed his or her term of office as Director. The main mission of the Lead Independent Director is to offer assistance to the Board of Directors and its Chairman to ensure that the Company's governance bodies are properly run, both within the Board and its specialized Committees. He additionally acts as a liaison between the governance bodies, the Executive management of the Company and the Executive Committee.

Article 13-2 of the Articles of Association stipulates that, in accordance with Article L. 225-27-1 of the French Commercial Code, the Board of Directors must include a director representing the Group's employees, appointed for a period of four years by the Central Works Council.

The Board of Directors may also appoint one or more non-voting observers. The observers take part in the Board of Directors' meetings and their deliberations and have a consultative voice.

As of the date of this report, the Board of Directors has seven members, including two women and one director representing employees appointed by the Central Works Council pursuant to Article 13-2 of the Articles of Association and the law of June 14, 2013.

In accordance with the terms set out in the Company's Articles of Association, Alexandre Vernier was appointed as Director representing employees, by a decision of the CSEC on April 28, 2022 with effect from April 30, 2022. His term of office will expire at the end of the Annual General Meeting to be held in 2026.

Executive management has been ensured by Cécile Béliot since May 12, 2022, with Antoine Fiévet retaining the function of Chairman of the Board of Directors. Thierry Billot, an independent director, was appointed as Lead Independent Director on July 29, 2015.

Marianne Tsanis was appointed independent director during the Annual General Meeting held on January 19, 2024.

Members of the Board of Directors, Committees and Executive management on March 15, 2023

Name	Current position within the Company	First appointed	Last reappointed	End of term of office
Antoine Fiévet	Director	04/25/2001	05/12/2022	OAGM[d] 2026Céciole
	Chairman	05/14/2009	05/12/2022	OAGM[d] 2026
Cécile Béliot	Chief Executive Officer	05/12/2022		unlimited
Thierry Billot[a]	Lead Independent Director	05/14/2014	05/12/2022	OAGM[d] 2026
Fatine Layt[a]	Director	05/10/2012	05/14/2020	OAGM[d] 2024
Florian Sauvin	Director	07/26/2018	05/14/2020	OAGM[d] 2024
Marianne Tsanis[a]	Director	01/19/2024		[d] 2028
Unibel SA[b] represented by Éric de Poncins	Director	06/16/1972	05/11/2021	OAGM[d] 2025
Alexandre Vernier [c]	Director representing employees	04/28/2022		04/28/2026
Nawfal Trabelsi	Non-voting observer	10/12/2022		[d] 2026

(a) Independent Director.
(b) Éric de Poncins was appointed by Unibel's Management Board as the permanent representative of Unibel on the Company's Board of Directors with effect from September 2, 2022, replacing Bruno Schoch.
(c) Alexandre Vernier was appointed as Director representing employees in replacement of Philippe Perche, by the Group Works Council on April 28, 2022, with effect from April 28, 2022.
(d) Ordinary Annual General Meeting.
(e) the term of office of Nathalie Roos as Director ended on July 20, 2023.

Diversity policy applicable to members of the Board of Directors

Article L. 22-10-10, paragraph 2 of the French Commercial Code requires the Company to include in its report on corporate governance a description of the diversity policy in force for members of the Board of Directors with regard to criteria such as age, gender, qualifications and career history, as well as a description of this policy's aims, how it will be implemented and the results achieved during the past financial year. Alongside this description, the Company must include information on how it is striving for a balanced representation of men and women among the top 10% of senior management positions.

The Board of Directors examined the composition of the Board of Directors and after an analysis in terms of the average age of the Directors, gender equality, diversity of professional skills and experience, of nationality and independence, reached the following conclusions:

- age of Directors: on December 31, 2023, the Directors ranged in age from 44 to 68, with an average age of 56. The Board considered that the average age was satisfactory, especially in view of the rule in the Articles of Association whereby the number of directors over 72 years of age on December 31 of any given year may not exceed half of the directors in office at that time;
- gender equality: on December 31, 2023, the Board of Directors had six members included in the calculatoin of gender equality, one woman (as the Director representing employees is not included in the calculation of gender equality on the Board). With the appointment of Marianne Tsanis on January 19, 2024, the composition of the Board of Directors is once again as it should be, namely two of the six members who count for the purpose of calculating gender parity are women. The difference between the number of male and female Directors is not higher than two, in compliance with the stipulations of Article L. 225-18-1 of the French Commercial Code. In the event of a change in composition, the Board of Directors will pay specific attention to the diversity of its make-up;

- diversity of professional skills and experience: the Board of Directors considers that the Directors have a variety of professional experience in a variety of business sectors and with top-level positions. These also have Director and executive officer functions in other companies and provide particularly complementary expertise as a whole. The Board of Directors also has one employee Director, given the Company's operating reality;
- diversity in terms of nationality: on December 31, 2023, the Board of Directors had one dual-nationality member (French/Moroccan). With the appointment of Marianne Tsanis, this number was increased to two, as the latter is a French/British dual national;
- independence of directors: at December 31, 2023, the proportion of independent Directors stood at 43%, with three directors qualified as independent. The Board of Directors deemed this to be a satisfactory percentage because it is above the ratio recommended in the Middlenext Code, it being noted that the Company no longer refers to a corporate governance code since the 2023 financial year.

Concerning the quest for a balanced representation of men and women among the top 10% of senior management positions, the Group's Executive Committee now has three women out of a total of eight members.

The action plan for the past five years has helped achieve gender equality among managers (46%). Gender equality on the Executive Committee has also been achieved since 2022.

In terms of executive management, the Group has made progress, increasing the proportion of women from 20% in 2020 to 28% in 2022; however a glass ceiling remains. By 2030, the Bel Group aims to achieve gender equality among executive management, with a minimum of 40% of management positions held by women and 40% by men. The remaining 20% will be open to all genders, offering flexibility in terms of organization and functions.

To strengthen the Group's ambition on this subject, the definition of "Top management" was extended and now includes management at plants and commercial entities.

This target will be achieved thanks to the resetting, which began in 2023, of all human resources policies to make them more diverse, fair and inclusive. For example, since July 2023, the rule for recruitment is to propose a shortlist of four candidates with equal numbers of men and women. In terms of talent development, training and mentoring programs for women have also been introduced, in addition to the existing management and leadership training courses that are accessible to all.

Bel has also become a major partner of the LEAD Network since October 2023, joining forces with other players in the consumer goods sector to meet the key challenge of gender equality.

Independence of Directors

As the company no longer refers to the Middlenext Corporate Governance Code, the independence criteria for directors are no longer applicable. Nevertheless, and in light of this criteria.

Fatine Layt, Marianne Tsanis and Thierry Billot qualify as independent Directors.

General and personal information on the corporate officers and their expertise

Biography and information on current corporate officers

Antoine Fiévet

› **Director and Chairman**

Born in 1964

French citizen

› **Business address**

2, allée de Longchamp
92150 Suresnes

› **Restriction on disposal of issuer shares held**

Antoine Fiévet declares himself party to the Unibel family shareholders' agreement signed on September 19, 2013 and published by the AMF on September 26, 2013.

Term of office and end date

Antoine Fiévet was coopted to the Board of Directors on April 25, 2001, a decision ratified by the Annual General Meeting of April 25, 2001. He was appointed as Chairman and Chief Executive Officer by the Board of Directors on May 14, 2009. His term of office was renewed by the Annual General Meeting of May 14, 2018 for four years, i.e. until the end of the Annual General Meeting to be held in 2022. At the Board meeting of May 12, 2022, the decision was made to separate the offices of Chairman and Chief Executive Officer and Antoine Fiévet was appointed Chairman of the Board of Directors for a term of four years, i.e. until the end of the 2026 AGM.

Biography, relevant management expertise and experience

Antoine Fiévet represents the fifth generation of the family shareholding (Bel was established in 1865 by his great-great grandfather, Jules Bel). He graduated from the Université Paris-II Assas (undergraduate degree in economics) and the Institut supérieur de gestion de Paris (graduate studies). He held several managerial positions in communication and publishing firms prior to 2001. Between 2001 and 2009, he was Managing Partner of Unibel SA, chairing the Management Board and Strategic Directions Committee while also sitting on the Bel Board of Directors. Antoine Fiévet is also a member of the Board of Directors of FBN France (Family Business Network) which consists of more than 180 French family firms. Finally, he is a member of the Board of Directors and Compensation Committee of Bonduelle.

Nature of any family ties existing between the corporate officers of the Unibel-Bel Group

Valentine Fiévet (sister), Member of the Unibel Supervisory Board, Marion Sauvin (cousin) member of the Unibel Supervisory Board, Thomas Sauvin (cousin), member of the Unibel Supervisory Board, Laurent Fiévet (brother), member of the Unibel Supervisory Board, and Florian Sauvin (cousin), Chairman of the Unibel Supervisory board and Director of Bel.

Terms of office and current positions within the Group, held in France

- Member of the Unibel Management board (listed company)
- Chairman of the Bel Board of Directors
- Chairman of the Bel Corporate Foundation
- Member of Bel's Strategic Committee

Terms of office and current positions outside the Group, held in France

- Managing Director of SCI MORI
- Chairman of the Board of Directors of CITEO
- Director of WWF France
- Managing Director of RFE
- Director of CGFF
- Managing Director of GINKGO
- Managing Director of Groupement Forestier de la Croix d'Urbay
- Managing Director of Séquoia

Terms of office and current positions within the Group, held abroad

- Chairman of the Board of Directors of Bel Belgium
- Chairman of the Board of Directors of SIEPF
- Director of UMG Universal Music Group (listed company in NL)

Expired terms of office within the Group, held within the past five years, in France or abroad

- Director of Sofico
- Chairman and Chief Executive Officer of Fromageries Picon
- Director and Chairman of the Board of Directors of Fromageries Bel Algérie
- Chairman of the Board of Directors and Director of Fromageries Bel Maroc
- Chairman of the Board of Directors and Board Member of Safilait
- Chairman of the Management Board and representative of the Bel Group on the Management Board of Bel Vietnam Co. Ltd
- Chairman of Sicopa SAS

Cécile Béliot

› **CEO**

Born in 1974

French citizen

› **Business address**

2, allée de Longchamp
92150 Suresnes

› **Restriction on disposal of issuer shares held**

None

Term of office and end date

Cécile Béliot, 49, is the first woman to head the Bel Group. She became Chief Executive Officer on May 12, 2022.

Biography, relevant management expertise and experience

With her background and international experience, she is the embodiment of a generation of leaders committed to inventing the future of the agri-food industry. Cécile Béliot worked for 17 years at Danone, where she held several marketing and management positions, including Managing Director of Danone Eaux France & Benelux and GM One Danone. She started her career at Kraft Foods (Mondelez) after earning an MBA from ESSEC Business School.

Cécile Béliot joined the Bel Group in 2018 as Group Executive Vice President responsible for Strategy, Markets and Growth. Alongside Antoine Fiévet, she has led the Group's transformation toward a sustainable and responsible performance model. In her role, she has defined the pillars of the Group's strategy for a sustainable growth model that fully integrates its financial and non-financial challenges.

As leader of the Executive Committee, she continues to help transform the Group and activate its new levers of sustainable growth, including accelerating innovation and strengthening Bel's positions internationally (United States, China) and in new distribution channels (e-commerce, out of home).

The first woman to head the Group and the second leader not from one of the shareholder families, Cécile Béliot is in charge of implementing the Group's vision and managing its strategy and performance, in line with its ambition to become a leader in healthy snacking by growing in three complementary areas: dairy, fruit and plant-based products.

Nature of any family ties existing between the corporate officers of the Unibel-Bel Group

None

Terms of office and current positions within the Group, held in France

› Chief Executive Officer of Bel SA

Terms of office and current positions outside the Group, held in France

› None

Terms of office and current positions within the Group, held abroad

› None

Expired terms of office within the Group, held within the past five years, in France or abroad

› None

Thierry Billot

- **Lead Independent Director**

  Born in 1955

  French citizen

- **Business address**

  6, avenue de Camoëns
  75016 Paris

- **Restriction on disposal of issuer shares held**

  None

Term of office and end date

Thierry Billot was appointed by the Annual General Meeting of May 14, 2014 for a four-year period, renewed by the Annual General Meeting of May 14, 2018, and then renewed by the Annual General Meeting of May 12, 2022 for a period of four years, namely until the Annual General Meeting due to be held in 2026. In addition, Thierry Billot, an independent director, was appointed as Lead Director, effective July 29, 2015, for a maximum term equal his term as Director.

Biography, relevant management expertise and experience

Thierry Billot, a graduate from the École supérieure de commerce de Paris (ESCP), began his career as auditor at Peat Marwick Mitchell from 1980 to 1982. He joined Pernod Ricard in 1982 as internal auditor. He then became Administrative and Finance Director at Pernod in 1985, before being nominated Finance Director of Pernod Ricard in 1986. Chairman and Chief Executive Officer of Austin Nichols in the United States from 1992, he was appointed Chairman and Chief Executive Officer of Pernod in October 1996. In 2002, he became Chairman and Chief Executive Officer of Pernod Ricard Europe, Middle East and Africa. In 2008, he was appointed to the position of Deputy Chief Executive Officer in charge of brands until February 27, 2015 when he left Pernod Ricard.

Nature of any family ties existing between the corporate officers of the Unibel-Bel Group

None.

Terms of office and current positions within the Group, held in France

- Independent Director of Bel SA
- Member of the Unibel Supervisory Board
- Chairman of the Unibel Audit Committee
- Member of Unibel's Appointments and Compensation Committee
- Member of Unibel's Strategic Committee

Terms of office and current positions outside the Group, held in France

- CASINO Group
  - Independent Director (AGM of May 12, 2021) then Lead Independent Director (October 12, 2021)
  - Chairman of the Audit Committee
  - Chairman of the Governance & CSR Committee
  - Chairman of the Special-purpose Committee
  - Chairman of THB Conseil
  - Independent figure on the Board of Directors of TEREOS

Terms of office and current positions outside the Group, held abroad

- None

Expired terms of office within the Group, held within the past five years, in France or abroad

- None

Fatine Layt

- **Director**
  Born in 1967
  French citizen
- **Business address**
  LionTree Advisors
  7, rue Rouget-de-l'Isle
  75001 Paris
- **Restriction on disposal of issuer shares held**
  None

Term of office and end date

Fatine Layt was appointed to the Board of Directors by the Annual General Meeting of May 10, 2012 for an initial period of four years, renewed in 2016 and then again in 2020. Her term as a Director shall run until the Annual General Meeting to be held in 2024.

Biography, relevant management expertise and experience

Fatine Layt began her career at the Euris Group when it was formed in 1989, first in private equity and then management as Chairwoman and CEO or Director of various group subsidiaries (EPA, Glénat, Editeuris, Sygma presse). In 1996, she was appointed Chairwoman and CEO of specialist press group CEPP, controlled by APAX Partners. She was also a Director of the press trade union. In 2000, she set up her own business, Intermezzo, a financial engineering consulting firm which she still manages. In 2003, she began working with Jean-Marie Messier at Messier Partners, a merchant bank specializing in mergers and acquisitions. Then in March 2007, she founded Partanéa, sold in October 2008 to Oddo & Cie, investment and asset management bank, for which she become a member of the Executive Committee and Chairwoman of Oddo Corporate Finance until October 22, 2015. She was Managing Director of ACG until January 29, 2016. Since January 2017, Fatine Layt has been President and Managing Partner of the merchant banking firm LionTree in France. She is a graduate of IEP Paris (finance major) and the French Society of Financial Analysts (SFAF) and is a former senior lecturer at IEP Paris in finance and financial management.

Nature of any family ties existing between the corporate officers of the Unibel-Bel Group

None

Terms of office and current positions within the Group, held in France

- Director of Bel

Terms of office and current positions outside the Group, held in France

- Managing Director of Intermezzo SARL
- Managing Partner of LionTree Advisors
- Director of Flunch
- Chairwoman of WIT France
- Chairwoman of Apublishers

Terms of office and current positions, held abroad

- Managing Director of Intermezzo International Co. Ltd

Expired terms of office within the Group, held within the past five years, in France or abroad

- None

Marianne Tsanis

- **Director**

Born in 1972

French and British citizen

- **Business address**

1,190 Route de St Zacharie

13530 Trets

- **Restriction on disposal of issuer shares held**

None

Term of office and end date

Marianne Tsanis was appointed by the Annual General Meeting of January 16, 2024 for four years, i.e. until the end of the Annual General Meeting to be held in 2028.

Biography, relevant management expertise and experience

Marianne Tsanis began her career at Nestlé, where over a 23 year period (1996–2019) she held local, regional and global positions in Australia, the United States, Switzerland, North Africa and China, first in marketing and then as a member of executive management.

Marianne will contribute her expertise in strategy, operations, marketing and innovation in areas including food and beverages, nutrition, health and wellness. She also managed Nestlé's dairy business in North Africa (2011–2014) and China (2014––2017).

In her most recent role with Amway in California as Vice President of Global Nutrition (2020–2023), she led teams based in China and the United States to develop and execute the growth strategy for Nutrilite, the leading vitamins and dietary supplements brand, thus helping Amway entrepreneurs build a business focused on health, wellness, and the benefits of plants.

She has a Maîtrise – BA Hons – Licenciatura in Business and Languages from Université d'Aix-Marseille in France and partner universities in the United Kingdom and Spain (Erasmus program leading to degrees in the three countries); and an MBA from the Institut d'Administration des Entreprises (IAE) in Aix-en-Provence, France. She has also completed the Nestlé Executive Training course at the China Europe International Business School, Shanghai.

Nature of any family ties existing between the corporate officers of the Unibel-Bel Group

None

Terms of office and current positions within the Group, held in France

- Director of Bel

Terms of office and current positions outside the Group, held in France

- Mentor at Orbit Startups, since 2019

Terms of office and current positions, held abroad

- None

Expired terms of office within the Group, held within the past five years, in France or abroad

- Global Vice President Nutrition, Amway from 2020 to 2023

Florian Sauvin

- **Director**

Born in 1979

French citizen

- **Business address**

2, allée de Longchamp
92150 Suresnes

- **Restriction on disposal of issuer shares held**

Florian Sauvin declares himself party to the Unibel family shareholders' agreement signed on September 19, 2013 and published by the AMF on September 26, 2013 (see section 6.1.1)

Term of office and end date

Florian Sauvin was a Director of Bel from August 26, 2009 to May 12, 2015, when he was appointed as Unibel' permanent representative on Bel's Board of Directors, replacing Pascal Viénot. Florian Sauvin was coopted as Director to replace James Lightburn on July 28, 2018. This cooptation was approved by the Annual General Meeting held on May 22, 2019. His term of office as Director was renewed by the Annual General Meeting on May 14, 2020 and runs until the Annual General Meeting to be held in 2024. Moreover, since May 14, 2020, Florian Sauvin has also been Chairman of the Supervisory Board of Unibel, the Bel holding company, a term of office he holds until Unibel's 2026 Annual General Meeting.

Biography, relevant management expertise and experience

Florian Sauvin, an EPFL engineer, joined the Group in 2006 as a management controller for two years. He was responsible for the Bel Access Department, the Company's incubator charged with seeking and promoting new business models, aimed especially at developing a sustainable approach to low-revenue consumption markets taking social impact and economic viability factors into account. He completed the PLD program at Harvard Business School in 2015. He was then the Group's Chief Digital Officer. He was a member of Unibel's Management Board between May 2009 and May 2020. Between May 2019 and 2020, he was also a member of the Bel Executive Committee as Executive Vice-Chairman responsible for transformation.

Nature of any family ties existing between the corporate officers of the Unibel-Bel Group

Antoine Fiévet (cousin), Laurent Fiévet (cousin), Valentine Fiévet (cousin), Marion Sauvin (sister) and Thomas Sauvin (brother).

Terms of office and current positions within the Group, held in France

- Chairman of the Unibel Supervisory Board
- Member of the Audit Committee of UNIBEL
- Director of Bel
- Joint managing director of Sopaic
- Treasurer of the Bel Corporate Foundation
- Member of Unibel's Strategic Committee

Terms of office and current positions outside the Group, held in France

- Director and Chairman and CEO of CGFF
- Director of CIANAS
- Chairman of SAS Lobster Investment Company
- Joint managing director of SARL SAUFI1
- Managing Director of SCI La Tuilerie
- Managing Director of SARL Fiévet Frères
- Managing Director of SCP HPFFS
- Managing Director of Groupement Forestier de la Boissière
- Managing Director of Groupe Forestier du Bois des Dames
- Member of the Strategy Committee of Physio SAS
- Managing Director of SCI SNAP
- Managing Director of the company OCTOPUS
- Managing Director of SCI Montagne-Noire
- Managing Director of SCI QANIK
- Managing Director of SARL New-Well Street
- Managing Director of SC ABBEY Road

Terms of office and current positions outside the Group, held abroad

- Director of Biomass Holding SAL

Expired terms of office within the Group, held within the past five years, in France or abroad

- Member of Unibel's Management Board

Éric de Poncins

- **Permanent representative of Unibel, Director**

Born in 1962

French citizen

- **Business address**

2, allée de Longchamp
92150 Suresnes

- **Restriction on disposal of issuer shares held**

None

Term of office and end date

From September 2, 2022 until the Annual General Meeting to be held in 2025.

Biography, relevant management expertise and experience

Part of the Group since 2000, he has held the posts of Director of Strategy and Development at Bel SA. Between 2007 and 2012, Éric de Poncins was Vice President of the Americas region (North and South) and then of the Americas – Asia, Pacific. From his arrival until mid-2022, he was a member of the Group Management Committee/Executive Committee. From 1990 to 2000, Éric de Poncins held various positions within the Pernod Ricard group, from management control to the Group Executive Management as Development Director. After graduating from INA PG in 1986, and before joining the industry, he held various auditing positions with Mazars Guérard in France, the United States and the United Kingdom. Since 2016, Éric de Poncins has been Independent Director and Chairman of the Strategy Committee of the Bollinger Group.

Nature of any family ties existing between the corporate officers of the Unibel-Bel Group

None.

Terms of office and current positions within the Group, held in France

- Chairman of Unibel's Management Board (listed company)
- Permanent representative of Unibel, member of Bel SA Board of Directors
- Member of Unibel's Strategic Committee

Terms of office and current positions outside the Group, held in France

- Director and Chairman of Bollinger Group's Strategy Committee
- Member of the Advisory Committee of the FrenchFood Capital1 investment fund

Terms of office and current positions outside the Group, held abroad

- None

Expired terms of office within the Group, held within the past five years, in France or abroad

- None

Nawfal Trabelsi

- **Non-voting observer**

  Born in 1970

  French and Moroccan citizen

- **Business address**

  18, avenue Victor Hugo,
  75016 Paris

- **Restriction on disposal of issuer shares held**

  None

Term of office and end date

From October 12, 2022 until the Annual General Meeting to be held in 2026.

Biography, relevant management expertise and experience

Nawfal Trabelsi is a telecommunications engineering graduate of ENSEEIHT Toulouse.

He began his career in 1993 in the Marketing department at Procter & Gamble.

Between 1996 and 2000, Nawfal worked at Disneyland Paris as head of European FMCG partners before joining McDonald's France in 2000 as Head of Retail Marketing.

Over the following 15 years, Nawfal held a number of management positions in marketing and communications, including that of CMO, before taking up the reins as Chairman and Chief Executive Officer of McDonald's France in 2015.

In June 2022, he joined Lov Group Invest as a partner and Chief Executive Officer of Lov & Food.

Nature of any family ties existing between the corporate officers of the Unibel-Bel Group

None.

Terms of office and current positions within the Group, held in France

- Non-voting observer of the Board of Directors of Bel SA

Terms of office and current positions outside the Group, held in France

- None

Terms of office and current positions outside the Group, held abroad

- None

Expired terms of office within the Group, held within the past five years, in France or abroad

- None

Alexandre Vernier

- **Director (representing employees)**

Born in 1977

French citizen

- **Business address**

2, allée de Longchamp
92150 Suresnes

- **Restriction on disposal of issuer shares held**

None

Term of office and end date

Alexandre Vernier was appointed as Director representing the Group's employees by a decision of the Central Works Council on April 28, 2022, for a period of four years, i.e. until the end of the Annual General Meeting to be held in 2026.

Biography, relevant management expertise and experience

After an undergraduate degree in applied physics and an engineering degree in packaging engineering from ESI Reims, Alexandre Vernier joined the Group in 2003 as a packaging engineer at the Dole plant.

He then worked as a packaging development engineer in the R&D department in Vendôme, then more specifically on creativity and open innovation missions before taking up his current position dedicated to reducing the environmental impact of packaging and improving the Group's packaging.

During his career, Alexandre Vernier has also held various trade union positions in management (employee delegate, representative on the Works Council, CSE, CSEC, European Committee, Group Committee, Deputy Central Works Council representative). After being appointed Director representing Group employees on April 28, 2022, Alexandre Vernier resigned from all of his trade union mandates, in compliance with applicable legislative measures.

Nature of any family ties existing between the corporate officers of the Unibel-Bel Group

None.

Terms of office and current positions within the Group, held in France

- Director representing employees

Terms of office and current positions outside the Group, held in France

- None

Terms of office and current positions, held abroad

- None

Expired terms of office within the Group, held within the past five years, in France or abroad

- None

Nathalie Roos

- **Director**

  Born in 1965

  French citizen

- **Business address**

  9, rue de l'Ablette
  67000 Strasbourg

- **Restriction on disposal of issuer shares held**

  None

Term of office and end date

Nathalie Roos was appointed by the Annual General Meeting of May 14, 2014 for a four-year period, renewed by the Annual General Meeting of May 14, 2018, subsequently renewed by the Annual General Meeting of May 12, 2022 and her term of office expired on July 20, 2023.

Biography, relevant management expertise and experience

Nathalie Roos joined the L'Oréal group in October 2012. Since May 2013, she has been Country Manager for Germany, L'Oréal's fourth-largest global market with revenue in excess of €1 billion. She was appointed President of the Professional Products division and therefore joined the L'Oréal Executive Committee. She held this position from April 2016 until March 2021. Previously, after her first professional stint as Head of Sales at Kraft Jacobs Suchard (1987–1989), she spent a large portion of her career at the Mars Group. Between 1989 and 2000, she held various positions at Mars France. From head of sales promotion, she worked her way up the Marketing and Sales Departments to become National Key Account Manager and then head of the mass distribution network of Brasseries Kronenbourg (2000–2004). She became Chairwoman and Chief Executive Officer of Mars Chocolat France in 2004, then Chairwoman of Mars Inc. Group's European markets from 2009 to 2012. She is a graduate of the NEOMA Business School, Reims campus. In 2012, she was named a Knight of the Legion of Honor, France's highest civil order of merit.

Nature of any family ties existing between the corporate officers of the Unibel-Bel Group

None

Terms of office and current positions within the Group, held in France

- Director of Bel

Terms of office and current positions outside the Group, held in France

- President of "Les Cigognes" (a French association supporting single mothers)
- Member of the Board of Directors of Clinique Rhena in Strasbourg
- Director of NEOMA Business School
- Director of Prêt À Manger

Terms of office and current positions outside the Group, held abroad

- None

Expired terms of office within the Group, held within the past five years, in France or abroad

- None

4.1.2 Disclosures relating to members of the Board of Directors and Executive management

Service contracts

The Company is related to the parent company Unibel by a cash agreement, authorized by the Board of Directors on October 11, 2007, and a service agreement dated December 14, 2001, authorized by the Board of Directors on December 12, 2001, the terms and conditions of which are detailed in section 4.4.1 "Statutory Auditors' Special Report on related party agreements and commitments" of this Annual Report. These agreements were subjected to the control procedures for regulatory agreements set out by Articles L. 225-38 et seq. of the French Commercial Code.

Conflicts of interest and agreements to which the corporate officers are party

Information on conflicts of interest and agreements involving corporate officers can be found in section 4.4.1 "Statutory Auditors' Special Report on Related Party Agreements."

Arrangement or agreement on the appointment of members of the Board of Directors and Executive management

The Articles of Association do not set out any specific rules for the appointment and replacement of members of the Board of Directors. Legal provisions apply.

Restrictions relating to the transfer of shares

Under the French General Tax Code, notably Articles 787 B, 885-I bis and 885-I quater, collective or individual lock-up agreements relating to Bel shares may exist. Those known to the Company – mainly concerning Antoine Fiévet and Florian Sauvin and Unibel – are described in section 6.1 "Shareholding and share capital."

4.1.3 Board and Committee organization and workings

Board of Directors organization and workings

Company management structure

The Company is run by a Board of Directors whose Chairman is Antoine Fiévet.

Antoine Fiévet has been Chairman of the Board of Directors and Chief Executive Officer since May 14, 2009, positions to which he was reappointed on May 14, 2018. Since May 12, 2022, the functions of Chairman and Chief Executive Officer have been separated.

In his capacity as Chairman of the Board, Antoine Fiévet organizes and directs its work, reporting on it to the Annual General Meeting. He ensures that the Company bodies function properly and makes sure, in particular, that the Directors are able to carry out their mission.

Executive management is ensured by Cécile Béliot, who was appointed on May 12, 2022. Cécile Béliot has the broadest powers to act on behalf of the Company in any circumstances. She exercises his powers within the scope of the Company's objectives and is subject to those powers that the law expressly allocates to Shareholders' Meetings and the Board of Directors.

Lead Independent Director

Since 2015, following a proposal from the Chairman and Chief Executive Officer, the Board has decided to appoint one of the Independent Directors as Lead Independent Director. Thierry Billot has held this position since July 29, 2015. His term was renewed on May 14, 2018 and May 12, 2022 for a maximum duration equal to his term on the Board of Directors, i.e. until the 2026 Annual General Meeting. He is responsible for ensuring the proper running of the Company's governance bodies within both the Board of Directors and the specialized Committees. He additionally acts as a liaison between the governance bodies, the Executive management of the Company and the Executive Committee. He is also the specific point of contact for Directors on the issue of conflicts of interest.

Missions of the Board of Directors

As part of the strategy adopted by Unibel, the holding company, the Board gives its opinion on all decisions relating to implementing the Company's main strategic, economic, societal, environmental, financial and industrial guidelines and ensures that they are adopted by Executive management. It is regularly informed of any significant event affecting the conduct of the Company's business.

At each Board meeting, the Chairman informs the Directors of the main facts and significant events relating to the Group that have occurred since the last Board meeting. Each Board meeting also provides a debriefing of the Company's business.

In accordance with legal and statutory provisions, the Board of Directors meets at least four times a year, convened by its Chairman at least one week before the meeting, unless there is an emergency, to examine and approve the annual and consolidated financial statements, review the draft management documents, and approve the consolidated half-yearly financial statements. A document covering all the key points to be discussed and examined at the meeting must be sent to the Directors several days in advance unless impeded by an emergency or urgent event.

However, a meeting of the Board of Directors can be convened on any other subject of significant importance. The Board of Directors is then regularly informed of the state of progress of cases. The work and decisions of the Board are formalized in the minutes of the meeting.

Internal Regulations of the Board of Directors

The Company's Board of Directors has Internal Regulations specifying the conditions for preparing its meetings and the rules governing its work. It determines the limits the Board places on the powers of the Chief Executive Officer. In accordance with the law, these limits are established internally and are not binding on third parties.

The Internal Regulations also state the rights and duties of Directors during their terms of office.

The Internal Regulations of the Board of Directors was amended on July 29, 2015 in order to set the terms and conditions of the Lead /Director's functions as well as the missions entrusted. The Internal Regulations were again amended and adopted by the Board of Directors on July 28, 2017 in compliance with the latest Middlenext Code guidelines, particularly those covering the succession plan for Executive management. This Regulation was the object of a revision to take account of the measures of the Pacte law. This revised version was adopted by the Board of Directors on March 11, 2020. The Internal Regulations were then amended by the Board of Directors of May 14, 2020 to anticipate the possibility of written consultation by the Directors under the terms set out in the law. Finally, they were amended by the Board of Directors during its December 14, 2023 meeting to modify the limits on the powers of the Chief Executive Officer and introduce enhanced majority rules for certain decisions.

Limits placed on the powers of the Chief Executive Officer by the Board of Directors

In her capacity as Chief Executive Officer, Cécile Béliot has the broadest powers to act on behalf of the Company in any circumstances. The Chief Executive Officer represents the Company in its relationships with third parties. She has the ability to partially delegate her powers. She exercises his powers within the scope of the Company's objectives and is subject to those powers that the law expressly allocates to Shareholders' Meetings and the Board of Directors.

Furthermore, as an internal matter, and not binding on third parties, the prior authorization of the Board of Directors is required for any transaction or potential transaction that is major and/or significant by virtue of its amount or nature.

The following are particularly concerned:

- transactions or potential investments which would represent a diversification from the Group's business lines;
- the acquisitions of companies, securities and/or goodwill from business, including through a capital increase, merger, partial transfer of assets, demerger, setting up of joint subsidiaries, or a joint venture, it being noted that the following are excluded from the scope of this article:
  - the acquisition of minority interests equal to or less than 30% (including any calls and puts, and on fully diluted bases) and for an amount of less than €5 million; the threshold of five (5) million euros refers not only to the price but also takes into account the amount of the Group's commitments in respect of the target's debt,
  - mergers, demergers, partial transfer of assets between Group subsidiaries as well as any capital increase by a subsidiary provided that the capital increase does not result in a change in control of the subsidiary.
- the pledging of shares or other rights in the Company;
- plans for new industrial sites and site openings or installations;
- any financial transaction, loan, credit facility, any bank or bond financing transaction, and generally in any form whatsoever, in the short, medium or long-term, for an amount exceeding twenty five (25) million euros and the granting of guarantees attached to said financing, excluding current operations required for cash pooling and payment center operation purposes (intraday and overnight technical overdrafts);
- restructuring measures involving:
  - the closure of any industrial site and the withdrawal of all industrial facilities, or their transfer in the case of significant social implications;
  - the disposal of business or goodwill from business, including through a merger, partial transfer of assets, demerger, setting up of joint subsidiaries, joint venture, partnership with any third party;
- acquisitions, disposals, transfers, contributions to a third party or pledges of any brand, with a value of more than five *(5)* million euros, as well as any agreement with third parties relating to the use of the Group's core brands;
- transactions which have or may have an impact on the Company's share capital such as a capital increase, issue of bonds, issue of securities giving access to the share capital, allocation of bonus shares, stock options and equivalent instruments;
- leasing and rental of all premises and buildings, whatever their use, notably for industrial, commercial, office and warehousing use, where the rent, plus immediate or future expenses and costs, payable by the lessee amount to, or can be estimated at, more than five (5) million euros per year;
- the acquisition, disposal or transfer of any rights and/or real estate where the acquisition, disposal or transfer price exceeds five (5) million euros, the use of any real estate or real estate rights as collateral whose value exceeds five (5) million euros.

Work of the Board of Directors during 2023 and since the start of 2024

During 2023 and since the start of 2024, the Board met eight times with an attendance rate of 99% on the part of its directors.

In 2023, as part of its missions the Board of Directors reviewed the interim and annual financial information, the annual financial statements and the consolidated financial statements, the interim consolidated financial statements, and the processes used to prepare this information. Each Board meeting called to approve the financial statements was preceded by a meeting of the Audit Committee. The Directors systematically reviewed the press releases relating to this information before their release.

The state of business was assessed at each meeting. Regular attention was given to the economic and geopolitical situation of the markets and its impact on the Group's business.

In addition to reviewing organizational matters involving acquisitions and disposals, the directors also discussed the Group's industrial investments and financing, and the proposal to appoint a new Director. finally, the Board of Directors visited the United States, which is a priority market for the Group, in January 2023 and China in January 2024 for a week dedicated to gaining a better understanding of these markets.

The Board of Directors has met once since the beginning of 2024. In particular, it discussed the review of the annual financial statements and consolidated financial statements for the 2023 financial year, as well as the convening of the Annual General Meeting and the setting of its agenda.

Composition, workings and activities of the Board of Directors' Committees

Since the delisting on January 25, 2022, the Board of Directors no longer has specialized committees. The Audit Committee and the Appointments and Compensation Committee have only been maintained at the Unibel parent company level with their scope extended to Bel.

These Committees issue proposals, recommendations and opinions on matters within their remit, depending on the case in question. They report on their work to the Board of Directors whenever necessary.

The Unibel Audit Committee

The Audit Committee meets two to four times a year and as many times as necessary at the request of its Chairman or the Chairman of the Board of Directors to ensure that matters relating to the drafting and checking of periodic and annual accounting and financial information are monitored. In 2023, the Committee met four times, with a 100% attendance rate.

The Audit Committee consists of at least three members, appointed by Unibel's Supervisory Board from among its members, and at least two-thirds of whose members must be independent and possess specialist financial, accounting or auditing skills. Unibel's Supervisory Board appoints the Committee Chairman, who directs the Committee's work.

At the date of this Annual Report, the Audit Committee had four members: Thierry Billot (Chairman), Florian Sauvin, Valentine Fiévet and Joëlle Pacteau. Two of the four members of the Audit Committee are independent, according to the criteria set out by the Middlenext Governance Code to which Unibel refers. Thierry Billot and Joëlle Pacteau have special expertise in finance (for more information, see the Unibel Universal Registration Document).

The Audit Committee consults the Chief Impact Officer and his team responsible for financial affairs, CSR, consolidation, financial control and internal control, and the Trust & Ethics Chief Officer responsible for legal affairs and communication. The members of the Committee communicate with the Statutory Auditors without the Group's management being present.

The Audit Committee reports its missions to the Board of Directors, particularly for its mission to certify the financial statements by the Auditors, and informs it immediately of all difficulties encountered.

Missions

In accordance with the provisions of Article L. 823-19 of the French Commercial Code, the Audit Committee is responsible for assisting the Board of Directors and more generally for (i) monitoring the process for preparing financial information (and making recommendations to guarantee its integrity as needed) and regular and provisional accounting information, and reviewing the annual financial statements and consolidated financial statements of the Company; (ii) monitoring the effectiveness of the internal control and risk management systems, as well as internal audit where appropriate, as regards the procedures for preparing and processing accounting and financial information, without harming the independence of internal audit; (iii) monitoring the statutory audit of the Company's annual and consolidated financial statements, taking into account the findings and conclusions of the French High Council for the Audit Profession (H3C) following the audit in application of Articles L. 821-9 et seq. of the Commercial Code, and (iv) supervising the selection of the Statutory Auditors and issuing a recommendation to the Board of Directors on the Auditors proposed for appointment or renewal by the Annual General Meeting.

As such, the Audit Committee:

- ensures the relevance and permanence of the accounting rules and methods used to establish the consolidated and parent company financial statements as well as the appropriate accounting treatment of significant transactions by the Bel Group;
- examines any questions of a financial or accounting nature submitted to it;
- reviews the development and dissemination process for communication and financials;
- examines the Bel Group's annual internal audit plan and the Statutory Auditors' work plan and examines the Bel Group's internal audit reports on a quarterly basis;
- ensures the relevance of the internal control procedures;
- ensures there is a process for identifying and analyzing financial and non-financial risks likely to have a material impact on the Company's accounting and financial information and particularly on the Company's assets, regardless of the time period. It also examines the financial situation of the Group and its debt and financing structure;
- ensures that any weaknesses identified in the internal control and risk management systems result in corrective actions;
- provides the Board of Directors with an opinion on the appointment or reappointment of the Statutory Auditors;
- examines the risks threatening the independence of the Statutory Auditors, with input from the latter.

The Committee ensures the respect of the conditions of independence by the Statutory Auditors and takes the necessary measures for the application of the provisions relating to the economic independence of the Statutory Auditors referred to in Article 4 (3) of Regulation (EU) 537/2014 and compliance with the conditions referred to in Article 6 of the same Regulation.

The Committee approves the provision of services other than the certification of financial statements by the Statutory Auditors or the members of their networks, provided such services are not prohibited. The Audit Committee meets to approve each of these services. During these meetings, it examines the absence of a threat to independence and the eventual safeguard measures implemented by the relevant Statutory Auditors. By delegation of the Committee, its Chairman is also authorized to approve these services when the amount of said services is less than €20,000.

To perform its missions, it has access to all the documents and information it seeks to verify. To this end, it has the right to obtain any information it deems necessary to complete its mission from any manager in the Company. The Audit Committee may also consult third parties that may be useful in its missions and use external experts.

Work of the Committee since January 2023

Since January 2023, the Audit Committee has chiefly worked on the following points:

- examining the Group's half-yearly and annual consolidated financial statements with the Group's Finance Department and the Statutory Auditors in order to analyze the accounting and financial statements for the entire Group. Each time the consolidated financial statements are presented (half-yearly and annual), the Statutory Auditors present a summary of their work and their conclusions. In March 2023, the members of the Committee communicated with the Statutory Auditors without the Group's management being present;
- reviewing half-yearly and annual draft press releases on the Group's financial results;
- monitoring cash positions, the foreign exchange and interest rate hedging policy and Group financing;
- examining non-financial reporting, especially in view of the so-called "Sapin II" law;
- examining the internal audit reports: the Committee examined the conclusions and specific check points from the internal control reported from various auditing tasks. It examined how the implementation of audit recommendations issued in prior reports was monitored. The Group's internal audit plan for 2024 was also presented in December 2023;
- monitoring risk management: as part of the Audit Committee's risk management tasks, the results of the updated Group risk map;
- examining internal control procedures. The Committee reviewed certain procedures both as part of the Statutory Auditors' annual work and when receiving feedback from internal audit assignments.

Unibel's Appointments and Compensation Committee

Unibel's Appointments and Compensation Committee meets at least four times a year and whenever necessary at the call of its Chairman. In 2023, the Appointments and Compensation Committee met 13 times, with an attendance rate of 100%.

The Appointments and Compensation Committee is made up of at least three members, who are members of the Supervisory Board, with at least one member chosen among the independent members. The Chairman of the Committee is appointed from among the members of Unibel's Supervisory Board. To conduct its work, the Appointments and Compensation Committee may seek the advice of external experts and consult the Group's internal specialists – especially the Human Resources Director – for any matters it deals with.

At the date of this Annual Report, the Appointments and Compensation Committee has three members: Joëlle Pacteau, Chairwoman of the Committee, Thierry Billot and Cécile Tandeau de Marsac.

Missions

When acting as the Appointments Committee, the Committee's chief duties are to make proposals and recommendations on the selection and reappointment of Directors, the manner in which Executive management operates, the appointment or dismissal of the Chairman of the Board, Chief Executive Officer and/or Deputy General Managers, the implementation of succession plans, and the workings and regular assessment of the Board. It also expresses an opinion on the appointment of members of the Executive Committee.

When acting as the Compensation Committee, the Committee makes recommendations on the setting and distribution of compensation allocated to the Directors (previously known as attendance fees) and on all aspects of executive compensation including retirement arrangements, variable compensation factors and compensation factors linked to share capital, with the setting of performance targets part of the setting of variable compensation. The Committee makes decisions on the Company's policy on stock option plans and the general policy on employee shareholding plans. Lastly, it advises Executive management on the overall consistency of the compensation policy for key senior managers and members of the Executive Committee. It is kept informed of the Company's general compensation policy.

Work of the Appointments and Compensation Committee since January 2023

The Appointments and Compensation Committee mainly examined the following points:

- the situation of director's terms of office due to expire in 2024;
- succession planning for executives;
- the determination of performance targets for executive compensation, and the conditions for meeting those targets;
- the consistency of the compensation policy for the Group's senior executives;
- the policy for awarding performance shares to Company and subsidiary employees and/or corporate officers and, as such, the recommendation for implementing a plan to allocate performance shares to employees;
- the assessment process for the workings of the Board of Directors.

Unibel Strategic Committee

The Management Board of Unibel, active holding company of Bel, consults the Strategic Committee for its analyses and considerations. In addition to the two members of the Management Board, the Strategic Committee currently includes Thierry Billot and Florian Sauvin, members of the Board of Directors. This Committee met eight times in 2023 to discuss strategy, major investments, business prospects and Group organization. The Committee's composition may change to include at any given meeting participants who have specific expertise and sensitivity suited to the topics on its agenda.

4.2 > Risk management and internal control procedures

4.2.1 Definitions and objectives

Internal control is a set of resources, behaviors, procedures and actions adapted to the Company's specific characteristics which:

- must enable it to counteract the major risks that it may encounter, whether these are operational, financial or compliance-based;
- thereby promote efficient resource use and operations.

In accordance with the definition of the reference framework published by the AMF, the applicable internal control system in the Bel Group aims in particular to ensure that:

- targets set by the Board of Directors are effectively reached;
- management and production actions in industrial and commercial operations comply with laws and regulations and with the internal rules applicable to the Group;
- the Group's material and intellectual property are protected;
- fraud and errors are prevented and detected;
- the financial and accounting information detailing the Group's activity and prospects is of the requisite quality and is produced in due time.

The internal control process currently operates within the entire Group comprising Bel and its French and foreign subsidiaries.

As is the case with any control system, the internal control process cannot offer an absolute guarantee that all risks of error or fraud are completely eliminated or fully controlled.

4.2.2 Internal control environment of the Company

Board of Directors

The Board of Directors takes all decisions relating to the Company's major strategic, economic, labor-related, corporate, environmental, financial and industrial objectives, and ensures they are implemented by Executive management. It is regularly informed, either directly or through its Committees, of any significant event affecting the conduct of the Company's business. At each Board meeting, the Chairman informs the Directors of the main facts and significant events relating to the Group that have occurred since the last Board meeting. Each Board meeting is also an opportunity to take stock of the Company's business and prospects.

Executive management

Internal control is implemented within the Group under the impetus of the Chairman and Chief Executive Officer. They rely on an Executive Committee which is in charge of the operational coordination required for the correct running of the Group's strategy and policies.

Operating Departments and Support Functions

Everyone at the Bel group is involved in the internal control process. All managers and employees at their respective levels within the organization play a role in controlling activities. Line and staff managers ensure efficient mitigation of the risks associated with their areas.

Within the various business lines, a cross-departmental structure supports local industrial activities, purchasing, logistics, research and innovation, product regulation, marketing, commercial strategy and cross-departmental networks. Support functions, such as the Impact Department in charge of finance and CSR (Corporate Social Responsibility), IT, Human Resources, Communications, Legal and Risk (which became the Trust & Ethics Department in 2023, bringing together legal, quality, regulatory, risk, communications and public affairs), reinforce this organization.

Risk Management Department

Reporting to the Trust & Ethics Department, this department is tasked with developing and implementing a global risk management strategy by identifying and evaluating risks with the Group management, and monitoring action plans aimed at addressing them.

It provides a process and tools to develop and regularly update risk mapping at the Group, business and local levels. It coordinates action plans to mitigate Group risks with a network of risk owners and provides an overall vision of risk management to the Executive Committee and Audit Committee.

Moreover, it leads and coordinates the crisis management system for the Group, the aim of which is to prevent crises as far as possible, and to reduce their impact on people, reputation, the environment and assets. It ensures that operating entities are properly prepared for crisis management.

Internal Control Department

A coordination unit for updating Group procedures, attached to the Group's Finance Department, ensures these procedures are appropriate for the internal control rules as and when changes occur in the corporate structures. All the Group's procedures, as well as a description of the main processes and user guides for information systems, are available in French and English on its Intranet site. Respect of segregation of tasks and access to transactions in the systems are the object of specific monitoring. SAP's Governance, Risk and Compliance (GRC) tool is used to ensure that changing access rights does not create new, uncontrolled risks in terms of the segregation of functions.

Moreover, each Group subsidiary carries out an annual diagnosis of its maturity in terms of internal control under the responsibility of its head of operations. This self-assessment is carried out based on an internally defined control protocol. All the work of the subsidiaries is formalized in a tool that centralizes and monitors the work carried out, in particular by internal auditors.

Internal Audit Department

The Internal Audit Department reports to the Chairman of the Audit Committee. The purpose of the Internal Audit Department is to provide reasonable assurance on the level of controls for risks that would threaten:

- effective, efficient operations;
- asset protection;
- the reliability and integrity of financial and operational information;
- compliance with laws, regulations and contracts.

Internal audit is an independent, objective activity that provides advice to Executive management and the Audit Committee to improve and reinforce security and operational effectiveness and efficiency. It helps the organization meet its targets by assessing its risk, control and corporate governance processes, using a systematic, methodical approach.

The Internal Audit Department reports to the Chairman of the Audit Committee and the Group Finance Director. It works closely with Executive management.

The Internal Audit Director reports regularly to the Audit Committee and Executive management on the overall level of operational control and significant anomalies affecting the risk management, control and corporate governance processes of the organization and its subsidiaries and recommends improvements to these processes.

The scope of operation of the Internal Audit Department extends to the entire organization and its subsidiaries. It encompasses all administrative, accounting and financial, functional and operational areas and processes within the Group.

Limits and delegation of power

In its Internal Regulations, the Company's Board of Directors has established internal limits on the powers of the Chief Executive Officer (for further information, see section 4.1.3 "Board and Committee organization and workings" of this chapter). Furthermore, the Company has implemented delegations of power (delegations of liability) adapted to its structure and to the level of responsibility of the employees for whom they are intended. The Legal and Risk Department monitors this in conjunction with the Human Resources Department.

4.2.3 Management of primary risks

The Group regularly assesses the external and internal risks to which it is exposed, particularly those incurred by the production and marketing of food products.

Thanks to the overall risk management system and to the specific procedures accompanying it, the Company's supervisory bodies ensure that risks are properly dealt with and do not compromise the achievement of the Company's objectives.

Risks inherent to the Bel Group's businesses are taken into account when drawing up the budgets and setting targets for the Bel Group and its subsidiaries.

Some internal control procedures implemented by the Company are based on the balance between the level of control and the Group's specific challenges and targets. For further information, see section 2.1 "General risk management policy."

4.2.4 Procedures for preparing and processing the Company's accounting and financial information

Organization of Accounting, Finance, Legal, Information Systems and Risk Management Departments

The Group's Finance and IT Departments on the one hand and the Legal and Risk Department on the other report respectively to the Impact Director and the Trust & Ethics Director.

They cover:

- the Financial Control Department;
- the Treasury and Insurance Department;
- the Tax Department;
- the Finance Departments for the markets, operations and growth strategies areas;
- the Information Systems Department;
- the Internal Audit Department;
- the Legal and Risk Department.

Financial Control Department

The Financial Control Department is responsible for the monthly production of all the Group's consolidated financial information, encompassing both statutory and management data.

It prepares and reports monthly to the Executive Committee on the Group's management performance indicators in an in-house format specifically designed for the Group's business.

This department is also responsible for steering the Group budget process and the various estimates performed over the year.

It coordinates and updates financial procedures uploaded to the Intranet and ensures that these procedures are consistent with the internal control rules. It is responsible for the various charts of accounts deployed in the Group's financial reporting tools (accounting and management).

It presents the main issues to be addressed in the consolidated financial information to the Audit Committee at least twice a year and coordinates operations with the external auditor's subsidiaries. It participates in organizing the reporting and consolidation process for non-financial performance indicators.

Treasury and Insurance Department

This Department is responsible for managing all liquidity and insurance operations carried out within the Bel group.

It is specifically responsible for:

- setting up Group financing with banks and investors such as commercial paper, bank financing and debt financing;
- interest rate and foreign exchange hedging required to cover the exposure of Group entities. This activity is centralized within the Treasury Department;
- the Group's cash management. Cash management includes cash pooling (at the Bel level), netting (payment of inter-company invoices), and the payment factory (a centralized payment solution for all entities that share a common convertible currency). The payment factory pays suppliers, wages and taxes through secure payment systems;

- managing relationships with banks;
- taking out Group insurance.

The Treasury Department has the teams and tools necessary to manage its operations. It reports on its activities to the Finance Department on a monthly basis. It regularly reports on the status of exchange rate and interest rate hedging as well as the Group's liquidity status to the Audit Committee.

Tax Department

This Department is responsible for defining and applying the procedures linked to the regulations and fiscal strategies of the Group.

Its scope of operation has as much to do with Group issues as successfully controlling fiscal procedures and potential risks in the various countries in which the Bel group operates. Its activities are coordinated with those of Financial Directors of subsidiaries.

Information Systems Department

Information systems are centralized and managed for the Group by the Information Systems Department, which has reported, since January 9, 2023, to the Chief Strategy, Transformation, Data and Tech Officer.

The Group has implemented an integrated information system based for the most part on SAP tools. The Information Systems Department ensures system maintenance, updating and security.

Trust & Ethics Department – which brings together legal, quality, regulatory, risk, communications and public affairs

This Department is responsible for the legal certainty of the transactions carried out by the Group. It is responsible for monitoring the legal certainty of all of the Group's commitments in France and abroad. It relies, where necessary, on the expertise of external consultants for specific legal issues or issues linked to local regulations. As part of its missions, it acts upstream in an advisory capacity to Executive management and the various Departments of the regions and subsidiaries of the Group. It is responsible for managing any potential disputes. It also monitors the legal protection of the Group's brands and compliance with economic and financial regulations.

This Department also ensures, through its overall risk management system, that these risks are correctly identified and handled and do not compromise the objectives. It also helps to control and reduce the exposure of tangible and intangible assets in order to guarantee a secure future for the Group.

This Department has been transformed and reorganized by integrating, as of 2023, the quality, regulation, communication and public affairs departments. The Department has been renamed the Trust & Ethics Department.

Yearly and half-yearly Bel Group consolidated financial statements

The Bel group approves half-yearly and annual consolidated financial statements on June 30 and December 31 every year.

The subsidiaries issue restated financial statements for consolidation purposes in accordance with the Bel Group's accounting rules and following the instructions issued by the Finance Department.

The main options and significant accounting estimates are anticipated and presented to the Audit Committee. The Financial Control Department carefully documents all choices made.

4.3 > Related-party transactions

4.3.1 Statutory Aditors' special report on Related-party agreements

General Meeting for the approval of the financial statements for the year ended 31 December 2023

This is a free translation into English of the Statutory Auditors' special report on related-party agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Bel
2, allée de Longchamps
92150 Suresnes, France

In our capacity as Statutory Auditors of Bel, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements to be submitted for the approval of the General Meeting

Agreements authorised and entered into during the year

In accordance with article L.225-40 of the French Commercial Code, we were informed of the following agreement that was entered into during the year and authorised in advance by the Board of Directors.

Amendment to the treasury agreement with UNIBEL

The persons involved are:

- Mr. Antoine Fiévet, Chairman of Bel and member of the Unibel Board of Directors;
- Mr. Florian Sauvin, Director of Bel and Chairman of the Supervisory Board of Unibel;
- Mr. Éric de Poncins, permanent representative of Unibel, Director of Bel and Chairman of the Unibel Board of Directors.

At its meeting on October 11, 2007, your Board of Directors authorized the conclusion of an agreement between Bel and Unibel. The purpose of this agreement was for Unibel to grant Bel a cash advance of a maximum amount of 15,000,000 euros.

By an amendment authorized by the Board of Directors on May 14, 2008 and signed the same day, this amount was increased to 25,000,000 euros.

By a second amendment authorized by the Board of Directors on December 17, 2008 and signed on December 18, 2008, the parties decided to remove any ceiling on the advance that may be granted by Unibel to Bel.

By a third amendment authorized by the Board of Directors on August 26, 2009 and signed on August 28, 2009, the interest rate based on the daily EONIA was modified. With effect from July 1, 2009, it was set at the level of EONIA plus 80 basis points instead of 20 basis points previously.

By a fourth amendment authorized by the Board of Directors on March 22, 2012, the interest rate was changed. Effective January 1, 2012, it was set at EONIA plus 120 basis points instead of the previous 80 basis points.

On November 12, 2014, the Board of Directors decided to increase the interest rate applied to the advances granted, based on the daily EONIA, to 100 basis points, with effect from January 1, 2015, in view of the stability of the liquidity that this represents for the company. The other provisions of the initial contract remain unchanged between the parties.

By an amendment authorized by the Board of Directors on October 19, 2023, the interest rate was changed. Effective December 1, 2023, the EONIA rate has been replaced by the ESTER rate.

As of December 31, 2023, the amount of interest recognized in expenses for the year amounted to 1,900,854;99 euros and the amount of the cash advance paid by Unibel amounted to 46,378,730.82 euros.

Agreements not authorised in advance

In accordance with article L.225-42 and L.821-10 of the French Commercial Code, we informed you that the following agreement were not authorised in advance by the Board of Directors.

It is our responsibility to inform you of the reasons why the authorization procedure was not followed.

Amendment to the service agreement with Unibel

The persons involved are:

- Mr. Antoine Fiévet, Chairman of Bel and member of the Unibel Board of Directors;
- Mr. Florian Sauvin, Director of Bel and Chairman of the Supervisory Board of Unibel;
- Mr. Éric de Poncins, permanent representative of Unibel, Director of Bel and Chairman of the Unibel Board of Directors.

At its meeting on December 12, 2001, the Board of Directors authorized the conclusion of a service agreement with Unibel.

By an amendment authorized by the Board of Directors on November 13, 2012, the tacit renewal clause was changed to a permanent clause and the appendices relating to the nature of the services provided and the nature of the costs incurred by Unibel were updated.

By a second amendment signed on January 16, 2024, the applicable margin was revised with effect from January 1, 2022. This amendment was not authorized for simple omission. This agreement is essential in defining Unibel's role as an animating holding company.

The amount expensed by Unibel to your company for fiscal year 2023 amounts to 2,795,765.80 euros excluding VAT.

Agreements already approved by the general Meeting

Agreements approved in previous years that were implemented during the year

Pursuant to Article R. 225-57 of the French Commercial Code, we have been informed that the following agreements, already approved by the General Meeting in previous years, continued to be executed during the past year.

Securization agreement

The person concerned is:

- Mr. Antoine Fiévet, Chairman of Bel and Chairman of Bel Belgium

On March 17, 2022, the Board of Directors decided to set up a securitization program for Bel Group's trade receivables. Accordingly, under the terms of a framework agreement for the assignment and management of receivables subject to French law concluded between Bel, a financial institution, and the Bel Group entities involved, it is agreed that Bel will assign the receivables to this financial institution.

The securitization transaction will be set up for a maximum period of five years starting from the first date of assignment of receivables, it being specified that the financial institution and Bel may terminate it at any time, subject to prior notice.

The Board of Directors' meeting of November 25, 2022, decided to authorize the signature.

As of December 31, 2022, the amount of financial expenses net of re-invoicing to the Bel Group entities concerned recorded in financial expenses for the year amounted to 3,270,561.37 euros and the amount of receivables assigned by Bel amounted to 52,055,231.74 euros.

Agreements in favor of Cécile Beliot, Chief Executive Officer

The person concerned is Cécile Beliot, Chief Executive Officer of the Company.

On May 12, 2022, the Board of Directors decided, for the benefit of Cécile Beliot, Chief Executive Officer of the Company, to:

- take out an executive unemployment insurance policy with GSC;
- subscribe to a supplementary company pension contract "PER Entreprises";
- allow the employee to benefit from the health and welfare scheme currently in place for all the Company's staff in France;
- take out Directors' liability insurance;
- enter into an agreement relating to a forced departure indemnity (subject to a vote of the shareholders in the event of departure at the Company's initiative).

Neuilly-sur-Seine, March 19, 2024
The Statutory Auditors

Grant Thornton Membre français de Grant Thornton International	PricewaterhouseCoopers Audit
Vincent Frambourt	Xavier Belet

4.3.2 Related parties

Information covering related parties is presented in Note 8 to the consolidated financial statements presented in section 5.5.1, "Consolidated financial statements as of December 31, 2023," of this Annual Report.

Unibel, the Fiévet-Bel family company, owns 100% of the share capital and voting rights of Bel with the Fiévet-Bel family. Unibel is the Group's coordinating holding company. It discusses and defines strategic guidelines for the Group as a whole; its management team draws up and develops economic, political and financial strategic scenarios; and it oversees their implementation. Unibel also renders specific services. These services, which are mainly composed of personnel expenses, are billed at cost to Bel, plus a fixed margin of 10%, in application of the contract dated December 14, 2001 and its amendment of November 13, 2012. The compensation of Unibel's corporate officers, who are also managers of Bel, is undertaken by Unibel alone.

Related-party debts and current accounts relate mainly to the parent company Unibel, which has €46.4 million in current accounts, compared to €18.1 million at December 31, 2022 (see Note 4.14).

The Unibel securities held by the company Sofico are valued at a total of €196.4 million using the closing price on December 31, 2023 (see Note 4.5).

The Group had no significant off-balance sheet commitments with related parties.

5

Financial and accounting information

5.1 > Historical financial information

In accordance with Article 19 of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of June 14, 2017, this Annual Report incorporates the following information for reference:

- the consolidated financial statements for the financial year ended December 31, 2022 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the Statutory Auditors' report on the consolidated financial statements for the financial year ended December 31, 2022, which are included in the Annual Financial Report;
- the consolidated financial statements for the financial year ended December 31, 2021 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the Statutory Auditors' report on the consolidated financial statements for the financial year ended December 31, 2021, which are included in the Annual Financial Report;
- the annual financial statements for the financial year ended December 31, 2022 and the Statutory Auditors' report on the annual financial statements for the financial year ended December 31, 2022, which are included in the Annual Financial Report;
- the annual financial statements for the financial year ended December 31, 2021 and the Statutory Auditors' report on the annual financial statements for the financial year ended December 31, 2021, which are included in the Annual Financial Report.

The Annual Financial Reports are available on the Company's website (www.groupe-bel.com).

5.2 > Restated financial information

This paragraph is not applicable.

5.3 > Review of financial position and results

5.3.1 Financial position

The change in the Group's financial position as of December 31, 2023 can be summarized as follows:

(in € millions)	2023	2022	2021
Total equity	1,525.5	1,592.5	1,681.6
Net financial debt[a]	838.7	778.1	645.3
Net financial debt/total equity	0.55	0.49	0.38

(a) See details of net financial debt in Note 4.14.

At December 31, 2023, Bel's balance sheet reflected a robust financial structure. Net debt totaled €838.7 million, versus €778.1 million at year earlier and total equity came to €1,525.5 million, versus €1,592.5 million on December 31, 2022.

Bel continues to have a high level of liquidity, with €632.5 million in cash and cash equivalents at end of 2023 and €550 million in undrawn credit facilities with maturities in 2028, or 2029 if extended.

In addition, on December 12, 2023, Bel successfully completed a sustainability-linked private bond placement for €135 million on the Euro PP market, with a coupon of 5.50%, maturing in December 2030. The placement provides funds to cover Bel's general needs and extends the average maturity of its funding facilities. The success of the placement, carried out with leading institutional investors, demonstrates the renewed confidence of investors in Bel's credit quality.

Further information about the financial position of the Group is disclosed in section 5.4.2 and section 5.5 "Financial statements" of this Annual Report.

5.3.2 Net sales and operating income

After being strongly impacted in 2022 by the time lag between the additional costs generated by inflationary pressure on expenditure items and the implementation of price increases to offset those costs, Bel maintained its profitability in 2023 by speeding up the productivity improvement program initiated several years ago, implementing necessary and justified price increases, and making strategic marketing choices.

Recurring operating income came to €251 million, up 25.2% from the previous year when adjusted for the impact of the sale of the Safilait business in Morocco, partially offset by the acquisition of a majority stake in China's Shandong Junjun Cheese. Recurring operating margin widened to 6.9%. This improvement in profitability must be viewed through the prism of a particularly downgraded situation in 2022.

Net financial expense came to a loss of -€48 million at end of 2023, up €24 million, due to the increase in average debt and higher interest rates.

The Group's tax expense amount to €94 million, up €46 million, comprising an impact of €33 million directly attributable to Unibel becoming the lead company for the tax-consolidated group in France on January 1, 2023, consequence of the share buyback and subsequent delisting in late January 2022.

Consolidated net profit, Group share came to €69 million, down €27 million compared to €96 million in 2022.

Finally, in 2023, the Group generated a free cash flow of €55 million, despite an unfavorable seasonality of our working capital requirements, significantly increased financial expenses, and a change in tax consolidation in favor of Unibel. As a reminder, in 2022, the Group implemented a securitization program for its trade receivables, resulting in a positive impact on its free cash flow of €132 million (see Note 4.7).

5.4 > Cash and cash equivalents and capital sources

5.4.1 Information about the Company's equity

Information pertaining to the Group's equity is disclosed in paragraph 5.5.1 of the present Annual Report.

5.4.2 Sources and amounts of the Group's consolidated cash flow

Information relating to cash flow is disclosed in paragraph 5.5.1 of this Annual Report. It can be summarized as follows:

(in € millions)	2023	2022	2021 [(a)]
Cash flow from operations	390.8	328.8	343.0
Income taxes paid	(61.7)	(23.8)	(51.6)
Change in Working Capital Requirement	(42.9)	97.0	(7.1)
Total cash flows from (used in) operating activities	**286.2**	**402.0**	**284.3**
Cash flows from (used in) operating activities	286.2	402.0	284.3
Cash flows from (used in) investing activities	(172.4)	(449.6)	(290.6)
Cash flows from (used in) financing activities	(71.6)	165.3	(88.3)
Increase (decrease) in cash and cash equivalents	**42.3**	**117.7**	**(94.7)**
Effect of foreign exchange rate fluctuations	(5.2)	(12.6)	4.9
Net increase (decrease) in cash and cash equivalents	**37.0**	**105.1**	**(89.7)**
Net cash and cash equivalents at the beginning of the period	595.6	490.4	580.1
Net cash and cash equivalents at the end of the period	632.6	595.6	490.4
Net increase (decrease) in cash and cash equivalents	**37.0**	**105.1**	**(89.7)**
Gross financial debt	1,472.5	1,374.2	1,138.2
Current used banking facilities	9.1	4.9	4.2
Cash and cash equivalents	(641.7)	(600.5)	(494.6)
Other financial assets	(1.2)	(0.5)	(2.5)
Net financial debt	**838.7**	**778.1**	**645.3**

(a) The presentation of the impacts of IFRS 16 on the cash flow statement changed in 2022. Consequently, the comparative information presented for 2021 has been restated.

Overall net financial debt includes, as of December 31, 2023 and December 31, 2022, lease liabilities of €77.8 million and €78.9 million respectively.

5.4.3 Borrowing terms and conditions and funding structure

Detailed information relating to the Group's financing activities is disclosed in Notes 4.14 and 4.15 to the consolidated financial statements.

5.4.4 Restrictions on the use of capital

At December 31, 2023, the Group possessed the financing capacity to meet its funding needs for organic or external growth. For certain financing lines (syndicated credit lines, "Prêt Participatif Relance", Euro and US Private Placement bonds, and *Schuldschein,* loans), Bel has committed to comply with a financial leverage ratio of less than 3.75. The ratio is tested at least once a year. Failure to keep the ratio below the threshold could trigger the repayment of a significant portion of the debt.

At December 31, 2023, the financial leverage ratio was 2.07, compared with 2.27 at December 31, 2022 (Note 4.15 to the consolidated financial statements, set out in paragraph 5.5.1).

On December 31, 2023, the Group also had a considerable amount of net cash and cash equivalents, of €632.5 million, including €520 million at Bel SA.

Available cash in African, Middle Eastern and Asian countries amounted to €109.8 million on December 31, 2023 and represented the majority of the non-centralizable cash available.

5.4.5 Anticipated sources of financing

Investments are financed, either by operating cash flows generated by the Group, or by use of bank financing, including factoring, NEU CP (Negotiable European Commercial Paper) and NEU MTN (Negotiable European Medium-Term Note), or "Prêt Participatif Relance", or private placements such as Euro PP and US Private Placement, *Schuldschein*, and public bond issues (see Note 4.15.2).

5.5 > Financial statements

5.5.1 Consolidated financial statements as at December 31, 2023

Consolidated statement of comprehensive income

(in € millions)	Notes	2023	2022
Net sales	**3.1**	**3,644.9**	**3,595.3**
Cost of goods sold	3.2	(2,672.2)	(2,718.2)
Gross profit		**972.7**	**877.1**
Sales and marketing expense	3.2	(390.1)	(379.3)
Research and development expense	3.2	(30.5)	(29.4)
Administrative and general overhead expense	3.2	(300.6)	(282.4)
Other operating income and expense	3.2	(1.0)	0.9
Recurring operating income before equity affiliates share of net income		**250.5**	**186.8**
Equity affiliates share of net income[(a)]		0.2	0.0
Recurring operating income after equity affiliates share of net income		**250.7**	**186.8**
Other non-recurring income and expenses	3.3	(38.1)	(22.6)
Operating income		**212.5**	**164.3**
Income from cash and cash equivalents	3.4	19.9	2.4
Cost of gross financial debt	3.4	(65.3)	(28.5)
Net cost of financial debt		**(45.4)**	**(26.2)**
Other financial income and expense	3.4	(2.7)	2.4
Equity affiliates share of net income		0.4	0.2
Profit before tax		**164.9**	**140.7**
Income tax expense	3.5	(93.9)	(47.9)
Net profit from consolidated entities		**71.0**	**92.8**
Non-controlling interests		(1.8)	3.3
Consolidated net profit – Group share		**69.2**	**96.1**

(a) The Equity affiliates share of net income corresponds to investments in companies whose activities are in line with the Group's operational activities (or closely related) and within its strategic development axes. In 2023, this amount corresponds to the share of net profit of the JV Britannia Bel Foods Private Limited.

The notes to the financial statements form an integral part of the consolidated financial statements.

Statement of comprehensive income

(in € millions)	Notes	2023	2022
Net profit/(loss) for the period		**71.0**	**92.8**
Other items of comprehensive income			
Non-reclassifiable items			
Actuarial gains and losses arising from retirement obligations	4.11	(1.8)	9.1
Income tax impact		0.5	(2.4)
Actuarial gains and losses arising on financial assets	4.9.2	1.9	(1.0)
Income tax impact		(0.5)	(2.7)
Reclassifiable items			
Translation differences		(52.4)	(12.9)
Hyperinflationary revaluation		16.9	19.9
Gains and losses on cash flow hedging	4.15		
Amounts recognized in equity		(0.4)	20.5
Income tax impact		0.1	(5.2)
Total recognized to equity		**(35.6)**	**25.3**
Total comprehensive income for the period		**35.4**	**118.1**
Group share		33.5	123.2
Non-controlling interests		1.9	(5.1)

The notes to the financial statements form an integral part of the consolidated financial statements.

Consolidated balance sheet

Assets

(in € millions)	Notes	12/31/2023	12/31/2022
Non-current assets			
Goodwill	4.1	820.6	849.0
Other intangible assets	4.2	588.9	590.8
Property, plant and equipment	4.3.1	946.0	937.1
Property, plant and equipment – right of use	4.3.2	73.1	74.2
Investments in companies accounted for by the equity method		51.8	53.3
Financial investments	4.5	221.3	216.5
Other financial assets	4.4	17.8	20.6
Loans and advances	4.4	10.7	11.6
Other current assets		2.8	3.0
Deferred tax assets	4.8	9.7	10.8
Total		**2,742.7**	**2,767.0**
Current assets			
Inventories and work-in-progress	4.6	437.5	439.3
Trade and other receivables	4.7	319.3	317.1
Other financial assets	4.4	23.3	20.2
Loans and advances	4.4	0.6	0.6
Current tax assets		17.8	23.1
Cash and cash equivalents	4.14	641.7	600.5
Total		**1,440.2**	**1,400.7**
Total assets		**4,182.9**	**4,167.7**

The notes to the financial statements form an integral part of the consolidated financial statements.

Balance sheet liabilities

(in € millions)	Notes	12/31/2023	12/31/2022
Share capital	4.9	7.9	7.9
Additional paid-in capital		22.0	22.0
Reserves		1,476.7	1,539.7
Treasury shares	4.9	(19.6)	(21.8)
Equity (Group share)		**1,487.0**	**1,547.7**
Non-controlling interests		**38.5**	**44.7**
Equity		**1,525.5**	**1,592.5**
Non-current liabilities			
Provisions	4.10	5.0	4.4
Employee benefits	4.11	36.5	33.8
Deferred tax liabilities	4.8	300.4	293.6
Lease liabilities over one year	4.14	56.5	59.3
Long-term borrowings and financial liabilities	4.14	906.3	1,082.5
Other liabilities	4.12	85.6	101.7
Total		**1,390.2**	**1,575.4**
Current liabilities			
Provisions	4.10	5.9	4.8
Employee benefits	4.11	3.1	2.3
Lease liabilities less than one year	4.14	21.2	19.6
Short-term borrowings and financial liabilities	4.14	463.0	181.4
Other financial liabilities	4.16	6.7	6.1
Trade payables and other liabilities	4.13	702.5	737.6
Tax payable liabilities	4.8	55.6	43.2
Current bank facilities and other borrowings	4.14	9.1	4.9
Total		**1,267.2**	**999.9**
Total equity and liabilities		**4,182.9**	**4,167.7**

The notes to the financial statements form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

(in € millions)	Notes	Number of shares in circulation	Share capital	Additional paid-in capital	Translation differences	Treasury shares	Consolidated income	Consolidated reserves	Equity – Group share	Non-controlling interests	Total consolidated equity
Balance at 12/31/2021		**5,200,243**	**10.3**	**22.0**	**(131.7)**	**(719.9)**	**524.5**	**1,918.1**	**1,623.3**	**58.3**	**1,681.6**
Allocation of income from the prior year							(524.5)	524.5			
Dividends paid								(26.5)	(26.5)	(4.5)	(31.0)
Profit (loss) for the period							96.1	0.0	96.1	(3.3)	92.8
Other items of comprehensive income	4.9				(11.1)		0.0	38.2	27.1	(1.8)	25.3
Other changes in value directly recognized in restated equity								(173.3)	(173.3)	(3.9)	(177.2)
Purchase of treasury shares											
Treasury shares distributed		5,203				1.0			1.0		1.0
Balance at 12/31/2022		**5,205,446**	**10.3**	**22.0**	**(142.8)**	**(718.9)**	**96.1**	**2,281.0**	**1,547.7**	**44.7**	**1,592.5**
Allocation of income from the prior year							(96.1)	96.1			
Dividends paid								(99.6)	(99.6)	(8.4)	(107.9)
Profit (loss) for the period							69.2		69.2	1.8	71.0
Other items of comprehensive income	4.9				(52.5)			16.8	(35.7)	0.1	(35.6)
Other changes in value directly recognized in equity								3.1	3.1	0.3	3.4
Purchase of treasury shares											
Treasury shares distributed		12,085				2.2			2.2		2.2
Balance at 12/31/2023		**5,217,531**	**10.3**	**22.0**	**(195.3)**	**(716.7)**	**69.2**	**2,297.6**	**1,487.0**	**38.5**	**1,525.5**

The notes to the financial statements form an integral part of the consolidated financial statements.

Consolidated cash flow statement

(in € millions)	Notes	2023	2022
Cash flow from (used in) operating activities			
Profit before tax		164.9	140.7
Adjustments for:			
Amortization and depreciation and write-downs		150.3	119.8
Amortization – right of use	4.3	23.8	22.2
Capital gains (losses) on disposal		2.3	2.9
Reclassification of net financial income and expenses	3.4	45.3	20.3
Reclassification of net financial income and expenses – right of use	3.4	2.8	3.5
Elimination of équity affiliates share of net income		(0.7)	(0.2)
Other non-cash items on the income statement		2.1	19.7
Cash flow from operations before change in working capital		**390.8**	**328.8**
Increase (decrease) in inventories, current receivables and payables	5.1	(37.3)	99.2
Increase (decrease) in non-current receivables and payables		(5.6)	(2.3)
Income taxes paid		(61.7)	(23.8)
Net cash flow generated by operating activities	**(1)**	**286.2**	**402.0**
Cash flow from (used in) investing activities			
Acquisitions of activities		(0.7)	(321.4)
Disposals of activities		0.0	11.3
Acquisitions of property, plant and equipment and intangible assets	5.2	(171.3)	(141.9)
Disposals of property, plant and equipment and intangible assets	5.2	0.7	1.0
Investment grant received		2.2	1.3
Acquisitions of financial assets		(7.5)	(5.8)
Disposals of financial assets		1.7	3.2
Dividends received		2.4	2.6
Net cash flow from (used in) investing activities	**(2)**	**(172.4)**	**(449.6)**
Cash flow from (used in) financing activities			
Dividends paid		(108.0)	(31.0)
Interests paid		(42.7)	(23.3)
Financial interests – right of use		(2.8)	(3.5)
Increase in lease liabilities		2.0	3.2
Repayments of lease liabilities		(25.8)	(27.3)
Increase (decrease) in current accounts with entities outside the scope of consolidation	5.3.1	27.9	(6.8)
Purchase/(sale) of treasury shares		(0.0)	0.0
Borrowings and financial liabilities issued	5.3.2	614.0	656.2
Repayments of borrowings and financial liabilities	5.3.2	(536.3)	(402.1)
Net cash flow from (used in) financing activities	**(3)**	**(71.6)**	**165.3**
Net change in cash and cash equivalents	**(1)+(2)+(3)**	**42.3**	**117.7**
Net cash and cash equivalents at the beginning of the period		**595.6**	**490.4**
Effect of foreign exchange rate fluctuations		(5.2)	(12.6)
Net cash and cash equivalents at the end of the period	**4.14**	**632.5**	**595.6**
At the closing date net cash and cash equivalents comprised the following:			
Marketable securities and money market instruments	4.14	98.7	173.2
Cash on hand and balance with banks	4.14	543.0	427.3
Current used bank facilities including overdrafts and accrued interest	4.14	(9.1)	(4.9)
Total		**632.5**	**595.6**

The notes to the financial statements form an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

NOTE 1 > Accounting principles, rules, methods and highlights of the financial year

1.1 – Presentation of the annual consolidated financial statements

Pursuant to Regulation (EC) No. 297/2008 of March 11, 2008 amending Regulation (EC) No. 1606/2002 of July 19, 2002, Bel's consolidated financial statements for the 2023 financial year were prepared in accordance with IFRS as adopted by the European Union and published by the International Accounting Standards Board (IASB) at the date these financial statements were prepared. Closed on December 31, 2023, the financial statements were approved on February 29, 2024 by the Board of Directors.

International accounting standards comprise the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as well as the interpretations of those standards by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

Standards, amendments and interpretations effective and mandatory from January 1, 2023

The standards, amendments and interpretations effective from January 1, 2023 either have no significant impact or are not applicable. The main ones are as follows:

- Amendments to IAS 1, Disclosure of Accounting Policies and the updated "IFRS Practice Statement 2 : Making Materiality Judgements," adopted in March 2022 by the EU;
- Amendments to IAS 8, Definition of Accounting Estimates, adopted in March 2022 by the EU;
- Amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction, adopted in August 2022 by the EU;
- Amendments to IFRS 17 – Insurance Contracts, which sets out principles for the recognition, measurement and presentation of insurance contracts, and replaces IFRS 4 – Insurance Contracts;
- Amendments to IAS 12, "Pillar Two" adopted in November 2023 by the EU, which introduces a temporary exception to the requirements regarding deferred tax assets and liabilities related to this additional taxation.

"Pillar Two" legislation has been enacted or substantively enacted in certain jurisdictions the Group operates. The legislation will be effective for the Group's financial year beginning 1 January 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbour relief does not apply and the Pillar Two effective tax rate is close to 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

Standards, amendments and interpretations for which application is not mandatory from January 1, 2024 but may be applied early

The Group has decided against early application of the standards, amendments and interpretations adopted by the IASB, which will come into force for the financial years commencing on or after January 1, 2024. These pertain to:

Financial years commencing on or after January 1, 2024

- Amendments to IFRS 16, Lease liability in a Sale and Leaseback, published by the EU in November 2023;
- Amendments to IAS 1, Presentation of Financial Statements: Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants, adopted by the EU in December 2023;

- Amendments to IAS 7 and IFRS 7, Presentation of financial statements – Reverse factoring – Supplier Finance Arrangements, adopted by the IASB in May 2023, currently in the process of adoption by the EU.

Financial years commencing on or after January 1, 2025

- Amendments to IAS 21, Lack of Exchangeability, adopted by the IASB in August 2023, currently in the process of adoption by the EU.

The Group does not expect these amendments to have a significant impact on its financial statements.

1.2 – Valuation basis used in the preparation of the consolidated financial statements

The consolidated financial statements are prepared according to historical cost with the exception of certain categories of assets and liabilities in accordance with IFRS rules. These categories are mentioned in the following notes.

1.3 – Use of estimates

In preparing the consolidated financial statements, Group management and fully consolidated companies management may be required to make estimates and retain underlying assumptions that affect the value of assets and liabilities, expenses and income, as well as the information provided in the notes to the Group's financial statements.

These estimates and underlying assumptions are made on the basis of information and positions known at the financial statements closing date and may vary significantly from actual values.

The assumptions notably concern the impairment testing of assets, obligations to employees, deferred tax assets, and provisions.

1.4 – Consolidation methods

The Group has exclusive control, whether directly or indirectly, over its subsidiaries. This means that the Group has the power to guide the financial and operating strategies of these subsidiaries so that it may obtain the resulting benefits. Subsidiaries are consolidated using the full consolidation method.

A joint venture, as defined in IFRS 11, is a partnership whereby the Group has joint control, under the terms of which it has rights to the net assets of the partnership but not rights on its assets and obligations arising from its liabilities. The Group's interests in joint ventures are recognized by the equity method. Initially, they are recorded in the financial statements at the cost of acquisition, including transaction fees. After initial recognition of these items, the consolidated financial statements include the Group share in the net profit and other comprehensive income (OCI) of entities accounted for using the equity method, until such time as the Group relinquishes its significant interest or joint control.

Participating interests in entities other than subsidiaries and associates are not consolidated. They are recorded at fair value under "Financial investments."

Newly acquired entities are consolidated at the date when control was effectively transferred to the Group in accordance with the acquisition method described in IFRS 3. Income and expenses from subsidiaries acquired or sold during the financial year are posted to the consolidated statement of comprehensive income from the date of acquisition or until the date of disposal.

The Group's consolidated financial statements are prepared on the basis of the financial statements of its consolidated entities prepared in accordance with the accounting rules applicable in their respective countries and restated beforehand to bring them into compliance with international accounting standards.

All significant transactions between fully consolidated entities as well as gains and losses arising from internal operations within the Group are eliminated.

Group entities close their financial statements on December 31. A list of consolidated subsidiaries as of December 31, 2023, is presented in Note 10. In the event that the closing dates diverge (which could be the case, notably in connection with new acquisitions), action plans are put in place to ensure that accurate financial statements are available.

1.5 – Other significant accounting policies and rules

Translation of financial statements of foreign companies

Subsidiaries outside the euro zone whose currency is not that of a hyperinflationary economy use their national currency as their functional currency and translate their financial statements based on:

- the average rate for the financial year for income statement and cash flow items, unless there has been a strong fluctuation in the local currency. In this case, the average rate for the financial year is replaced by distinct average rates for each uniform currency period;
- the applicable year-end closing exchange rate for balance sheet items.

The share of the resulting foreign exchange differences attributable to the Group is recorded in equity under "Translation differences" until the investments from which they arise are sold or disposed of. The translation differences are then recognized in the income statement.

The share attributable to non-controlling interests is recorded under "Non-controlling interests."

Foreign-currency transactions

Transactions denominated in foreign currency are converted into the subsidiary's functional currency at the exchange rate applicable at the transaction date.

At year-end, receivables, cash and debts denominated in foreign currency are translated at the closing exchange rate or hedging rate, as the case may be, and the resulting translation differences are recorded under one of the following items on the income statement:

- Gross profit for sales transactions;
- Other financial income and expenses for cash flow operations.

Hyperinflation

The Group applies IAS 29 to its subsidiary in Iran since January 1, 2021, and to its subsidiary in Turkey since January 1, 2022.

As a result, the non-monetary assets and liabilities of these subsidiaries, as well as their income statements, are restated to reflect the general purchasing power of their functional currency, resulting in a profit or loss that is recorded under financial result. Additionally, as required by the standard, the financial statements of these countries are converted at the closing rate for the period under consideration.

The Group has used the Consumer Price Index (CPI) to revalue the income statement, cash flows and non-monetary assets and liabilities. As for application in Iran, in 2023, the selected CPI index increased by 41% compared to 2022, and an EUR/IRR exchange rate of 431,201 (304,779 in 2022) was used to convert the income statement at the closing rate. As for the application in Turkey, in 2023, the selected CPI index increased by 65% compared to 2022, and an EUR/TRY exchange rate of 32.6531 (19.9649 in 2022) was used to convert the income statement at the closing rate.

The application of IAS 29 had an overall impact of €11 million on the consolidated equity and on non-monetary assets net of non-monetary liabilities as at December 31, 2023, and was notably reflected in the income statement for the year 2023 by:

- an increase in consolidated net sales of €12.1 million, and a €1.5 million increase in operating income;
- a loss in net monetary position of -€7.1 million, recognized in the "Hyperinflationary revaluation" under Other financial income and expense (see Note 3.4);
- a charge of -€5.9 million in the consolidated net profit – Group share.

1.6 – Russia and Ukraine conflict

The military conflict following Russia's invasion of Ukraine on February 24, 2022, leaves the Group – like all businesses – facing new types of economic uncertainties.

However, as the Group has no operations in these countries, none of its employees are exposed, nor are any of its assets. Nevertheless, the Group remains attentive to the evolution of the situation and the consequences of this conflict.

1.7 – Recognition of climate risks

In keeping with its committed and responsible growth model, in 2019, the Group unveiled its new corporate identity, "For All. For Good" and its five priority challenges, including the objective "Fighting climate change and reducing the environmental footprint."

Since 2022, the Group hit its target in terms of reducing greenhouse gas emissions in scopes 1 and 2.

Under the **European Green Taxonomy**, in accordance with Note 3.8 "European Green Taxonomy," the proportion of eligible Capex is 14.7% of the Group's total reported Capex, and the analysis of the criteria for eligible projects has determined a percentage of aligned Capex of 2.7%, resulting from the investments in carbon sequestration and biomass boilers. In 2023, as in 2022, as a result of analysis of the OPEX selected by the Group in application of the conditions of the Taxonomy, the analyzed amount is considered not to be material with respect to the practices in place and the Group's materiality thresholds.

Strengthened commitment to CSR and unparalleled support for the dairy industry

In line with its long-term commitment to championing healthier, more responsible food, Bel continued to implement CSR initiatives during the year. For these actions and its overall sustainability performance, Bel earned a platinum rating from EcoVadis in 2023.

In October, Bel and dairy producers association APBO, in partnership with DSM-Firmenich and Institut de l'Elevage (Idele), announced the promising results of a pilot project aimed at reducing methane emissions from dairy cows. Conducted on five dairy farms in western France between January and March 2023, the pilot tested the implementation of Bovaer®, a feed additive for dairy cows, in real-life farming conditions. The study paves the way for a more sustainable dairy industry. Bel had already announced in July 2023 that it was rolling out the Bovaer® solution to dairy farmers that supply milk to its plant in Slovakia. The plant produces Babybel® cheese for consumers in the United Kingdom, Germany, Czech Republic, and Slovakia.

In November, Bel and dairy producers association APBO renewed their annual milk price agreement "Mon BB Lait®" for the 7th consecutive year, defining the milk purchase price for the whole of 2024 based on dairy farm production costs. A responsible deal for both parties, transparent with regard to evolving farming costs and a boon for sustainable, high-quality food and agriculture, the new agreement reflects the trust-based partnership established between APBO and Bel over the past seven years.

Recently, Bel inaugurated a new biomass boiler, fueled by organic matter instead of oil, at its plant in Tangier, Morocco. The solution is expected to help Bel achieve carbon neutrality in the medium term.

With the support of its shareholder families, management team and all employees, Bel will continue to make an ever-greater commitment to sustainability in 2024, for the benefit of its stakeholders and the environment. Bel's Board of Directors is therefore proposing a resolution for the upcoming shareholders' general meeting to adopt the mission driven company status.

Accounting recognition of investments in carbon sequestration projects

In view of achieving carbon neutrality in its plants by 2025 and throughout its value chain by 2050 at the latest, the Group's teams are focused on reducing greenhouse gas emissions until an irreducible level of emissions is reached. Bel plans to capture residual emissions and support projects that have multiple positive environmental, social and economic impacts.

In 2021, the Group joined the third **Livelihoods Carbon Fund (LCF3)** launched by Livelihoods Venture in June 2021, alongside 13 businesses and financial investors. The €5 million investment in this Fund was accounted for as a financial investment.

In 2022, the Group continued its multi-year investment program with the low-carbon label **Alliance Forêts Bois**, for €0.3 million.

In 2023, the Group accelerated its investments in carbon sequestration projects though its investment in **African Park** for €2.6 million, and in forest cooperatives with the **XP Bois** for €1.5 million, and the **Alliance Forêts Bois** project with €0.1 million. These investments are recorded in the work in progress in intangible assets.

Steering of strategy in keeping with the Sustainable Development Goals

Committed to creating a responsible and profitable business model, Bel is convinced of the need to combine financial and extra-financial performance and strives to promote more responsible financing practices through the integration of ESG (Environmental, Social and Governance) criteria in its financing with the implementation in 2022 of a Sustainability Linked Financing Framework, validated by Moody's ESG Solutions. This framework was updated and republished in 2023. This Framework was applied in the main financing put in place in 2022 and 2023 (see Note 4.15.2).

Assessment of the effects of climate change

Given:

- the Group's activities and geographical footprint;
- the nature and extent of the current and potential impacts of climate change-related risks and opportunities as identified and assessed in its risk factors and extra-financial performance statement;
- the commitments made by the Group in this area, particularly with regard to reducing its greenhouse gas emissions by 2035Group's commitments in this area, particularly with regard to reducing its greenhouse gas emissions by 2035.

The Bel Group did not identify any significant effect for the year 2023. In particular:

- no significant provision for environmental risks and liabilities is included in the consolidated balance sheet as of December 31, 2023;
- in 2023, the Group did not identify any significant effects of the commitments made in this area on the value of its tangible or intangible assets. In particular, the implementation of the necessary action plans to adapt production tools does not affect their useful lives. These action plans, aimed at reducing the environmental footprint of production sites, correspond in 2023 to investments of nearly 10 million euros (see Note 3.4 - Preserving the planet), which include:
  - projects to reduce energy consumption at industrial sites, involving multiple continuous improvement projects, as well as projects such as the installation of a heat pump at the Mayenne site, for example;
  - projects to develop the use of clean energy, such as renewable energy, through the deployment of plans to convert plants to the purchase of renewable energy, particularly in 2023 at sites in Egypt and Canada where a renewable electricity supply system has been adopted, as well as projects such as the installation of a biomass boiler at the Tanger site (bringing the Group to four biomass boilers at its industrial sites);
  - the "WasaBel" (Water Saving at Bel) continuous improvement program for water treatment, with wastewater treatment plants at Caire and Dôle sites.

NOTE 2 > Changes in the scope of consolidation and changes in the ownership interest of consolidated entities

During the first half of 2023, Bel Africa was liquidated, without having a significant impact on the Group's consolidated financial statements.

NOTE 3 > Income statement

3.1 – Sector-specific information and other information concerning Net Sales

The Group's activities are managed through two segments: mature markets on the one hand and new territories on the other. New territories include the MOM business (fruit segment) and businesses in Sub-Saharan African countries, China, India, Latin America and the French overseas departments and territories.

Net sales and operating income by segment are the two key performance indicators used by Group Executive Management, the main operating decision-maker. Results are prepared by target market on a monthly basis to help monitor and offset the effects of raw material price and foreign exchange volatility on margins across all production entities.

Conversely, cashflow and balance sheet items are not tracked by market. They are instead prepared and tracked on a Group-wide basis.

Accounting principles

Bel Group's net sales from sales of goods, merchandise and other goods is recorded net of discounts or commercial rewards and sales tax once the ownership is transferred to the customer or the service is rendered. These amounts are estimated at the time revenue is recognized, on the basis of agreements and commitments with the customers concerned. It is recognized in the income statement when the products are transferred.

Change in net sales and operating income by segment was as follows:

	2023		2022	
(in € millions)	Net sales	Operating income	Net sales	Operating income
Mature markets	2,590.9	93.5	2,653.9	53.7
New territories	1,054.0	119.0	941.4	110.6
TOTAL	**3,644.9**	**212.5**	**3,595.3**	**164.3**

Bel recorded consolidated net sales €3,644.9 million in 2023, representing organic growth of 5.8%. On a reported basis, net sales grew +1.4% year-on-year, reflecting a -1.8% negative impact from changes in the scope of consolidation, corresponding to the sale of Bel's stake in Moroccan company Safilait, which was partially offset by the acquisition of a majority stake in China's Shandong Junjun Cheese, and an unfavorable foreign exchange impact of 2.6%.

This solid performance is primarily attributable to strong growth in the fruit segment across all geographies, resilience of dairy products, further sharp gains in China, healthy momentum in North America and Asia and responsible, disciplined management of price increases in an environment impacted by inflation. Organic growth in consolidated sales was driven by increased sales of GoGo squeeZ® and Pom'Potes® products. Other core brands – particularly Kiri® and Boursin® – pursued their positive trajectory in North America and enjoyed very strong sales growth in China.

The out-of-home (OOH) and e-commerce distribution channels recorded sustained growth in their sales revenues for the third consecutive year. The e-commerce business continued its development, notably in China, the United States, the United Kingdom and Ireland. The OOH, strategic segment, also posted a positive performance, with particularly strong gains in France and Asia, especially China.

Mature Markets

In a general context in which consumers are increasingly price-sensitive, the mature markets have proven to be resilient, showing positive organic growth of +3.6%, and -2.4% on a reported basis, due to a change in scope as a result of the disposal of Bel's stake in Safilait in Morocco.

New territories

The fruit segment continued to deliver strong organic growth in sales versus the prior year, particularly in the United States and Canada. China recorded a hefty increase in sales for the fourth consecutive year, underpinned by the performance of the Kiri® brand. Progress was also made in establishing international growth drivers. Junjun Cheese made a promising start in China, and the joint venture set up with Britannia Industries moved forward as planned, with the successful launch of the first product co-branded The Laughing Cow®.

Breakdown of net sales by region

Net sales by destination in the main countries were as follows:

(in € millions)	2023	2022
United States	996.6	970.8
France	821.0	791.9
Morocco	136.1	217.4
Canada	188.0	176.0

Bel pursued its international expansion strategy in 2023. As a result, more than 80% of Bel's net sales now come from outside France. The breakdown by geographic region is as follows:

	2023		2022	
(in € millions)	Net sales by destination	Tangible and intangible assets by geographic region	Net sales by destination	Tangible and intangible assets by geographic region
Europe	1,595.6	1,489.4	1,541.7	1,512.8
Middle East – Greater Africa	640.4	118.7	707.1	126.4
The Americas – Asia	1,408.9	820.5	1,346.5	811.9
Total	**3,644.9**	**2,428.6**	**3,595.3**	**2,451.1**

3.2 – Operating expenses by nature

Accounting principles

Cost of goods sold: The cost of goods sold mainly includes industrial costs (including raw materials costs, amortization of industrial assets and personnel costs dedicated to production activities), and certain logistical and transport costs.

Sales and marketing expenses: Sales and marketing expenses mainly includes marketing expenses, product promotion costs to consumers, personnel costs directly related to product sales and supervision, as well as marketing and logistics teams.

Research and development costs: Research and development expenses are generally recorgnized as charges in the period in which they are incurred due to the short period between the date on which technical feasibility is demonstrated and the date of product commercialization. Some development expenses are recorded in the balance sheet as assets.

General overhead expense: General and administrative expenses mainly include other personnel and administrative costs.

Operating expenses by nature break down as follows:

(in € millions)	2023	2022
Personnel expense	(718.1)	(696.2)
Depreciation, amortization and provisions for the year	(141.1)	(137.3)
Other operating expense	(2,535.2)	(2,574.9)
Total operating expenses	**(3,394.4)**	**(3,408.4)**

Other operating expenses include manufacturing raw materials, packaging and consumables used to make products sold, as well as other costs of goods and services sold.

3.3– Other non-recurring income and expenses

Accounting principles

Other non-recurring income and expenses primarily include:

- allowances and reversals of provisions for contingencies and losses, including restructuring costs incurred when assets are sold or operations discontinued, and costs arising from commitments made to the employees affected by lay-off plans;
- amortization and provisions for intangible assets with definite useful life;
- any unusual, material gains or losses not linked to operating performance.

Other non-recurring income and expenses break down as follows:

(in € millions)	2023	2022
Impairment and gain or loss from disposal of fixed assets	(26.3)	(6.5)
Gain or loss on disposal of fully consolidated entities	0.0	(7.0)
Restructuring costs	(4.4)	(3.5)
Other non-recurring income and expenses	(7.4)	(5.5)
Total other non-recurring income and expenses	**(38.1)**	**(22.6)**

In 2023, impairment tests led to the recognition of a partial impairment of the goodwill of All in Foods, for -€20 million (see Note 4.1) included in the "Impairment and gain or loss from disposal of fixed assets." This item also includes impairments and depreciation and amortization resulting from business combinations.

Restructuring costs mainly represent significant, unreplaced departure costs decided by the Executive Committee.

In 2023, the line "Other non-recurring income and expenses" notably includes -€1.2 million relates to costs incurred in the Bel India subsidiary, following the acquisition in Britannia Bel Foods Private Limited in 2022, as well as -€1.4 million of costs related to various closed audits in 2023, and the remaining costs related to previous disvestments.

In 2022, the "Gain or loss on disposal of fully consolidated entities" corresponded mainly to the loss on the sale of the Moroccan entity Safilait for -€8.0 million.

3.4– Financial income and expenses

Financial income and expenses break down as follows:

(in € millions)	2023	2022
Income from cash and cash equivalents	19.9	2.4
Cost of gross financial debt	(65.3)	(28.5)
Net cost of financial debt	**(45.4)**	**(26.2)**
Net cost of discounting	(1.9)	(0.9)
Foreign currency gains (losses) and other hedges	3.3	9.5
Hyperinflationary revaluation	(7.1)	(6.6)
Other	3.0	0.4
Other financial income and expense	**(2.7)**	**2.4**
Total net financial expense	**(48.1)**	**(23.7)**

The increase in the Group's net financial debt costs in 2023 compared to 2022 is mainly due to:

- the increase in financial charges of -€36.6 million, due to financial costs related to the implementation of Schuldschein and "Prêt Participatif Relance" in December 2022 to meet the additional financing needs, and the increase in short-term interest rates on the variable portion of the debt, totaling -€22.5 million (see Note 5.3.2) on the one hand, and the increase in financial expenses of -€8.0 million on the variable rate securitization program, on the other hand;
- an increase in financial income of €17.5 million, explained for the increase in short term cash placements of €14.1 million, and the one-off income of €4.4 million, coming from the partial redemption of the €198 million bond.

In 2023, as in 2022, the foreign currency gains and other hedges is attributable, in the amount of €3.3 million, to the devaluation of the EGP on placements in USD of our Egyptian subsidiary.

The item "Hyperinflationary revaluation" reflects the effects of the revaluation of the non-monetary assets and liabilities, and all other items in the income statement, in accordance with IAS 29 of the entity in Iran for -€7.6 million and the entity in Turkey for €0.5 million.

The "Other" item includes dividends received of €2.4 million from non-consolidated companies.

3.5 – Income tax expense

Accounting principles

Income tax expenses correspond to the income tax due by each tax-consolidated entity, adjusted for deferred income taxes.

In France, it is worth noting the discontinuation of the two tax consolidation perimeters organized around Bel SA and Newton Holding SAS respectively; and the creation, effective January 1, 2023, of a new tax consolidation perimeter with Unibel SA as group's lead company

Consequently:

- Bel's consolidated financial statements do not include any effects of the new tax consolidation formed as of January 1, 2023;
- each French entities is therefore required to independently calculate its tax charge (considering, if applicable, the use of tax losses based on its own results).

France's 2010 budget law, approved in December 2009, introduced the CET (contribution économique territoriale), a local tax that supplanted the business tax. The Group qualifies the CET tax as an operating expense rather than an income tax. Accordingly, CET payable falls under operating income.

Taxes payable for the period but not yet paid are recognized on the balance sheet under current payables. Overpaid income tax vs. income tax owed is recorded on the balance sheet under current receivables.

Income tax expenses break down as follows:

(in € millions)	2023	2022
Current tax, including withholding tax	(83.2)	(52.7)
Deferred tax	(10.7)	4.8
Total income tax expense	**(93.9)**	**(47.9)**

In 2023, the applicable corporate tax rate in France was 25%, to which a social security tax of 3.3% is added, bringing the total rate to 25.83%.

In 2023, the Group's effective tax rate was 56.9%. The difference between the applicable and effective income tax rates is summarized below:

(in € millions and in %)	2023		2022	
Profit before tax	**164.9**		**140.7**	
Standard tax rate (including additional contributions)	**(42.6)**	**25.8%**	**(36.3)**	**25.8%**
Impact of differential tax rate and change in tax rate of subsidiaries	7.4	-4.5%	3.6	-2.6%
Tax credits	1.2	-0.7%	1.8	-1.3%
Prior period carryforwards used during the financial year	(0.6)	0.4%	0.9	-0.6%
Unused tax loss carryforwards from the period	(32.6)	19.8%	(0.7)	0.5%
Alternative minimum tax and non-creditable withholding tax	(14.6)	8.8%	(13.8)	9.8%
Permanent differences	(8.0)	4.8%	1.0	-0.7%
Other items	(4.1)	2.5%	(4.3)	3.1%
Effective income tax rate	**(93.9)**	**56.9%**	**(47.9)**	**34.0%**

In 2023, the item "Impact of differential tax rate and change in tax rate of subsidiaries" is explained by the effect by the differential tax rate of the Group's subsidiaries compared to the tax rate in France at 25.83%.

The increase in the item "Unused tax loss carryforwards from the period" in 2023 compared to 2022 includes -€31.2 million related to the non-activation of tax loss carryforwards as of December 31, 2023, for two the former parent companies, Bel SA and Newton Holding SAS, given the assessment of their own tax situation based on the projected results expected over a five-year period.

The increase in the item "Permanent differences" in 2023 compared to 2022 notably includes -€5.0 million related to the impact of the non-deductible impairment of the acquisition goodwill recorded on All In Foods as of December 31, 2023 (see Note 3.3), as well as the impact of tax reintegration for -€1.2 million on dividends received from subsidiaries.

NOTE 4 > Balance sheet

4.1– Goodwill

Accounting principles

Goodwill

Goodwill is the excess of the acquisition cost of shares over the Group's share of identifiable acquired assets and assumed liabilities measured at fair value after taking into account any deferred taxes at the acquisition date. If the acquisition costs exceed the fair value of the identifiable acquired assets and assumed liabilities, the excess is recognized in profit and loss for the financial year when the acquisition is made.

In accordance with IFRS 3 and IAS 36, goodwill is not amortized but is instead subject to annual impairment testing and more frequently in case of unfavorable change of certain indicators (see Note "Impairment of assets").

Goodwill relating to entities over which the Group exercises control is recorded as an asset under "Goodwill."

Impairment of assets

In accordance with IAS 36 "Impairment of Assets," goodwill and intangible assets with indefinite useful lives are grouped into CGUs and are subject to impairment testing at least once a year, or more frequently if events or circumstances indicate a loss of value. Annual impairment testing is carried out in the fourth quarter of the year.

Other capitalized assets are also subject to impairment testing whenever events or changed circumstances indicate that carrying amounts might not be recoverable.

Impairment testing consists of comparing the net carrying amount of the asset to its recoverable amount, which is the higher of the asset's fair value or its value in use.

Value in use is obtained by adding the net present values of the future cash flows expected to be derived from the use of an asset, or group of assets, and terminal value of cash flows.

The after-tax cash flows used to determine value in use are derived from CGU business plans, which include the impacts of the climate trajectory in accordance with the Group's key environmental policies. Revenue and terminal cash flow projections are based on reasonable and supportable assumptions in line with market data available for each CGU.

Fair value is the amount obtainable from the sale of the asset or group of assets in an arm's length transaction between knowledgeable, willing parties.

Impairment losses are recognized when testing shows a loss of value to ensure that the net carrying amount of the assets does not exceed their recoverable value.

Impairment losses relating to goodwill may not be reversed.

Changes in goodwill for financial year 2023 break down as follows:

(in € millions)	2023	2022
Gross value at opening	**896.8**	**891.0**
Impact of change in consolidation scope[(a)]	0.0	47.8
Hyperinflationary revaluation	0.0	1.0
Reclassification	(0.9)	(41.4)
Translation adjustments	(8.2)	(1.7)
Gross value at end of period	**887.7**	**896.8**
Accumulated amortization and impairment at opening	**(47.8)**	**(72.9)**
Impact of change in consolidation scope[(a)]	0.0	24.3
Hyperinflationary revaluation	0.0	(1.0)
Amortization and impairment	(20.0)	0.0
Translation adjustments	0.7	1.8
Accumulated amortization and impairment at end of period	**(67.0)**	**(47.8)**
Net carrying amount of goodwill from continuing operations	**820.6**	**849.0**

(a) In 2022, the impacts of changes in scope relate, firstly, to the disposal of the Group's interest in the Moroccan company Safilait to the Polmlek Group, and secondly, to the acquisition of a stake in the Chinese company Shandong Junjun Cheese.

Each year, the Group conducts impairment tests on each of its cash-generating units. Each CGU represents the smallest group of assets within which the Group follows goodwill for its internal management needs.

The main goodwill items recorded by the Group as at December 31, 2023 were those linked to the acquisition of Boursin (€335.8 million net value), MOM (€384 million net value) and Shandong Junjun Cheese (€62 million).

In 2023, impairment tests done on cash-generating units led to the recognition of an impairment loss on the company All In Foods for a value of €20 million (using a discount rate of 7.36%, and a long-term growth rate of 2%), leading to a net goodwill value at December 31, 2023 which represents €21 million.

The following assumptions and parameters were used in the impairment testing of CGUs to determine their value in use:

- an explicit horizon for forecasts of five years;
- weighted Average Cost of Capital: country risk rates established by Coface were used to revise the discount rates determined for each country to take into account the notions of risk and time according to each CGU's profile and country risk.

The following economic assumptions were adopted after this review:

	Long-term growth rate		Discount rate	
(in %)	**2023**	**2022**	**2023**	**2022**
Europe	-1% to 2%	-1% to 2%	7.1% to 9%	7.9%
America	0% to 2%	0% to 2%	8.1%	8.4%
Asia	2%	2%	8.3%	8.1%

For the Group's main goodwill items, the economic assumptions used in the impairment tests were as follows:

- the rates for the Europe-America and Asia zone, for the goodwill on Boursin;
- the rates for the Europe and America zone, for the goodwill on MOM;
- the rate for the Asia zone, for the goodwill on Shandong Junjun Cheese.

The Group tested the sensitivity of its CGUs to the following two factors:

- a 1 point increase in the discount rate;
- a 0.5 point decline in the long-term growth rate.

A 1-point increase in the discount rate would result in the Group recognizing an additional impairment of €10.6 million.

A 0.5-point decrease in the long-term discount rate would result in the Group recognizing an additional impairment of €4.8 million.

4.2 – Other intangible assets

Accounting principles

Other intangible assets include:

- acquired technologies and patents;
- acquired, well-known and readily identifiable brands whose value growth can be verified;
- computer software.

Acquired patents, technologies and computer software were recognized on the balance sheet at acquisition cost and are amortized over their useful lives. Computer software is amortized over a period of one to eight years.

The brands which are not amortized are subjected to annual impairment tests (also see the Note "Impairment of assets"); the Group's main brands are GoGo Squeez®, Pom'Potes® (linked to the acquisition of MOM) and Boursin® which, together, represent over 81% of the net carrying amount of the Group's brands with indefinite useful lives as at December 31, 2023.

All Research and Development costs are expensed in the financial year in which they are incurred. Development costs are not capitalized since the recognition criteria set by IAS 38 "Intangible Assets" are generally not fulfilled before the products are launched on the market.

Changes in other intangible assets during the year were as follows:

(in € millions)	2023	2022
Net carrying amount at January 1	**590.8**	**548.5**
Impact of change in consolidation scope[(a)]	0.0	(8.2)
Acquisitions	25.8	13.4
Disposals, assets disposed of	(0.0)	0.7
Hyperinflationary revaluation	0.1	0.3
Translation adjustments	(8.5)	13.2
Depreciation and write-downs	(18.9)	(18.5)
Reclassifications	(0.4)	41.3
Net carrying amount at December 31	**588.9**	**590.8**

(a) In 2022, the impacts of changes in scope relate, firstly, to the disposal of the Group's interest in the Moroccan company Safilait to the Polmlek Group, and secondly, to the acquisition of a stake in the Chinese company Shandong Junjun Cheese.

As in 2022, acquisitions of other intangible assets in financial year 2023 were primarily related to the Group's IT projects. As explained in Note 1.7, acquisitions also include investments in carbon-sequestration projects.

A breakdown of intangible assets by type is presented in the following table:

	12/31/2023			12/31/2022
(in € millions)	Gross value	Accumulated depreciations and write-downs	Net carrying amount	Net carrying amount
Concessions and patents	34.7	(21.5)	13.2	13.9
Brands	507.4	(24.4)	483.0	493.2
Software	243.4	(184.8)	58.6	45.0
Other	42.8	(8.7)	34.1	38.6
Total	**828.4**	**(239.5)**	**588.9**	**590.8**

As at December 31, 2023, the main Group brands recorded in net carrying amount under intangible assets stem from the acquisitions of Boursin (€92 million) and MOM (€349.5 million). The brands Materne® and Mont Blanc® in the MOM scope have a limited useful life, and are amortized over a 20-year period. As at December 31, 2023, in view of their cumulative amortization, representing €15 million, the net carrying amount for these brands was €27.8 million.

4.3 – Property, plant and equipment and right-of-use assets

4.3.1 – Property, plant and equipment

Accounting principles

Property, plant and equipment is measured at acquisition cost (purchase price plus additional costs of bringing the assets to working condition) or production cost (excluding financial charges) except for fixed assets legally revalued before January 1, 2000, in accordance with the exception under IFRS 1, or reassessed at fair value at the date of control for business combinations.

The Group applies the component approach when certain parts of an acquired fixed asset have different useful lives, and the component parts are depreciated and recorded separately in the financial statements.

Replacement or renewal expenses of the component part of an asset are recognized as a distinct asset and the replaced asset is written off.

Interest on borrowings used to acquire fixed assets is treated as a financial expense and is not capitalized in the cost of the asset.

The Group decided against taking the residual values of property, plant and equipment into account because such assets are expected to be used throughout their useful lives and, as a general rule, are not to be sold.

Property, plant and equipment is subject to impairment testing as soon as indications of impairment arise.

When the recoverable amount of an asset or group of assets is less than its carrying amount, the impairment loss is recorded in profit or loss and first posted against goodwill.

Depreciation is calculated on a straight-line basis over the economic useful life of the property, plant or equipment:

Constructions	
› industrial	30/40 years
› administrative and commercial	40 years
› property fittings and fixtures	10 years
Machinery and equipment	5 to 10 years – 15/20 years
Vehicles	4/10/15 years
Office furniture and equipment	4 to 15 years

Changes in property, plant and equipment during the year were as follows:

(in € millions)	2023	2022
Net carrying amount at January 1	**937.1**	**885.2**
Impact of change in consolidation scope[(a)]	0.0	6.7
Acquisitions	136.7	143.8
Disposals, assets disposed of	(1.6)	(3.9)
Hyperinflationary revaluation	10.7	14.5
Translation adjustments	(25.1)	3.9
Depreciation and write-downs	(113.2)	(113.2)
Reclassifications	1.4	(0.1)
Net carrying amount at December 31	**946.0**	**937.1**

(a) In 2022, the impacts of changes in scope relate, firstly, to the disposal of the Group's interest in the Moroccan company Safilait to the Polmlek Group, and secondly, to the acquisition of a stake in the Chinese company Shandong Junjun Cheese.

A breakdown of property, plant and equipment by nature is presented in the following table:

	12/31/2023			12/31/2022
(in € millions)	Gross value	Accumulated depreciations and write-downs	Net carrying amount	Net carrying amount
Land	33.2	(9.9)	23.3	23.5
Constructions	529.5	(273.2)	256.3	218.0
Technical installations, fixtures, machinery and equipment	1,606.0	(1,058.2)	547.7	561.7
Other property, plant and equipment	73.1	(53.5)	19.7	20.6
Assets under construction	100.1	(1.2)	98.9	113.3
Total	**2,341.9**	**(1,395.9)**	**946.0**	**937.1**

The main achievements for the period correspond to investments concerning:

- extensions to industrial premises;
- the increase in production capabilities and improvement of productivity in Group companies, notably to deal with the sharp increase in the fruit segment;
- the implementation of our CSR strategy through reducing water and electricity consumption (see Note 1.7), notably including heat/cold generation using bioenergy, the overhaul of our wastewater collection and treatment networks, the installation of energy-efficient equipment, and the adoption of more responsible packaging;
- improvements in quality, safety and environmental performance.

4.3.2 – Right-of-use assets

Accounting principles

IFRS 16 concerns both previous lease contracts and operating leases. A lease contract is a contract, or part of a contract, that provides the right-of-use of an asset for a set period of time and fixed payments agreed. Assets held under lease contracts are recorded under right-of-use assets when the contracts meet the criteria set out in the standard. The corresponding liability, net of interest expense, is recorded on the balance sheet. The Group applies the exemptions authorized by the standard, meaning that contracts with a duration shorter than 12 months and contracts of low value are excluded (contracts under $5,000). However, these must be recorded under off balance sheet commitments for an amount equal to the expenses for the financial years during which they will be incurred.

The lease length typically used is that of the contract originally negotiated, without taking account of options for early termination, except in special cases, and including renewal rights which the Group is reasonably sure it will take up.

The discount rate corresponds to the marginal debt rate of the subsidiary, considered as being equal to the sum of the risk-free rate for the currency of the lease, in reference to its duration, and of the Group's credit risk for this same currency and duration reference.

On the date the lease contract starts, the asset is recorded as a right-of-use asset in the balance sheet for an amount equal to the discounted amount of future payments for the lease.

Right-of-use assets are depreciated under the straight-line method over the duration of the contract. Any free amount or franchise included in the contract is also spread over the duration of the contract.

Right-of-use assets break down as follows:

(in € millions)	2023	2022
Net carrying amount at January 1	**74.2**	**92.3**
Impact of change in consolidation scope[(a)]	0.0	(16.1)
Acquisitions	24.2	25.6
Disposals, assets disposed of	(1.1)	(5.4)
Translation adjustments	(0.7)	(0.2)
Depreciation and write-downs	(23.8)	(22.2)
Other movements	0.2	0.2
Net carrying amount at December 31	**73.1**	**74.2**

(a) In 2022, the impacts of changes in scope relate, firstly, to the disposal of the Group's interest in the Moroccan company Safilait to the Polmlek Group, and secondly, to the acquisition of a stake in the Chinese company Shandong Junjun Cheese.

Right-of-use assets correspond to all contracts recognized in view of application of IFRS 16. Lease assets owned by the Group to carry out its activities are primarily buildings used for offices, the largest of which is the head office in Suresnes. Other contracts concern industrial assets such as storage equipment, plant cleaning machines, lifting trucks, and fleets of vehicles for sales staff and refrigerated trucks used to deliver the Group's products. The Group leases IT equipment under the framework of rental contracts. These are short-duration operating leases and/or concerning goods of low value. The Group has chosen not to record right of use assets or lease liabilities for these contracts.

	12/31/2023			12/31/2022
(in € millions)	Gross value	Accumulated depreciation	Net carrying amount	Net carrying amount
Land	0.3	(0.2)	0.0	0.1
Constructions	117.2	(66.6)	50.6	53.8
Technical installations, fixtures, machinery and equipment	9.5	(2.6)	6.9	6.7
Shipping	32.2	(17.4)	14.8	12.7
Other property, plant and equipment	1.5	(0.7)	0.8	1.0
Total	**160.6**	**(87.5)**	**73.1**	**74.2**

The most significant contracts concern office buildings leased for around €50.6 million in 2023 vs. €53.8 million in 2022.

4.4 – Breakdown of financial assets and liabilities

Accounting principles: financial assets and liabilities

Financial assets

In accordance with IFRS 9, the Group distinguishes between several types of financial assets the classification of which depends on the management model and the contractual characteristics of the asset at the time of the acquisition. These criteria determine the accounting treatment applied to these instruments.

Financial assets measured at amortized cost

These are assets for which the Group expects to collect contractual cash flows and for which cash flows are made up solely of the principal and interest. This type of asset includes loans and receivables.

Bills for collection are recorded in "Trade and other receivables."

Since losses on unrecoverable receivables historically shouldered by the Group are virtually zero in value, the depreciation model recommended by IFRS 9 prompts the Group not to depreciate these receivables.

Financial assets measured at fair value through other comprehensive income (non-reclassifiable)

These are financial assets not held for trading purposes. This category includes non-consolidated equity investments. These assets are valued at fair value on the closing date and changes in fair value of these assets are recorded in "unrealized gains and losses on financial assets" under other comprehensive income (non-reclassifiable). As prescribed by the standard, only dividends received from those equity investments are booked to the income statement, gains and losses from disposal of these assets cannot be recognized in the income statement when the instrument is derecognized. No impairment is recognized for these equity investments.

For listed shares, fair value is deemed to be the market price of the shares at the designated closing date.

Financial assets recorded at fair value through Profit or Loss

These assets, held for trading purposes, are expected to be sold in the near term. This category includes marketable securities and derivative instruments other than hedging instruments. Financial assets that meet none of the criteria in the other two types described above are also treated by default in this category (measured at amortized cost or at fair value through non-reclassifiable other comprehensive income).

These assets are valued at fair value and changes in fair value are recorded in the income statement. Underlying gains and losses recognized in OCI on December 31, 2023 are to be transferred to the income statement when they are derecognized.

Financial liabilities

In accordance with IFRS 9, the Group distinguishes two categories of financial liabilities, each of which is subject to a specific accounting treatment.

Financial liabilities valued and measured at fair value

These are primarily derivative instruments. In accordance with IFRS 9, derivative instruments are recognized in the balance sheet at their market value on the closing date. Changes in the value of these instruments, for the effective part, are recorded as follows:

- for hedging instruments documented as hedging of future flows:
  - as cost of sales for hedging of receivables and debts in the balance sheet at closing date,
  - as equity, for hedging of future cash flows, this amount is transferred to the cost of sales when the receivables and debts covered by the hedge are recognized;
- for hedging instruments documented as hedging of fair value, in financial profit or loss;
- for financial hedging instruments, in financial profit or loss.

The ineffective part is recorded in financial profit or loss.

If there is no hedging relation, changes in market value of derivatives instruments are recognized under financial profit or loss.

Financial liabilities measured at amortized cost

These are mainly borrowings and financial debt and trade payables.

The standard establishes a third category for financial liabilities measured and classified at fair value in the income statement on option. At the end of 2023, the Group did not apply this option.

Financial assets break down as follows:

(in € millions)	12/31/2023				12/31/2022
	Amortized costs	Fair value through OCI	Fair value through P&L	Balance sheet amount	Balance sheet amount
› Non-current assets					
Financial investments	0.4	196.8	24.1	221.3	216.5
Other financial assets		4.4	13.4	17.8	20.6
Loans and advances	10.7			10.7	11.6
Other current assets	2.8			2.8	3.0
› Current assets					
Trade and other receivables	319.3			319.3	317.1
Other financial assets	23.3			23.3	20.2
Loans and advances	0.6			0.6	0.6
Cash and cash equivalents	98.7		543.0	641.7	600.5

Financial liabilities recognizable under IFRS 7 are recorded in full at amortized cost with the exception of financial instrument liabilities, which are measured at fair value. They are detailed in Note 4.15.

The financial investments include the Unibel securities held by Sofico, a Bel Group subsidiary, recognized at fair value on the basis of the stock market price, and the acquisition of stakes and partnerships in funds that contribute to the CSR goals, such as Livelihoods Carbon Fund 3 (LCF3) and Standing Ovation in 2022 and 2023, in the biotechnology start-up Climax Foods Inc., to create plant-based alternatives, drawing on artificial intelligence, and unwavering support for the Group's milk supply chain.

Other non-current financial assets notably include non-consolidated securities assessed on the basis of the last financial statements available.

4.5 – Financial investments

Financial investments (excluding deferred taxes) were as follows:

(in € millions)	12/31/2023	12/31/2022
Financial investments at beginning of period	216.5	227.6
Change in fair value recognized in comprehensive income	1.9	(1.0)
Other movements	2.8	(10.1)
Financial investments at end of period	**221.3**	**216.5**

Financial investments included 196,350 Unibel shares held by Sofico and acquired at an average price of €14.25 per share. As of December 31, 2023, these shares were valued at €196.4 million based on the December 31, 2023 closing price.

On December 31, 2022, these shares were valued at €194.4 million based on the December 31, 2022 closing price.

4.6 – Inventories and work-in-progress

Accounting principles

Inventories are valued at the lower of its cost price and net realizable value. Cost price is calculated using the "weighted average cost" or the "first-in, first-out" method.

The cost of materials and supplies is stated at purchase price plus incidental expenses such as transport, commissions and transit.

Manufactured goods are valued at production cost including the cost of materials consumed, the depreciation of production assets, and direct or indirect production costs, excluding financial expense.

An impairment charge for inventories is recognized when:

- the gross amount, as determined above, exceeds market value or net realizable value;
- goods have deteriorated.

Inventories and work-in-progress break down as follows:

(in € millions)	12/31/2023	12/31/2022
Raw materials and other supplies	211.3	212.9
Work-in-progress, goods and services	2.5	1.7
Merchandise, finished goods and intermediate goods	232.6	230.7
Gross value	**446.4**	**445.3**
Inventories write-downs	(8.9)	(6.0)
Net carrying amount	**437.5**	**439.3**

The change in net inventories for the financial years presented breaks down as follows:

	2023			2022
(in € millions)	Gross	Amortization and impairment	Net	Net
At January 1	**445.3**	**(6.0)**	**439.3**	**337.9**
Impact of change in consolidation scope [(a)]				1.2
Change in gross inventories	15.0		15.0	102.7
Change in write-downs		(3.1)	(3.1)	1.6
Translation adjustments	(13.9)	0.2	(13.7)	(4.1)
At December 31	**446.4**	**(8.9)**	**437.5**	**439.3**

(a) In 2022, the impacts of changes in scope relate, firstly, to the disposal of the Group's interest in the Moroccan company Safilait to the Polmlek Group, and secondly, to the acquisition of a stake in the Chinese company Shandong Junjun Cheese.

4.7 – Trade and other receivables

Trade and other receivables break down as follows:

(in € millions)	12/31/2023	12/31/2022
Trade and other receivables	327.4	323.8
Write-downs	(8.0)	(6.7)
Net carrying amount	**319.3**	**317.1**

The change in trade and other receivables for the financial years presented breaks down as follows:

	2023			2022
(in € millions)	Gross	Amortization and impairment	Net	Net
At January 1	**323.8**	**(6.7)**	**317.1**	**395.4**
Impact of change in consolidation scope[(a)]				(4.3)
Changes in WCR	15.0		15.0	(64.6)
Change in write-downs		(1.6)	(1.6)	(0.6)
Reclassifications	0.1		0.1	(0.2)
Translation adjustments	(11.6)	0.2	(11.4)	(8.5)
At December 31	**327.4**	**(8.0)**	**319.3**	**317.1**

(a) In 2022, the impacts of changes in scope relate, firstly, to the disposal of the Group's interest in the Moroccan company Safilait to the Polmlek Group, and secondly, to the acquisition of a stake in the Chinese company Shandong Junjun Cheese.

During the first half of 2022, the Group launched a deconsolidating securitization program on its commercial debts, in connection with the analysis of the transfer of practically all liabilities and benefits, in Europe, the United States and Canada, under authorizations granted in its financing agreements.

The total amount of receivables ceded was €181.2 million as at December 31, 2023, compared to €186.8 million as at December 31, 2022.

At December 31, 2023, net current trade receivables represented 84.2% of total trade and other receivables, with trade receivables under 60 days due accounting for 14% and trade receivables over 60 days due accounting for 3.0%. Receivables older than 120 days and not covered by credit insurance are fully impaired.

Restated for the impact of the deconsolidating securitization program, net current trade receivables represented 93.2% of the total, with trade receivables under 60 days due accounting for 9.3% and trade receivables over 60 days due accounting for 1%.

4.8 – Net deferred taxes and tax liabilities

Accounting principles

In accordance with IAS 12, deferred taxes and liabilities are recorded on the temporary differences between the tax and carrying amounts of the assets and liabilities. Based on the liability method, they are measured at the tax rate enacted or substantively enacted for the year in which the assets are realized or the liabilities settled and are classified as non-current assets and liabilities.

Deferred tax assets resulting from deductible temporary differences, unused tax losses and unused tax credits are limited to the estimated amount of recoverable tax. The latter is assessed at the balance sheet date based on the earnings forecasts of the related tax entities. Deferred tax assets and liabilities are not discounted.

The effects of modifications of deferred taxes, including changes in tax rates from one year to the next, are recognized under income or expenses in the income statement for the financial year in which the modification took effect, except when they are associated with items directly credited or charged to equity. In this case, deferred taxes are also recognized in equity.

Net deferred tax liabilities as at December 31, 2023 and changes in the net deferred tax position for the last two financial years were recorded as follows:

(in € millions)	2023	2022
At January 1	**(282.7)**	**(270.9)**
Changes recognized in equity	(1.1)	(11.6)
Changes recognized in the P&L	(10.7)	4.8
Translation adjustments	3.7	(5.0)
At December 31	**(290.7)**	**(282.7)**

Basis for deferred tax assets and liabilities

(in € millions)	12/31/2023	12/31/2022
Goodwill from business	(40.4)	(40.5)
Fixed assets	(117.7)	(121.7)
Brands and concessions	(124.9)	(127.8)
Derivative financial instruments	(1.2)	(1.8)
Valuation of Unibel shares	(50.0)	(49.5)
Pensions and similar employee benefits	9.1	8.1
Tax loss carryforwards	7.3	26.1
Other	27.1	24.3
Net deferred taxes	**(290.7)**	**(282.7)**
Of which:		
Deferred tax assets	9.7	10.8
Deferred tax liabilities	(300.4)	(293.6)

The "Other" line mainly concerns temporary items that are not tax-deductible.

Tax loss carryforwards

The Group has tax loss carryforwards that offer potential tax savings.

A deferred tax asset is recognized when the recovery of tax loss carryforwards is more likely than not to arise for either of the following reasons:

- either the deferred tax assets can be offset against tax liabilities set to mature during the period in which they are "deductible"; or
- taxable profits are expected during the recovery period.

The variation in the items "Tax loss carryforwards" for 2023 compared to 2022 is explained by:

- -€16.5 million related to the net impact of the non-recognition of active deferred tax assets on the tax losses of the two former lead companies in France, Bel SA and Newton Holding SAS (i.e. -€19.8 million for tax losses prior to 2023, partially offset by €3.3 million for financial year 2023);
- -€1.3 million for the subsidiary Fromageries Bel España;
- -€0.8 million for the company All In Foods.

At December 31, 2023, the amount of recognized active deferred taxes related to activated loss carryforwards concerns various subsidiaries of the Group, mainly the entity Bel SA, for €2.8 million, and Fromageries Bel España, for €3.5 million.

Deferred tax assets that were unrecognized owing to uncertainties about the probability of recovering the corresponding tax loss carryforwards were as follows:

	12/31/2023		12/31/2022	
(in € millions)	Tax loss basis	Unrecognized deferred tax assets	Tax loss basis	Unrecognized deferred tax assets
Expires in				
Less than one year	127.3	32.8	8.9	1.5
One to five years	4.1	1.0	0.3	0.1
> 5 years	0.0	0.0	0.0	0.0
May be carried forward indefinitely	2.9	0.7	0.3	0.1
Total	**134.4**	**34.5**	**9.6**	**1.7**

As at December 31, 2023, deferred tax assets that were unrecognized pertained to the former two lead companies in France, Bel SA and Newton Holding SAS, in the amount of €31.2 million (see Note 3.5), All In Foods for €0.8 million, Bel India for €1.5 million, the Turkish subsidiary Bel Karper for €0.3 million and the subsidiary Grupo Fromageries Bel España for €0.7 million.

Provisions for tax risk

Tax payable liabilities include non-current liabilities pertaining to uncertain tax positions in terms of estimating risks, disputes and litigation, whether actual or probable, in relation to the calculation of corporate income tax.

The entities making up the Group are periodically subject to tax audits in the countries where they are based:

- tax arrears and penalties were booked for accepted tax adjustments and provisioned if the amounts in question were not definitively known;
- contested tax adjustments were carefully reviewed and generally provisioned unless it was clear that the entity would be able to assert the validity of its position in the event of litigation.

These provisions are reviewed regularly in accordance with the assessment criteria set forth in IFRIC 23 Uncertainty over Income Tax Treatments.

4.9– Information about the capital

Purchase commitments with minority shareholders

The Group has obligations to purchase interests held by the minority shareholders of some consolidated subsidiaries. For the Group, these purchase obligations are optional, relating to put options.

In application of IAS 32 (Financial Instruments: Disclosure and Presentation), firm or conditional commitments to buy non-controlling interests (without the transfer of benefits and rights, or put options) are recognized as liabilities in amounts equal to their purchase price, discounted if the impact is significant, with equity counterparts.

4.9.1– Non-reclassifiable items

Application of IFRS 9 on January 1, 2018 led the Group to assess the management models of the equity interests its holds.

The main shares held by the Group, through the Sofico subsidiary, concern Unibel, for a value of €196.4 million at December 31, 2023. At the closing date, the fair value of these shares not held for trading is marked to market through other comprehensive income. As such, and in application of the standard, all changes in fair value for these shares are recognized in non-reclassifiable reserves in the Group's equity.

4.9.2– Share capital

The number of shares in Bel's share capital amounted to 6,872,335.

In 2023, the Group's equity changed mainly as a result of income for the financial year, and the increase in treasury stock.

Items recognized in comprehensive income are presented in the following table:

		12/31/2023			12/31/2022
(in € millions)		Group Share	Non-controlling interests share	Total	Total
Cash flow and raw materials price hedging	*Gross*	(0.4)		(0.4)	20.5
	Income tax impact	0.1		0.1	(5.2)
Mark-to-market of financial assets	*Gross*	1.9		1.9	(1.0)
	Income tax impact	(0.5)		(0.5)	(2.7)
Actuarial gains and losses arising on retirement obligations	*Gross*	(1.7)		(1.8)	9.1
	Income tax impact	0.5		0.5	(2.4)
Hyperinflationary revaluation		16.9		16.9	19.9
Translation adjustments		(52.5)	0.2	(52.4)	(12.9)
Total		**(35.7)**	**0.1**	**(35.6)**	**25.3**

The revaluation of the main hedging positions contracted by the Group's subsidiaries is described in Note 4.15.3. The revaluation of assets available for sale primarily concerns the Unibel shares held by Sofico (see Note 4.5). Actuarial gains and losses recorded for the financial year are set out in Note 4.11.2. The line "Hyperinflationary revaluation" includes the effect of translation in accordance with IAS 21.

Depending on its financial positions and changing needs, the Group may adjust its share capital by issuing new shares, for example, or by purchasing and canceling existing shares. The Group is not subject to equity covenants imposed by third parties.

Treasury shares

Accounting principles

Bel shares repurchased by the consolidating company in accordance with law 98-546 of July 2, 1998 are posted directly against consolidated shareholders' equity in an amount corresponding to their acquisition costs, including direct costs linked to the acquisition, net of corresponding tax savings.

In 2023, 12,085 Bel treasury shares were bought back by Unibel.

The number of treasury shares at December 31, 2023 was 63,332.

Bonus shares

Accounting principles

Stock option plans are equity-settled share-based payment systems under IFRS 2. The grant component is measured on the basis of the Bel share price at the grant date and, taking into account the non-payment of dividends during the vesting period, the stock options are recorded as personnel expenses with a corresponding increase in equity. The expense is recognized over the length of the vesting period.

In accordance with IFRS 2, the personnel expense related to the employee share-based payment plan is spread over the period of acquisition of rights by the beneficiaries, with a counterpart in equity.

The 2022A/2024 and 2022B/2025 plans were ongoing as of December 31, 2023. A new 2023 plan was implemanted in 2023, with a maturity date of 2026. The definitive allocation of free shares by the Board of Directors is subject to the satisfaction of presence and performance conditions. The vesting period for the plans is three years, except for the 2022A/2024 plan, which has a vesting period of two years. The performance conditions are not based on market indicators; they relate to indicators of a financial and extra-financial nature.

A breakdown of bonus share plans is presented in the following table:

Bonus share plans

(in € millions)	Plan 2020/2023	Plan 2022A/2024	Plan 2022B/2025	Plan 2023/2026	Total
Number of shares granted at the award date	14,748	15,324	18,430	18,556	
Number of shares awarded at December 31, 2023	11,436	12,541	15,382	17,842	
Fair value of share awarded (in €)	256	408	408	412	
Award criteria: percentage provisioned	100%	100%	100%	100%	
Vesting period	3 years	2 years	3 years	3 years	
Amount expensed at December 31, 2023	**(0.2)**	**(2.3)**	**(1.9)**	**(1.9)**	**(6.4)**

4.10 – Provisions

Accounting principles

A provision is booked when the Group has a legal or implicit obligation to a third party that can be reliably estimated and is likely to result in the outflow of resources. If the amount or settlement date cannot be reliably estimated, the obligation is deemed to be a contingent liability and recognized as an off-balance sheet item.

Restructuring provisions are booked only after the announcement and establishment of a detailed restructuring plan or if the start of a restructuring undertaking gave rise to a constructive obligation.

Changes in provisions for the financial years presented break down as follows:

(in € millions)	2023	2022
Provisions at January 1	**9.3**	**9.7**
Impact of change in consolidation scope[(a)]	0.0	(0.3)
Increase (charged during the period)	3.5	2.6
Reversals – offset against expenses	(1.9)	(2.0)
Reversals – canceled provisions	(0.4)	(0.8)
Reclassifications	0.6	0.0
Translation adjustments	(0.2)	(0.0)
Provisions at December 31	**10.9**	**9.3**
Of which less than a year	5.9	4.8

(a) In 2022, the impacts of changes in scope relate, firstly, to the disposal of the Group's interest in the Moroccan company Safilait to the Polmlek Group, and secondly, to the acquisition of a stake in the Chinese company Shandong Junjun Cheese.

(in € millions)	12/31/2023	12/31/2022
Provisions for disputes and litigation	3.5	3.3
Restructuring provisions	0.8	0.0
Provisions for other contingencies	6.6	5.9
Provisions	**10.9**	**9.3**

In 2023, no significant provision was recorded.

4.11 – Employee benefits

Accounting principles

Independent actuaries assess the main employee benefit obligations.

For defined-benefit plans, obligations are measured on a discounted basis using the "projected unit credit" method and taking into account assumptions about salary growth, turnover rates, retirement age and mortality rates. The economic conditions specific to each country are factored into the assumptions used.

The fair value of plan assets, if applicable, is deducted from the calculated obligations. Estimated provisions are recognized on the balance sheet.

Actuarial gains and losses arise from changes in actuarial assumptions in the valuation of obligations and funds from year to year and what actually occurs in terms of market conditions and real data.

For post-employment benefits, actuarial gains and losses are recognized in equity under "Other Comprehensive Income" in accordance with IAS 19. Actuarial gains and losses on other long-term benefits are expensed for the year.

Expected proceeds from plan assets that give rise to an expense are calculated using the discount rate.

Costs related to administrative management of funds are also recorded as expenses.

For basic and other defined-contribution plans, the obligation is charged to income as determined by the amounts to be contributed for the period.

4.11.1 – Description of the main defined-contribution plans

Employees benefit from defined-contribution plans in some of the Group's entities. These plans mainly provide employees with benefits that complement State pension plans.

United States

Bel Brands USA contributes to a multi-employer fund which is a defined-benefit plan by nature. However, the plan administrator is unable to determine precisely the proportion of each participating business's commitment in respect of the rights acquired by their current employees, their former employees with deferred vested rights and retirees receiving a life annuity paid by this fund. Thus, according to the rules of IAS 19, and although this plan is by nature a defined-benefit plan, the company only accounts for its contributions paid to the fund as if it were a defined-contribution plan. Bel Brands USA runs the risk of having to cover a portion of the obligation if the fund is underfunded. The amount of this risk is not yet known.

4.11.2 – Description of the main defined-benefit plans

Employee benefits concern primarily France, accounting for €34.8 million in commitment, or 79% of a total of €44.1 million.

France

The Group's main French entities are subject to the collective agreement for the dairy industry. This agreement provides for the payment of pensions to employees still present in the business at the time of their retirement, with the retirement age being the same as that at which citizens are eligible for their State pension. This allowance is calculated as a percentage of the last salary earned, with the percentage determined according to the number of years of service at the time of retirement. These benefits are also subject to payroll on-costs which vary according to occupational category. This plan is not externally managed.

Since 2022, some senior executives have been entitled to an additional retirement benefit, with certain rights known as L137-11-2. The annual annuity rights are determined based on an individual life annuity, linked to the compensation and the achievement of performance conditions. This scheme is fully covered by an external insurance company outside the group.

4.11.3 – Commitments recorded in respect of defined-benefit plans

The following table provides a summary of the financial position of defined-benefit plans:

(in € millions)	France	Belgium	Morocco	Rest of the world	12/31/2023	12/31/2022
Gross defined-benefit commitment	34.8	4.1	1.9	3.3	44.1	40.0
Fair value of plan assets	(0.4)	(4.1)			(4.6)	(3.9)
Net employee benefit obligation recorded on the balance sheet	**34.4**	**0.0**	**1.9**	**3.3**	**39.6**	**36.1**

Changes in gross employee benefit obligations for defined-benefit plans are presented in the following table:

(in € millions)	France	Belgium	Morocco	Rest of the world	2023	2022
Gross defined-benefit commitment at January 1	**31.5**	**3.9**	**1.7**	**2.8**	**40.0**	**45.5**
Adjustments on opening [(a)]	0.7				0.7	2.8
Change in gross defined-benefit commitments recorded in profit and loss	2.8	0.2	0.2	0.4	3.7	2.7
Actuarial gains and losses recorded to other comprehensive income	1.5	0.0	0.2	(0.0)	1.7	(8.1)
Translation adjustments			0.0	0.1	0.2	(0.2)
Wage contributions		0.0			0.0	0.0
Benefits paid during the financial year	(1.8)	(0.0)	(0.3)	(0.0)	(2.1)	(2.8)
Impact of change in consolidation scope						0.0
Gross obligation at December 31	**34.8**	**4.1**	**1.9**	**3.3**	**44.1**	**40.0**

(a) The commitment under the additional pension scheme in France was presented in the balance sheet as of December 31, 2022, under the item"Trade payables and other liabilities."

Changes in the fair value of benefit plan assets are presented in the table below:

(in € millions)	France	Belgium	Morocco	Rest of the world	2023	2022
Fair value of plan assets at January 1		**(3.8)**			**(3.9)**	**(2.8)**
Interest income (expense) on plan assets		(0.1)			(0.1)	
Return on plan assets above the discount rate		0.0			0.0	(1.0)
Costs borne by asset management organizations		0.0			0.0	
Benefits paid by funds to recipients during the financial year						0.1
Contributions paid to funds	(0.4)	(0.2)			(0.6)	(0.2)
Fair value of plan assets at December 31	**(0.4)**	**(4.1)**			**(4.6)**	**(3.9)**

In 2023, the net amount expensed to the income statement totaled €3.5 million and broke down as follows:

(in € millions)	France	Belgium	Morocco	Rest of the world	12/31/2023	12/31/2022
Service cost for the financial year	3.2	0.1	0.1	0.4	3.9	3.7
Past service cost following a restructuring plan or redundancy/termination by agreement	(0.9)			(0.0)	(1.0)	(0.7)
Interest income from the present value of the obligations	1.1	0.1	0.1	0.0	1.4	0.5
Past service cost following a plan change[(a)]	(0.7)				(0.7)	
Actuarial gains and losses on other long-term benefits during employment recognized during the year	0.1	(0.0)	(0.0)	0.0	0.1	(0.8)
Change in gross defined-benefit commitments recorded in profit and loss	**2.8**	**0.1**	**0.0**	**0.4**	**3.7**	**2.7**
Interest income (expense) on plan assets		(0.1)		(0.0)	(0.1)	(0.0)
Effect of plan curtailments on assets						
Total net expenses recognized on the income statement	**2.8**	**0.1**	**0.2**	**0.4**	**3.5**	**2.7**

(a) According to the effects of the pension reform enacted in April 2023 *(establishment of the gradual increase of the legal retirement age from 62 to 64, and acceleration of the Touraine reform regarding the number of annuities required to obtain the full rate)*, the net impact of -€0.7 million was recorded on the Income Statement as a change in the scheme (broken down between -€0.9 million for end-of-career and supplementary retirement benefits for executives, and €0.2 million for the long-service awards scheme).

Actuarial gains and losses recorded in the statement of comprehensive income can be broken down as follows:

(in € millions)	France	Belgium	Morocco	Rest of the world	12/31/2023	12/31/2022
Actuarial gains and losses on the present value of obligations recognized during the year and arising from experience adjustments	**1.0**	**0.0**	**0.3**	**(0.0)**	**1.3**	**0.5**
Actuarial gains and losses of obligations recognized during the year and arising from changes to demographic assumptions						(0.1)
Actuarial gains and losses on the present value of obligations recognized during the year and arising from changes to financial assumptions	0.5	(0.0)	(0.1)	0.0	0.4	(8.6)
Actuarial gains and losses recorded to other comprehensive income	**1.5**	**0.0**	**0.2**	**(0.0)**	**1.7**	**(8.1)**
Return on plan assets above the discount rate		0.0			0.0	(1.0)
Total net gains recorded in the statement of comprehensive income	**1.5**	**0.1**	**0.2**	**(0.0)**	**1.8**	**(9.2)**

For defined-benefit plans, obligations were measured according to actuarial techniques taking long-term assumptions into account. The main assumptions used by independent actuaries included the discount rate, the rate of salary increases, the turnover rate, and mortality rates.

In Europe, probable future benefits were written down to their present value using discount rates appropriate to each country. The discount rates were determined by using as a benchmark the yield on AA-rated corporate bonds with the same maturities as the commitments.

Assumptions	12/31/2023	12/31/2022
Discount rate (weighted)	3.49%	3.73%
Rate of salary increases (weighted)	3.69%	3.73%
Duration (weighted)	11.1	11.8

The main financial assumption used to measure obligations in respect of defined-benefit plans is the discount rate, which can have a significant impact on the outcome. A 100-point variation in the discount rate versus the main assumption used at December 31, 2023 would have the following effects:

(in %)	Decrease of 100 basis points	Increase of 100 basis points
Impact on obligation at December 31, 2023	9.4%	-8.2%

4.12 – Other non-current liabilities

Accounting principles

Investment grants received by the Group are recorded on the balance sheet under "Other liabilities" (current/non-current) and apportioned to the income statement in keeping with the depreciation schedule of the assets they financed.

Other non-current liabilities broke down as follows:

(in € millions)	12/31/2023	12/31/2022
Investment grants	23.1	24.1
Amounts payable to personnel	21.3	26.4
Other	41.2	51.3
Total	**85.6**	**101.7**

Amounts payable to personnel consisted of CETs (Compte Épargne Temps) – employee Time Savings Accounts (allowances for paid leave) at French entities.

The line item "Other" notably includes the recognition of the debt to the multi-employer US pension fund (see Note 4.11 "Employee benefits") for an amount of €1.5 million.

4.13 – Trade payables and other liabilities

Changes in trade payables and other liabilities are presented in the following table:

(in € millions)	2023	2022
At January 1	**737.6**	**603.2**
Impact of change in consolidation scope[(a)]	(0.0)	(3.0)
Changes in WCR	(23.6)	144.1
Reclassifications	(0.1)	(0.1)
Translation adjustments	(11.4)	(6.5)
At December 31	**702.5**	**737.6**

(a) In 2022, the impacts of changes in scope relate, firstly, to the disposal of the Group's interest in the Moroccan company Safilait to the Polmlek Group, and secondly, to the acquisition of a stake in the Chinese company Shandong Junjun Cheese.

4.14 – Net financial debt

Accounting principles

Net cash and cash equivalents

Cash and cash equivalents include current bank account cash balances, term deposits that may be sold or used at very short notice (under three months) with no significant risk of losing value should interest rates change, and marketable securities. These are made up of money-market fund units that are highly liquid and carry a very low risk of change in value.

The Group's net cash consists of marketable securities, cash and cash equivalents, net of current bank facilities, including overdrafts, and of any corresponding interest recorded in current financial liabilities.

Financial debt excluding lease liabilities

Financial debt is recorded at amortized cost, namely at face value net of issue premiums and fees that are recorded gradually under financial items until maturity.

In the event of hedging of the risk of change in the future interest expense, the financial debt for which flows are hedged remains recognized under amortized cost, since the change in value of the effective part of the hedging instrument is recorded in equity.

Net financial debt is presented in the following table:

(in € millions)	12/31/2023	12/31/2022
Bonds (public and private)	374.6	738.4
Bank borrowings [(a)]	402.7	232.0
Medium-term negotiable securities (NEU MTN) [(b)]	90.0	70.0
Other	39.0	42.1
Total long-term borrowings	**906.3**	**1,082.5**
Bonds (public and private)	306.0	26.7
Bank borrowings [(a)]	4.6	1.6
Short-term negotiable securities (NEU CP and NEU MTN) [(b)] [(c)]	100.4	123.2
Other	52.1	29.9
Total short-term borrowings	**463.0**	**181.4**
Gross borrowings	**1,369.3**	**1,263.9**
Derivatives [(d)]	25.5	31.4
Gross borrowings after derivatives	**1,394.7**	**1,295.3**
Lease liabilities over one year	56.5	59.3
Lease liabilities less than one year	21.2	19.6
Total lease liabilities	**77.8**	**78.9**
Gross borrowings, after derivatives, including lease liabilities	**1,472.5**	**1,374.2**
Current used bank facilities including overdrafts and accrued interest	9.1	4.9
Cash and cash equivalents	(641.7)	(600.5)
Net cash and cash equivalents	**(632.5)**	**(595.6)**
Current account assets	(1.2)	(0.5)
Total net financial debt	**838.7**	**778.1**

(a) Including Schuldschein financing
(b) Negotiable European Medium Term Notes
(c) Negotiable European Commercial Paper
(d) Including interest rate hedging financial instruments presented on the balance sheet under Other liabilities

The main financing transactions for 2023 are explained in Note 4.15.2.

The "Other" line in long-term borrowings includes, firstly the put options of the non-controlling interests of the company All In Foods, acquired in 2020, offset in equity. And secondly, the State-subsidized financing awarded for the subsidiaries Bel Brands USA, Bel Canada and Materne North America, in addition to employee profit-sharing.

The "Other" line in short-term borrowings notably includes current account liabilities, mainly relating to the parent company Unibel in the amount of €46.4 million as at December 31, 2023, compared to €18.1 million as at December 31, 2022.

The repayment schedule for long-term debt excluding leases is set out in Note 4.15.4 "Interest rate risk management."

Lease liabilities correspond to the right-of-use liability recognized in application of IFRS 16.

The repayment schedule for lease liabilities is set out below:

(in € millions)	Total	2024	2025	2026	2027	2028	2029 and beyond
Lease liabilities less than one year	21.2	21.2					
Lease liabilities over one year	56.5		18.0	14.5	9.5	4.1	10.3
Total lease liabilities	**77.8**	**21.2**	**18.0**	**14.5**	**9.5**	**4.1**	**10.3**

4.15 – Financial instruments

The Treasury department, which is attached to the Group Finance Department, has the requisite skills and tools to manage market risk. A monthly report is reviewed by the Management and regular presentations are made to the Audit Committee.

4.15.1 – Liquidity risk management

The Group's net debt position on December 31, 2023 stood at €838.7 million, including lease liabilities in application of IFRS 16 and €761 million excluding lease liabilities.

The Group implemented policies aimed at limiting liquidity risk. In line with those policies, a significant share of the Group's financial resources is medium- and long-term. The Group has confirmed credit lines and medium-term financing from its banks and from investors.

At December 31, 2023, the Group had significant liquidity including:

- a confirmed syndicated credit line of €550 million maturing in 2028, or 2029 if extended. This line has not been drawn;
- a €500 million NEU CP program, of which €99.5 million has been used;
- a NEU MTN program of €200 million, of which €90 million has been used;
- a Euro PP bond loan of €125 million maturing in 2027 and 2029, contracted with private investors;
- a Euro PP bond loan of €135 million, issued on December 13, 2023, maturing in 2030, contracted with private investors;
- a €301.8 million bond listed on Euronext maturing in April 2024, following the partial redemption out of the initial amount of €500 million;
- a private bond issue in the form of a USPP under French law of $150 million maturing in November 2035;
- Schuldschein and Namensschuldverschreibung private bond financing of €195 million and $120 million, maturing between 2025 and 2034;
- a €100 million "Prêt Participatif Relance" maturing in 2030.

On December 31, 2023, the Group also had a high level of liquidityble amount of net cash and cash equivalents, of €632.5 million, including €520 million at Bel.

Similarly, in its syndicated credit lines, its private placements (Euro PP and US PP) and Schuldschein and Namensschuldverschreibung financing, Bel SA has committed to keeping its financial leverage ratio below 3.75 over the entire life of the medium- and long-term financing mentioned above.

Failure to meet the ratio could trigger the repayment of a significant part of the debt. On December 31, 2023, the ratio stood at 2.07 versus 2.27 on December 31, 2022.

The Group has financing that incorporates environmental and social criteria, including:

- a Euro PP bond (€125 million) issued in 2019. The environmental and social criteria relate to the achievement of goals based on two pillars of its sustainable development strategy:
  - the rollout of a concrete action plan to develop a sustainable downstream milk supply chain;
  - reduction of its scope-1 and 2 GHG emissions: the Group has committed to roll out an ambitious plan, with targets set annually up until 2029.
- a Schuldschein bond (equivalent to €194 million), a "Prêt Participatif Relance" (€100 million) and a syndicated credit line (€550 million), issued or negotiated in 2022. The non-financial criteria are in line with the Sustainability-Linked Financing Framework published in 2022, validated by Moody's ESG Solutions, and pertain to three goals:
  - reducing scope 1 and 2 GHG emissions;
  - developing carbon assessment tools and action plans in partnership with milk producers;
  - contributing to healthier and more sustainable food for the Group's core brands aimed at children and families.
- a Euro PP Sustainability-Linked Schuldschein Bond (€135 million), listed and issued in 2023. The non-financial criteria are in line with the Sustainability-Linked Financing Framework published in 2023, validated by Moody's ESG Solutions, and pertain to three goals:
  - reducing scope 1 and 2 GHG emissions;
  - developing carbon assessment tools and action plans in partnership with milk producers;
  - contributing to healthier and more sustainable food for the Group's core brands aimed at children and families.

The criteria for the Sustainability-Linked Financing Framework are set out in the non-financial performance statement.

In addition, a gearing ratio is applicable to 1.2% of the Group's financing.

The Group implemented a policy of pooling liquidity at the Bel level for all countries where the local currency is freely convertible and where there are no legal or fiscal limits on pooling local surpluses or liquidity needs. Internal current accounts and intragroup compensation payment systems are managed by the Group Treasury Department.

In countries where the pooling of surpluses and liquidity needs is not allowed, subsidiaries invest their surpluses in money-market funds denominated in their local currency and, if needed, finance themselves primarily in local currency. The policy of systematic dividend payment also aims to limit recurring surpluses at the subsidiaries level.

Available cash in African, Middle Eastern and Asian countries amounted to €109.8 million on December 31, 2023 and represented the majority of the non-centralizable cash available.

However, some subsidiaries may have no alternatives to local currency financing. In this case, if the local currency is devalued, the subsidiaries recognize the related financial loss.

- Surplus liquidity is invested in money-market mutual funds, term deposit accounts or short-term certificates of deposit, thereby meeting the definition of cash equivalents.

Comparative analysis of market values for foreign exchange, interest rate and raw material positions

	12/31/2023					12/31/2022				
Category of transactions *(in € millions)*	**Cash Flow Hedges (CFH)**	**Fair Value Hedges (FVH)**	**Net Investment Hedges (NIH)**	**Unassigned**	**Total**	**Cash Flow Hedges (CFH)**	**Fair Value Hedges (FVH)**	**Net Investment Hedges (NIH)**	**Unas-signed**	**Total**
Forwards	6.2		0.0		6.2	7.8				7.8
Currency options	6.5				6.5	4.7			(0.0)	4.7
Currency swaps	-			(0.2)	(0.2)				(0.3)	(0.3)
Total portfolio related to foreign exchange	**12.7**		**0.0**	**(0.2)**	**12.5**	**12.5**			**(0.3)**	**12.2**
Total portfolio related to interest rates	1.9	(25.5)		0.1	(23.5)	5.4	(31.4)			(26.0)
Portfolio related to risk of change in US raw materials prices	(2.5)				(2.5)	(0.5)				(0.5)
Total Bel Group	**12.2**	**(25.5)**	**0.0**	**(0.1)**	**(13.4)**	**17.4**	**(31.4)**		**(0.3)**	**(14.3)**
Total Assets – non-current	**2.3**			**0.1**	**2.3**	**6.1**				**6.1**
Total Assets – current	**16.0**		**0.0**	**0.5**	**16.5**	**16.7**		**0.3**	**0.2**	**17.2**
Total Liabilities – non-current	**(0.0)**	**(25.5)**			**(25.5)**	**(0.1)**	**(31.4)**			**(31.4)**
Total Liabilities – current	**(6.1)**			**(0.6)**	**(6.7)**	**(5.3)**		**(0.3)**	**(0.5)**	**(6.1)**

All changes in value are considered effective for derivatives documented as hedges and have an impact on: (i) the "Other items of comprehensive income" for Cash-Flow Hedge (CFH) and Net Investment Hedge (NIH) relationships and operating income upon realization of the hedged foreign currency cash flows for foreign exchange derivatives recognized under CFH, (ii) Financial income for interest rate derivatives recognized under Fair Value Hedge (FVH), offset by the fair value adjustment of the hedged debt.

4.15.2 – Foreign exchange risk management

The Group is subject to foreign exchange rate fluctuations as a result of its international operations and presence.

Group entities are exposed to foreign exchange risk on sales recognized on the balance sheet as well as foreign exchange risk on highly probable future transactions when such business is transacted in currencies other than their functional currency, e.g. imports, exports and financial transactions.

Hedging policy for foreign exchange exposure

The management policy is to hedge risk on transactions denominated in foreign currency through the use of derivative financial instruments.

The Group implements a central exchange rate policy that aims to hedge the annual budgetary risk on currency purchases and sales for deliverable currencies. The Group Treasury Department provides these entities with the necessary currency hedges. The Group Treasury department is not a profit center.

The Group has exposure to portfolio foreign exchange risk, based on its net assets in foreign currencies. This foreign exchange risk can be hedged either entirely or partially by taking out loans in foreign currency, or via foreign exchange derivatives.

For subsidiaries in countries where there are no financial hedging instruments, the policy is to maximize natural hedging as much as possible, for example through billing currencies. However, local currency devaluations can have a material impact on the profitability of the concerned entity.

When the budget is prepared, budgeted currency prices are set according to market conditions for use as benchmarks to set up hedges. The management period for budgeted hedges does not exceed 18 months. At December 31, 2023, the maturity of the derivatives portfolio did not go beyond February 2025. Cash flow from the budgeted 2023 and 2024 hedges is expected in 2024 and will thus impact income in 2024.

The valuation of hedges contracted by the Group is recorded under the "Other financial assets" and "Other financial liabilities" line items.

On December 31, 2023, the Group had secured the following hedges:

		12/31/2023					12/31/2022				
			Fair Value					Fair Value			
Category of transactions *(in € millions)*	**Cross**	**Notional value of commit-ments**	**Cash Flow Hedges (CFH)**	**Net Investment Hedges (NIH)**	**Unas-signed**	**Total**	**Notional value of commitme nts**	**Cash Flow Hedges (CFH)**	**Net Investment Hedges (NIH)**	**Unas-signed**	**Total**
Forwards											
Forward purchase	EUR GBP	67.6	0.2			0.2	48.3	1.5			1.5
Forward sale	EUR PLN	38.3	2.9			2.9	38.1	1.2			1.2
Forward purchase	EUR PLN	4.0	(0.7)			(0.7)	3.0	(0.0)			(0.0)
Forward purchase	EUR USD	218.0	3.6	0.0		3.6	198.7	3.7			3.7
Forward sale	EUR USD	9.4	(0.4)			(0.4)	4.6	0.1			0.1
Forward purchase	Other	75.5	1.1			1.1	58.4	1.0			1.0
Forward sale	Other	7.3	(0.5)			(0.5)	11.0	0.3			0.3
Currency options											
Call purchase	EUR GBP	43.5	0.2			0.2	58.5	1.4			1.4
Call sale	EUR GBP					(0)	4.5			(0.0)	(0.0)
Put sale	EUR GBP	21.8	(0.1)			(0.1)	31.5	(0.1)			(0.1)
Put purchase	EUR PLN	31.5	2.8			2.8	46.5	1.1			1.1
Call sale	EUR PLN	13.0	(0.0)			(0.0)	16.0	(0.1)			(0.1)
Call purchase	EUR USD	163.7	3.0			3.0	244.2	3.1			3.1
Put sale	EUR USD	87.2	(0.3)			(0.3)	165.0	(1.8)			(1.8)
Call purchase	Other	53.9	1.2			1.2	37.2	1.5			1.5
Put sale	Other	27.0	(0.2)			(0.2)	17.5	(0.4)			(0.4)
Currency swaps											
Swap purchase	EUR GBP						2.6			0.0	0.0
Swap sale	EUR GBP	29.8			(0.2)	(0.2)	29.1			(0.3)	(0.3)
Swap purchase	EUR PLN						19.7			0.1	0.1
Swap sale	EUR PLN	8.9			(0.0)	(0.0)	4.2			0.0	0.0
Swap purchase	EUR USD	48.3			(0.0)	(0.0)	23.4			(0.0)	(0.0)
Swap sale	EUR USD	105.2			(0.1)	(0.1)	96.6			(0.2)	(0.2)
Swap sale	Other	49.6			0.1	0.1	36.3			0.1	0.1
Swap purchase	Other	4.6			0.0	0.0	12.6			(0.0)	(0.0)
Total portfolio related to foreign exchange			**12.7**	**0.0**	**(0.2)**	**12.5**		**12.5**		**(0.3)**	**12.2**
Total Assets – non-current			**0.3**			**0.3**		**0.7**			**0.7**
Total Assets – current			**15.8**	**0.0**	**0.5**	**16.3**		**15.6**	**0.3**	**0.2**	**16.1**
Total Liabilities – non-current			**(0.0)**			**(0.0)**		**(0.1)**			**(0.1)**
Total Liabilities – current			**(3.4)**		**(0.6)**	**(4.0)**		**(3.8)**	**(0.3)**	**(0.5)**	**(4.6)**

The transactions are expressed according to the direction of the cross-currency: Examples: Forward purchase EUR USD means the Group is buying EUR and selling USD. Call purchase EUR GBP means the Group is buying a EUR Call/GBP Put option. Swap on futures sales EUR GBP means that the Group borrows EUR so is selling futures on EUR, lends GBP so is purchasing futures on GBP. NIH: Documented strategies for net investment hedges in foreign currency. CFH: documented strategies for hedging highly probable foreign currency cash flows.

At December 31, 2023, the market value of derivatives hedging highly probable future transactions and recognized in cash-flow hedging was positive at €12.7 million, compared to a positive €12.5 million at December 31, 2022.

The Group's main currency exposure is the US dollar, the Pound Sterling and the Polish Zloty. The valuations shown exclude the impact of deferred taxes:

- A 1% increase in the EUR/USD rate, before hedging, would negatively impact operating income by €3 million on an annual basis.
- A 1% increase in the EUR/GBP rate, before hedging, would negatively impact operating income by €1.1 million on an annual basis.
- A 1% decrease in the EUR/PLN rate, before hedging, would negatively impact operating income by €0.8 million on an annual basis.

On December 31, 2023, the 2024 budget net exposure (realized and future) relative to the main currencies was hedged at a ratio between 90% and 100%, depending on the currency managed. Currency fluctuation gains and losses arising from the recognition of sales and purchasing transactions of Group entities can thus be offset up to the hedge amount by gains and losses from the hedges.

4.15.3 – Interest-rate risk management

Most of the Group's financing is arranged by Bel, which also handles interest rate risk management centrally. The policy is designed to protect against an unfavorable rise in interest rates while partially taking advantage of any interest rate declines.

The Group is also exposed to the risk of rising interest rates for its future refinancing which could result in higher financing costs. The Group is therefore obliged to set up firm or optional interest rate hedges designated either as fair value hedges or as cash flow hedges, which also includes hedging of future issues.

At December 31, 2023, the Group hedged interest rate risk through interest rate swaps:

		12/31/2023					12/31/2022				
		Fair Value					Fair Value				
Category of transactions *(in € millions)*	**Currency**	**Notional value of commit-ments**	**Cash Flow Hedges (CFH)**	**Fair Value Hedges (FVH)**	**Unas-signed**	**Total**	**Notional value of commit-ments**	**Cash Flow Hedges (CFH)**	**Fair Value Hedges (FVH)**	**Unas-signed**	**Total**
Portfolio related to interest rate											
Fixed-rate payer swaps	EUR	75.0	1.9			1.9	125.0	5.4			5.4
Fixed-rate receiver swaps	EUR	62.5		(7.3)		(7.3)	72.5		(11.2)		(11.2)
Fixed-rate receiver swaps	USD	67.9		(18.1)		(18.1)	70.3		(20.2)		(20.2)
Fixed-rate borrower cross currency swaps	EUR/CNY	8.9			0.1	0.1					
Total portfolio related to interest rates			**1.9**	**(25.5)**	**0.1**	**(23.5)**		**5.4**	**(31.4)**		**(26.0)**
Total Assets – non-current			**1.9**		**0.1**	**2.0**		**5.4**			**5.4**
Total Assets – current											
Total Liabilities – non-current				**(25.5)**		**(25.5)**			**(31.4)**		**(31.4)**
Total Liabilities – current											

These figures reflect the ex-coupon values.

On an annualized basis, a 1% rise across the entire rates curve would have:

- a positive impact of €2 million on the Group's equity;
- a negative impact of -€7.2 million on the Group's financial result.

On an annualized basis, a 1% fall across the entire rates curve would have:

- a negative impact of -€2.1 million on the Group's equity;
- a positive impact of €8 million on the Group's financial result.

The following hedging balance corresponds to hedges of Group's loans.

Change in firm interest rate hedging portfolio on December 31, 2023

(in millions of currency units)	Currency	2024	2025	2026	2027	2028	2029	2030 > 2035
Interest-rate swaps	EUR	137.5	137.5	137.5	137.5	31.3	31.3	-
Interest-rate swaps	USD	75.0	75.0	75.0	75.0	75.0	75.0	75.0

Analysis of gross borrowings after derivatives (excluding lease liabilities) by nature, maturity and type of rate at December 31, 2023

				Impact of derivative instruments			Financial debt after impact of derivative instruments		
(in € millions)	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Maturity									
2024	(313.1)	(150.4)	(463.5)				(313.1)	(150.4)	(463.5)
2025	(45.0)	(136.0)	(181.0)				(45.0)	(136.0)	(181.0)
2026	(2.6)	0.0	(2.5)				(2.6)	0.0	(2.5)
2027	(95.5)	(112.6)	(208.2)	(43.8)	43.8		(139.3)	(68.8)	(208.2)
2028	(35.6)	(5.0)	(40.6)				(35.6)	(5.0)	(40.6)
>=2029	(489)	(10.0)	(498.9)	99.1	(99.1)		(389.8)	(109.1)	(498.9)
Total	**(980.7)**	**(414.1)**	**(1,394.7)**	**55.3**	**(55.3)**	**-**	**(925.3)**	**(469.4)**	**(1,394.7)**

Treasury notes are issued at a fixed rate but are treated as floating rate instruments in the table owing to short maturities and expected renewals.

4.15.4 – Counterparty risk management

All short-term cash investments and financial instruments are arranged with major counterparties in accordance with both safety and liquidity rules. “Major counterparties” are mainly French banks from the banking pool. Money-market mutual funds offering daily liquidity or certificates of deposit account for most of the short-term cash investments.

The DVA (Debt Value Adjustments) and CVA (Credit Value Adjustments) of the Group’s foreign exchange and interest rate hedges were not material at December 31, 2023.

4.15.5 – Raw-materials risk management

The Group is exposed to price increases of raw materials, particularly for milk, cheese, milk powder and butter. Given the maturity of the American market compared to the European market, the Group’s American entities are able to manage this risk by setting up hedges.

At December 31, 2023, the positions are as follows:

Impact of derivative instruments	12/31/2023 Number of contracts*	12/31/2023 Market value of hedging of future transactions (CFH) *(in € millions)*	12/31/2022 Number of contracts*	12/31/2022 Market value of hedging of future transactions (CFH) *(in € millions)*
CME Class III Milk				
Forward purchase	618.0	(1.3)	684.0	(0.8)
Call purchase	325.0	0.1	693.0	0.8
Put purchase			28.0	0.0
Put sale	166.0	(0.2)	395.0	(0.3)
Total CME Class III Milk		(1.3)		(0.3)
CME Cash Settled Cheese				
Forward purchase	319.0	(0.9)	330.0	(0.1)
Call purchase	162.0	0.1	288.0	0.3
Put sale	144.0	(0.3)		
Put purchase	18.0	(0.1)	288.0	(0.3)
Total CME Cash Settled Cheese		(1.2)		(0.1)
Total US		(2.5)		(0.5)
Total Bel Group		(2.5)		(0.5)
Total Assets – non-current				
Total Assets – current		**0.2**		**1.1**
Total Liabilities – non-current		**(0.0)**		
Total Liabilities – current		**(2.7)**		**(1.6)**

* Contract units: Milk Class III: 200,000 lbs; Cheese: 20,000 lbs; Butter: 20,000 lbs

On December 31, 2023, the market value of derivatives allocated to hedge highly probable future transactions and recognized in equity was a negative €2.5 million, compared with a negative amount of €0.5 million on December 31, 2022.

4.15.6 – Classification by fair value hierarchy

Derivative instruments used by the Group are valued at fair value, measured using commonly used valuation models and based on market data. Measurements comply with market practices in terms of data for yield curves, foreign exchange rates and volatility curves, as well as valuation models. The Treasury department has the requisite in-house means for calculating the valuations.

Classification by fair value hierarchy			12/31/2023				12/31/2022	
(in € millions)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Foreign exchange derivatives		12.5		12.5		12.2		12.2
Interest rate derivatives		(23.5)		(23.5)		(26.0)		(26.0)
Raw materials derivatives		(2.5)		(2.5)		(0.5)		(0.5)
Total		**(13.4)**		**(13.4)**		**(14.3)**		**(14.3)**
Marketable securities	98.7			98.7	173.2			173.2
Total	**98.7**	**(13.4)**		**85.3**	**173.2**	**(14.3)**		**158.9**

4.16 – Other current financial assets and liabilities

Other current financial assets and liabilities recorded in the balance sheet break down as follows:

(in € millions)	12/31/2023	12/31/2022
Other current financial assets	**23.3**	**20.2**
Current accounts – assets	4.1	2.6
Derivative instruments – assets	16.5	17.2
Other financial assets	2.7	0.4
Other current financial liabilities	**6.7**	**6.1**
Derivative instruments – liabilities	6.7	6.1

The breakdown of derivative instruments recorded under assets and liabilities, analyzed in Note 4.15, is as follows:

Detailed positions of derivatives *(in € millions)*	12/31/2023	12/31/2022
Hedge on foreign exchange	12.2	11.5
Hedge on US raw materials	(2.5)	(0.5)
Total	**9.7**	**11.1**
› Net positions in the assets	16.4	17.2
› Net positions in the liabilities	(6.7)	(6.1)

NOTE 5 > Cash flows

5.1– Cash flow from (used in) operating activities

"Increase (decrease) in inventories, receivables and payables" broke down as follows:

(in € millions)	2023	2022
Change in inventories and write-downs	(11.9)	(104.3)
Change in trade and other receivables	18.7	85.5
Change in trade payables and other liabilities	(44.0)	118.0
Increase (decrease) in inventories, current receivables and payables	**(37.3)**	**99.2**

5.2– Cash flow from (used in) investing activities

The main achievements for the period concern:

- the Group's IT projects and investment in carbon sequestration projects;
- extensions to industrial premises;
- the increase in production capabilities and improvement of productivity in Group companies, notably to deal with the sharp increase in the fruit segment;
- the implementation of our CSR strategy through reducing water and electricity consumption (see Note 1.7), notably including heat/cold generation using bioenergy, the overhaul of our wastewater collection and treatment networks, the installation of energy-efficient equipment, and the adoption of more responsible packaging;
- safety and maintenance of our plants.

5.3– Cash flow from (used in) financing activities

5.3.1– Increase (decrease) in current accounts with entities outside the scope of consolidation

The "Increase (decrease) in current accounts with entities outside the scope of consolidation" breaks down as follows:

(in € millions)	2023	2022
Increase (decrease) in current accounts with:		
Unibel	28.3	(6.3)
Other non-consolidated companies	(0.4)	(0.5)
Total	**27.9**	**(6.8)**

5.3.2 – Changes in financial debt

(in € millions)	12/31/2022	Issue (amount available)	Repay-ments	Translation adjustments	Impact of market value changes	Reclassi fications and other	12/31/2023
Bonds (public and private)	765.1	134.9	(198.2)	(4.6)	5.3	(22.0)	680.5
Bank borrowings [(a)]	233.6	177.8	(23.3)	(3.9)		23.1	407.2
Short-term negotiable securities (NEU CP and NEU MTN) [(b)] [(c)]	193.2	304.0	(307.0)			0.2	190.4
Other	72.0	5.6	(14.8)	(0.2)		28.6	91.2
Gross borrowings	**1,263.9**	**622.3**	**(543.3)**	**(8.7)**	**5.3**	**29.8**	**1,369.3**
Derivatives [(d)]	31.4				(5.9)		25.5
Gross borrowings after derivatives	**1,295.3**	**622.3**	**(543.3)**	**(8.7)**	**(0.6)**	**29.8**	**1,394.7**
Lease liabilities	**78.9**			**(0.7)**		**(0.3)**	**77.8**
Gross borrowings after derivatives, including lease liabilities	**1,374.2**	**622.3**	**(543.3)**	**(9.5)**	**(0.6)**	**29.5**	**1,472.5**

(a) Including Schuldschein financing
(b) Negotiable European Medium Term Notes
(c) Negotiable European Commercial Paper
(d) Including interest rate hedging financial instruments presented on the balance sheet under Other liabilities

Issues and repayments of debt are described in Note 4.15.2.

The changes in financial debt recognized under "Other financing variations" correspond to effects of variations in cash and cash equivalents, with the exception of €14.8 million in respect of finance lease liabilities.

NOTE 6 > Financial commitments

6.1 – Table of off-balance sheet commitments

(in € millions)	12/31/2023	12/31/2022
Commitments given	**119.5**	**111.5**
Commitments linked to investments	61.8	57.4
Lease commitments	11.9	8.5
Commitments to purchase goods and services	28.8	31.1
Other	9.2	10.0
Guarantees and collateral given	7.8	4.5

(in € millions)	12/31/2023	12/31/2022
Commitments received	**565.7**	**759.8**
Credit lines received and unused	550.0	726.7
Financial guarantees received	14.1	31.3
Other	1.5	1.8

In November 2023, the Association de Producteurs Bel de l'Ouest (APBO) and the Bel Group renewed their annual agreement on milk prices, "Mon BB Lait®" for the seventh consecutive year, defining the purchase price of milk for the whole of 2024, based on production costs on the source farms, as well as compensation raises, in line with the estimated rise in the SMIC (minimum wage in France) for 2024. By providing visibility on the price and volume of milk collected for 2024, this agreement represents an undeniable asset to the 700 member farms involved in the management and sustainable transition of farms producing the primary ingredient used in Babybel®, Kiri®, Boursin® and Cousteron® cheeses.

The agreement guarantees:

- a Mon BB Lait® reference price set at €456/1,000 liters (base 38/32 with a premium of €21/1,000L for pasture grazing and GMO-free animal feed, available to 100% of APBO farms).
- For farms which have chosen to voluntarily use the Bovaer® food supplement to reduce the cows' enteric methane emissions, Bel will raise the "Mon BB Lait®" price by an optional premium of +€10/1,000 liters over the period of use, commencing in the second half of 2024.
- For organic milk produced under the "Mon BB Lait®" scheme, a reference price that is 38/32 the average annual price for organic milk will be paid, set at €525/1,000 liters.
- These prices apply to all 421 million liters of milk that will be delivered to Bel by APBO milk producers; this represents a volume increase of 6 million liters on 2023.
- 100% of APBO farms engaged in carbon reduction initiatives have thus far carried out a CAP'2ER® carbon assessment, and have committed to the Ferme Laitière Bas Carbone program since 2022.

Certain Group subsidiaries have established fixed-price fruit purchase agreements for the short term.

As part of its acquisition of All In Foods, the Group received a promise to sell that can be fulfilled at Bel's request by January 15, 2025 at the latest.

NOTE 7 > Disputes and litigation

The Group is engaged in a certain number of disputes and litigations in the normal course of its business. Provisions were booked for any probable and measurable costs that might arise from these lawsuits and disputes. Management knows of no dispute or litigation carrying significant risk that could adversely impact the Group's earnings or financial position that was not provisioned for at December 31, 2023.

NOTE 8 > Related parties

8.1– Management benefits

(in € millions)	2023	2022
Compensation and benefits in kind for its management and that of its holding company (billed back)	7.6	7.9
Director's fees	0.1	0.2
Total short-term benefits	**7.7**	**8.1**
Bonus shares	1.7	1.0
Retirement contributions under article L. 137-11-2 of the French Social Security Code	0.7	0.4
Total long-term benefits	**2.4**	**1.4**

Management in this note refers to members of the Board of Directors and the Executive Committee. Items listed under "Compensation and benefits in kind for its management and that of its holding company (billed back)" relate on the one hand to the gross compensation of Group management, and on the other hand to gross compensation of Unibel management (holding company) billed back under the service agreement. Since 2022, some senior managers have been offered a supplementary retirement package with protected rights known as L. 137-11-2 (see Note 4.11.2).

8.2– Related-party transactions

(in € millions)	12/31/2023	12/31/2022
Amount of transactions	10.7	10.1
of which Unibel	4.3	2.8
of which other non-consolidated companies	6.4	7.2
Associated receivables	1.4	2.3
Associated payable and current accounts	49.5	20.6
of which Unibel	46.4	18.1
of which other non-consolidated companies	3.1	2.5
Unibel shares	196.4	194.4

At December 31, 2023, the amount of related-party transactions included €4.3 million paid to Unibel (holding company), of which €2.6 million in personnel expenses billed back to Bel under a service agreement dated December 14, 2001, and €6.4 million in operating expenses billed back to Bel by non-consolidated Group entities (Bel Proche et Moyen-Orient Beyrouth, Bel Middle East, etc.).

Related parties' associated payables and current accounts mainly concerned Unibel (holding company), with a €46.4 million current account versus €18.1 million on December 31, 2022 (see Note 4.14).

Unibel shares held by Sofico were valued at €196.4 million, based on the closing share price on December 31, 2023 (see Note 4.5).

The Group had no significant off-balance sheet commitments with related parties.

NOTE 9 > Subsequent events

There are no significant post-closure events to report.

NOTE 10 > Consolidation scope

Companies	Country	2023 Percentage of legal control	2023 Percentage of interest	2022 Percentage of legal control	2022 Percentage of interest
By full consolidation					
Bel SA	France	Parent company	Parent company	Parent company	Parent company
Fromageries Picon	France	99.99	99.99	99.99	99.99
Fromageries Bel Production France	France	100.00	100.00	100.00	100.00
SAS FR	France	100.00	100.00	100.00	100.00
SOFICO	France	100.00	100.00	100.00	100.00
SOPAIC	France	100.00	100.00	100.00	100.00
Fromagerie Boursin SAS	France	100.00	100.00	100.00	100.00
Société des Produits Laitiers	France	100.00	100.00	100.00	100.00
Newton Holding SAS	France	100.00	100.00	100.00	100.00
MBMA Holding SAS (1)	France	0.00	0.00	100.00	100.00
MBMA SAS (1)	France	0.00	0.00	100.00	100.00
Mont Blanc SAS	France	100.00	100.00	100.00	100.00
Materne SAS	France	100.00	100.00	100.00	100.00
MOM Investissements (1)	France	0.00	0.00	100.00	100.00
All In Foods SARL	France	100.00	100.00	100.00	100.00
Bel South Africa	South Africa	100.00	100.00	100.00	100.00
Fromagerie Bel Algérie	Algeria	100.00	100.00	100.00	100.00
Bel Brands Deutschland	Germany	100.00	100.00	100.00	100.00
Bel Belgium	Belgium	100.00	100.00	100.00	100.00
Fromageries Bel Canada	Canada	100.00	100.00	100.00	100.00
Materne Canada	Canada	100.00	100.00	85.83	88.01
Bei Lao Zi (Shanghai) Food Trading Co.	China	100.00	100.00	100.00	100.00
Bel Cheese Korea	Korea	100.00	100.00	100.00	100.00
Fromageries Bel Côte d'Ivoire	Ivory Coast	100.00	100.00	100.00	100.00
Bel Egypt Distribution	Egypt	100.00	100.00	100.00	100.00
Bel Egypt Expansion For Cheese Production	Egypt	100.00	100.00	100.00	100.00
Grupo Fromageries Bel España	Spain	100.00	100.00	100.00	100.00
Bel Brands USA	United States	100.00	100.00	100.00	100.00
Bel USA	United States	100.00	100.00	100.00	100.00
Materne North America Corp.	United States	100.00	100.00	85.83	88.01

		2023		2022	
Companies	Country	Percentage of legal control	Percentage of interest	Percentage of legal control	Percentage of interest
Bel UK	Great Britain	100.00	100.00	100.00	100.00
Fromageries Bel Hellas	Greece	100.00	100.00	100.00	100.00
Bel-Rouzaneh Dairy Products company	Iran	100.00	100.00	100.00	100.00
Bel Italia Company SRL	Italy	100.00	100.00	100.00	100.00
Bel Japon	Japan	100.00	100.00	100.00	100.00
Fromageries Bel Maroc	Morocco	67.99	67.99	67.99	67.99
S.I.E.P.F.	Morocco	100.00	100.00	100.00	100.00
Bel Africa (2)	Morocco	0.00	0.00	100.00	100.00
Bel Nederland	The Netherlands	100.00	100.00	100.00	100.00
Bel Polska	Poland	100.00	100.00	100.00	100.00
Fromageries Bel Portugal	Portugal	100.00	100.00	100.00	100.00
Bel Sénégal	Senegal	100.00	100.00	100.00	100.00
Syraren Bel Slovensko AS	Slovakia	99.91	99.91	99.91	99.91
Bel Nordic AB	Sweden	100.00	100.00	100.00	100.00
Bel Suisse	Switzerland	100.00	100.00	100.00	100.00
Bel Syry Cesko	Czech Republic	100.00	100.00	100.00	100.00
Bel Karper Gida Sanayi	Turkey	100.00	100.00	100.00	100.00
Quesos Bel Mexico	Mexico	100.00	100.00	100.00	100.00
Bel Vietnam	Vietnam	100.00	100.00	100.00	100.00
Bel India	India	100.00	100.00	0.00	0.00
Bel Arabie Saoudite	Saudi Arabia	100.00	100.00	0.00	0.00
Shandong Junjun Cheese Co., Ltd	China	70.00	70.00	0.00	0.00
Equity method					
Britannia Dairy Private Limited	India	49.00	49.00	0.00	0.00

(1) Transmission Universelle de Patrimoine (TUP – French Universal Transfer of Assets) made in 2023 : MOM Investissements to Bel SA on May 10, 2023, MBMA Holding SAS to Newton Holding SAS on July 5, 2023 and MBMA SAS to Newton Holding SAS on September 5, 2023.

(2) Liquidation of Bel Africa on January 31, 2023.

NOTE 11 > Statutory Auditors' fees

	Grant Thornton				PWC			
	Amounts		%		Amounts		%	
(in € thousands)	2023	2022	2023	2022	2023	2022	2023	2022
> Certification and limited half-year review for individual and consolidated financial statements								
Issuer	232	214	24%	23%	232	214	22%	25%
Fully consolidated subsidiaries	664	664	69%	72%	642	527	61%	62%
Subtotal	**897**	**878**	**94%**	**95%**	**874**	**741**	**82%**	**88%**
> Services other than book certification								
Issuer	57	49	6%	5%	102	84	10%	10%
Fully consolidated subsidiaries	3	0	0%	0%	85	20	8%	2%
Subtotal	**60**	**49**	**6%**	**5%**	**187**	**104**	**18%**	**12%**
Total	**956**	**927**	**100%**	**100%**	**1061**	**845**	**100%**	**100%**

These are fees paid to the Company's Statutory auditors for certification of the financial statements of the consolidating entity and its consolidated subsidiaries.

Services other than certification of the financial statements mainly encompass attestations on covenants and investment grants, as well as the mission of independent third-party bodies concerning the non-financial performance declaration.

Statutory Auditors' report on the consolidated financial statements

For the year ended 31 December 2023

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Bel
2, allée de Longchamp
92150 Suresnes, France

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Bel for the year ended 31 December 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1st January 2023 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of goodwill and brands

(Note 4.1 "Goodwill" and note 4.2 "Other intangible assets" to the consolidated financial statements)

Description of risk

As of 31st December 2023, goodwill and brands amounted respectively to €820,6 million and to €483 million, representing 31,2% of total assets.

The impairment tests performed by management on the goodwill of each of the Cash Generating Units (CGUs), defined by the Group, include a significant amount of judgement and assumptions, particularly relating to:

- future cash flows,
- discount rates and long-term growth rates used to forecast such cash flows.

As a result, a change in these assumptions could affect the value of such assets.

Given the significant amount of goodwill and brands in the consolidated financial statements and the sensitivity of the measurement of such assets to the assumptions used by management, we deemed the measurement of goodwill and brands to be a key audit matter.

How our audit addressed this risk

We performed the following procedures on the impairment tests of the main CGUs and brands:

1. we obtain un understanding of the process in place to carry out the impairment test for goodwill and brands, the methods for monitoring and determining the main assumptions;
2. we assessed the components of the carrying amount of the Cash Generating Units (CGUs), corresponding to the level at which goodwill is monitored by the Group, and their consistency with those used in projecting future cash flows;
3. we verified the consistency of the methods used in the practical implementation of the impairment tests to measure values and ensure the compliance of the methodology applied by the Company with the applicable accounting standards;
4. we reconciled the cash flow forecasts with the latest budgets reviewed by management; we assessed the consistency of the assumptions used with the historical performance of the Group and the relevant CGUs;
5. we assessed, with the assistance of our valuation specialists, the valuation model and the discount rates used in relation to market benchmarks;
6. we reviewed the sensitivity analyses performed by management in light of our own sensitivity calculations;
7. we also verified that Note 4.1 and Note 4.2 to the consolidated financial statements provide appropriate disclosures pursuant to such analyses.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also performed the specific verifications on the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Other verifications and information pursuant to legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Bel by the Annual General Meetings held on 12 May 2010 for Grant Thornton and 11 May 2021 for PricewaterhouseCoopers Audit.

At 31 December 2023, Grant Thornton and PricewaterhouseCoopers were in the 14th and the 3rd year of their engagement, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;

- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Neuilly-sur-Seine, March 19, 2024

The Statutory Auditors

PricewaterhouseCoopers Audit	Grant Thornton French member of Grant Thornton International
Xavier Belet	Vincent Frambourt

5.5.2 Company financial statements at December 31, 2023

Income statement

(in € millions)	Notes	2023	2022
Operating income			
Sales of merchandise (goods purchased for resale)		30.9	44.3
Production sold:			
sales		1,284.2	1,193.8
revenues from ancillary operations		46.2	46.0
Total production sold		1,330.4	1,239.8
Revenue from sales (including exports) 790.5)	**3**	**1,361.3**	**1,284.1**
Change in finished goods and in-progress stock:			
work-in-progress – services			(1.4)
finished goods		13.7	11.8
Total change in finished goods and in-progress stock		**13.7**	**10.4**
Self-constructed fixed assets		12.5	12.2
Government grants – farms		2.1	0.4
Reversals of provisions, write-downs, depreciation and amortization		2.9	2.6
Expense transfers	4	24.4	28.3
Other income		73.8	74.3
Total operating income		**1,490.7**	**1,412.3**
Operating expenses			
Cost of merchandise (goods purchased for resale) sold during the financial year			
purchase of merchandise		9.0	11.0
change in stock of merchandise (goods purchased for resale)		10.2	9.0
Total purchase costs of goods resold		**19.2**	**20.0**
Operating costs incurred through third parties and consumed during the period			
other production supplies		2.3	1.5
increase (decrease) in raw material and supply stock		0.1	(0.1)
purchases from subcontractors		959.8	924.7
purchases of non-stocked materials and supplies		12.8	12.1
outside personnel	5	5.6	6.4
other		349.5	332.7
Total operating costs incurred through third parties		**1,330.1**	**1,277.3**

(in € millions)	Notes	2023	2022
Taxes other than income tax			
› on compensation		4.6	4.4
› other		6.3	7.3
Total taxes other than income tax		**10.9**	**11.7**
Personnel expense			
› wages and salaries		95.2	92.7
› payroll on-costs		41.0	39.4
Total personnel expenses	**5**	**136.2**	**132.1**
Depreciation, amortization and provisions for the year			
› depreciation of fixed assets		11.3	10.5
› provision for current assets		1.5	0.1
› provision for contingencies and losses		4.6	4.9
Total depreciation and provisions for the year		**17.4**	**15.5**
Sundry expenses		24.0	18.9
Total operating expenses		**1,537.8**	**1,475.5**
1 – Profit from operations		**(47.1)**	**(63.2)**
› **Financial income**			
Financial income from participating interests		290.1	115.4
Other interest and similar income		22.0	775.1
Reversal of provisions and transfers of financial expenses		37.6	27.1
Foreign exchange gains		107.6	96.8
Net profits from sales of marketable securities		2.4	
Total financial income		**459.7**	**1,014.4**
› **Financial expenses**			
Depreciation, amortization and provisions for the year		100.3	22.0
Interest and similar expenses		70.6	28.4
Foreign exchange losses		100.4	94.5
Net losses from sales of marketable securities			42.3
Total financial expenses		**271.3**	**187.2**
2 – Financial income (expense)	**6**	**188.4**	**827.2**
3 – Pre-tax profit (loss) on ordinary activities		**141.3**	**764.0**

(in € millions)	Notes	2023	2022
Extraordinary income			
From operations		0.1	0.1
From capital transactions			
proceeds from disposal of fixed assets		3.5	3.7
Total from capital transactions		**3.5**	**3.7**
Reversal of provisions and transfers of extraordinary expenses		5.0	10.9
Total extraordinary income		**8.6**	**14.7**
Extraordinary expense			
From operations		3.5	2.2
From capital transactions			
carrying amount of capitalized assets and financial assets sold		32.2	6.3
other		1.5	0.7
Total from capital transactions		**33.7**	**7.0**
Depreciation, amortization and provisions for the year			
regulated provisions		13.9	13.3
Depreciation, amortization and other provisions for the year		2.0	1.0
Total depreciation and provisions for the year		**15.9**	**14.3**
Total extraordinary expenses		**53.1**	**23.5**
4 – Extraordinary income	**7**	**(44.5)**	**(8.8)**
Employee profit-sharing		4.2	2.4
Income tax	8	(1.7)	(6.6)
5 – Net profit (LOSS)		**94.3**	**759.4**

Balance sheet

Assets

(in € millions)	Notes	12/31/2023 Gross	12/31/2023 Depreciation and write-downs	12/31/2023 Net	12/31/2022 Net
› Capital assets					
Intangible assets					
Concessions, patents, licenses, brands, processes, software, rights and similar assets		138.1	100.9	37.2	35.8
Business goodwill		221.5		221.5	221.5
Intangible assets in progress		22.9		22.9	14.3
Advances and down-payments on intangible assets					0.4
		382.5	**100.9**	**281.6**	**272.0**
Property, plant and equipment					
Land		1.0	0.6	0.4	0.4
Constructions		26.4	19.0	7.4	8.8
Technical installations, fixtures, machinery and equipment		48.5	42.1	6.4	7.4
Other		9.0	7.5	1.5	1.7
Property, plant and equipment under construction		1.1		1.1	0.8
Advances and down-payments		0.1		0.1	0.1
		86.1	**69.2**	**16.9**	**19.2**
Financial assets [a]					
Participating interests		1,745.9	213.1	1,532.8	1,665.1
Loans to and receivables from participating interests		707.4	0.8	706.6	646.0
Other long-term financial assets		21.4	0.4	21.0	18.8
Loans		6.5		6.5	6.5
Other		54.4		54.4	23.2
		2,535.6	**214.3**	**2,321.3**	**2,359.6**
Total capital assets	**9**	**3,004.2**	**384.4**	**2,619.8**	**2,650.8**
› Current assets					
Stock and work-in-progress					
Raw materials and other supplies		0.7	0.1	0.6	0.6
Finished and intermediate goods		20.5	0.1	20.4	16.9
Merchandise (goods purchased for resale)		0.1		0.1	0.3
		21.3	**0.2**	**21.1**	**17.8**
Advances and down-payments made to suppliers		**0.9**		**0.9**	**0.2**
Receivables from operations [b]					
Trade and other receivables		202.80	1.5	201.30	186.4
Other	10	34.5		34.5	38.9
		237.3	**1.5**	**235.8**	**225.3**

(in € millions)	Notes	12/31/2023 Gross	Depreciation and write-downs	Net	12/31/2022 Net
Sundry receivables [b]	11	97.1	1.5	95.6	272.4
Marketable securities	12	92.4		92.4	144.8
Short-term financial instruments	13	45.4		45.4	53.0
Cash on hand and balance with banks		436.0		436.0	341.7
Prepaid expenses [b]	14	60.7		60.7	62.8
Total assets – current		**991.10**	**3.2**	**987.9**	**1,118.0**
Bond discounts to be amortized					**0.5**
Translation differences – Assets	**15**	**11.1**		**11.1**	**17.7**
Total assets		**4,006.4**	**387.6**	**3,618.8**	**3,787.0**
(a) Of which less than a year (gross).				711.5	649.4
(b) Of which more than a year (gross).				4.6	2.9

Liabilities

(in € millions)	Notes	12/31/2023	12/31/2022
Equity			
Share capital (of which paid: 7.9)	**17**	**7.9**	**7.9**
Paid-in capital		**22.1**	**22.1**
Revaluation adjustments		**0.1**	**0.1**
Reserves:			
Legal reserve		1.1	1.1
Regulated reserves		0.2	0.2
Other		1.2	
Retained earnings		**1,148.9**	**490.3**
Profit for the year		**94.3**	**759.4**
Investment grants		**0.2**	**0.2**
Regulated provisions	**18**	**56.5**	**47.4**
Total equity	**19**	**1,332.5**	**1,328.7**
Provisions for contingencies and losses			
Provisions for contingencies		**7.2**	**11.9**
Provisions for losses		**8.5**	**6.7**
Total provisions for contingencies and losses	**20**	**15.7**	**18.6**
Debts [(a)]			
Financial debt			
Other bonds	21	701.9	923.9
Bank borrowings [(b)]	22	413.7	101.8
Sundry borrowings and financial liabilities	23	200.6	344.4
		1,316.2	**1,370.1**
Advances and down payments received		**0.1**	**0.1**
Payables from operations			
Trade and other payables		202.4	329.1
Taxes payable and payroll and on-cost amounts payable		55.6	54.9
Other	24	26.7	51.6
		284.7	**435.6**
Other liabilities			
Amounts payable to fixed asset suppliers and related accounts		10.1	11.9
Income tax payable		0.2	
Other	25	554.1	504.7
		564.4	**516.6**
Short-term financial instruments	**13**	**59.0**	**64.2**
Deferred income and suspense account	**26**	**38.1**	**43.8**
Total debt		**2,262.5**	**2,430.4**
Unrealized gains on translation differences	**15**	**8.1**	**9.3**
Total liabilities		**3,618.80**	**3,787.0**
(a) Of which more than a year		899.5	1,289.8
Of which current/less than a year		1,303.9	1,076.3
(b) Of which current used bank facilities and cash in bank		7.9	1.4

Notes to the annual financial statements

NOTE 1 > Accounting rules and methods

To give a true and fair view of the operating results of the past year and the financial position, assets and liabilities of the Company at the end of the year, the annual financial statements were prepared in accordance with French GAAP (generally accepted accounting principles) and the rules and regulations of France's accounting standards authority, the Autorité des Normes Comptables (ANC).

The recommended rules and methods were applied with respect to the general principles listed in the French Commercial Code, in particular those pertaining to a going concern, the independence of financial years, the recognition of items in the financial statements on a historical cost basis, prudence, and the permanence of accounting methods from year to year.

The various items recorded in the financial statements were measured using historical cost, except for property, plant and equipment, and financial assets adjusted under legal revaluations.

The principal methods used are as follows:

1.1 – Intangible assets

These include:

- computer software, amortized over a period of five years, except for the PACE project to implement SAP, amortized over an eight-year period;
- goodwill from businesses acquired or received as consideration by Group entities is not amortized but is subject to annual impairment testing and is recorded under assets at acquisition cost;
- business goodwill;
- carbon credits.

Impairment testing consists of comparing the net carrying amount of the asset to its recoverable amount, which is the higher of the asset's fair value or its value in use.

Value in use is obtained by adding the net present values of the future cash flows expected to be derived from the use of an asset or asset group and from the ultimate disposal of the asset.

The cash flows used to determine value in use are derived over five years from the business plans of entities using the brands. Revenue and terminal cash flow projections are based on reasonable and supportable assumptions in line with market data available for each user entity.

Incidental expenses are included in the acquisition cost.

All Research and Development costs are expensed in the year in which they are incurred. Start-up costs are also expensed in the year in which they are incurred.

1.2 – Property, plant and equipment

Property, plant and equipment are measured at acquisition cost (purchase price plus additional costs of bringing the assets to working condition), or production cost (excluding financial expense).

In accordance with the components approach (Article 214-9 of the French General Chart of Accounts), each item of property, plant or equipment is accounted for separately and assigned a specific depreciation schedule.

Assets are straight-line depreciated over the period they are actually used, as follows:

- administrative and commercial: 40 years;
- property fittings and fixtures: 10 years;
- machinery and equipment: 5 to 20 years;
- vehicles: 4 to 15 years;
- office furniture and equipment: 4 to 15 years.

In accordance with paragraph 111 of French Official Tax Bulletin 4A-13-05, when the first original component's normal useful life exceeds the asset's useful life, the said component may be depreciated over the asset's useful life rather than over its normal useful life.

As such, the difference between tax depreciation (calculated according to terms allowed by French tax authorities, e.g. accelerated depreciation, extraordinary depreciation) and depreciation is posted under "Excess tax depreciation" in regulated provisions.

When subjected to impairment losses, all items, depreciable or not, are marked down to current value.

1.3 – Financial assets

Participating interests and other long-term investments are recognized on the balance sheet at their acquisition cost, less write-downs for impairment losses deemed necessary or prudent.

From January 1, 2007, the Company decided to integrate the transfer duties, fees and commissions arising from such acquisitions into the acquisition cost in accordance with Opinion 2007-C of the CNC (French Accounting Board), thereby qualifying them for a tax deduction in the form of excess tax depreciation over five years.

Equity securities are subject to an impairment when their carrying value is confirmed to be lower than their carrying amount. Fair value is determined using a range of criteria, including market value, value in use based on discounted forecast cash flows, less the net debt of each subsidiary in question, or on their share of the net position, where applicable.

The cash flow projections are based on five-year budget data taken from subsidiaries' business plans.

Bel SA shares purchased under authorizations granted by the Annual General Meeting are included under this heading at their acquisition cost.

- authorization to be granted to the Board of Directors for the Company to buy back its own shares in accordance with Article L. 22-10-62 of the French Commercial Code, duration of the authorization, purpose, terms and ceiling;
- authorization to be granted to the Board of Directors to cancel the shares purchased by the Company in accordance with Article L. 22-10-62 of the French Commercial Code, duration and limit of the authorization.

If necessary, write-downs for impairment losses based on the weighted average listed share price of the last month of the financial year are recorded.

1.4 – Stock and work-in-progress

Stock is valued at the lower of its cost price and net realizable value. Cost price is calculated using the "weighted average cost" or the "first-in, first-out" method.

The cost of materials and supplies is stated at purchase price plus incidental expenses such as transport, commissions and transit.

Manufactured goods are valued at production cost including the cost of materials consumed, the depreciation of production assets, and direct or indirect production costs, excluding financial expense.

An impairment charge for stock is recognized when:

- the gross amount, as determined above, exceeds market value or net realizable value;
- goods have deteriorated.

The parent company primarily owns finished goods stock acquired from its French production company, Fromageries Bel Production France, with the aim of selling that stock, as well as work-in-progress stock (internally developed IT projects), which will be billed back to its subsidiaries.

1.5 – Receivables and payables

Receivables and payables are recognized at nominal value.

Impairment losses are recognized based on the degree of non-recoverability of the receivables.

Bills for collection are recorded under "Trade and other receivables" once issued or received.

1.6 – Marketable securities

Marketable securities are recorded at their purchase price, excluding incidental expenses, and are written down to market value at the closing date when closing value is less than their carrying amount.

1.7 – Foreign-currency transactions

Income and expenses denominated in foreign currency are recorded in euros based on the exchange rate in effect at the transaction date.

Receivables, cash and debts denominated in foreign currency are translated into euros at the closing exchange rate at year-end.

The resulting translation differences are posted to:

- the income statement for cash and cash equivalents;
- the balance sheet under "translation differences" for receivables and debts.

Unrealized gains on translation differences are not recognized in the income statement.

Conversely, contingency provisions are booked for unrealized losses on foreign exchange transactions that are not offset.

1.8 – Provisions for contingencies and losses

Provisions for contingencies and losses are booked when the Company has an obligation to a third party at the balance sheet date in cases where the nature of the obligation is precisely known but there are uncertainties about the amount or timing of related outflows and are no expectations for at least an equivalent, offsetting obligation from the same third party.

Provisions for contingencies and losses are assessed using the most probable assumptions for future events.

1.9 – Obligations arising from pensions, retirement and similar employee benefits

Retirement obligations exclusively concern the allocation of post-employment benefits established by a collective bargaining agreement with the French dairy industry.

Post-employment benefits allocated to employees are not provisioned for but are recorded under off-balance sheet commitments.

Conversely, obligations arising from long service awards due to Bel SA employees are fully provisioned for, based on an actuarial valuation realized under the same conditions as post-employment benefits.

1.10 – Financial instruments

Bel SA is exposed to foreign exchange risks as a result of its international business and presence. Since 2002, the Company has implemented a central exchange rate policy that aims to hedge the budgetary risk on currency purchases and sales for all French, European and North American entities.

The Company hedges all exposure to exchange risks inherent to transactions denominated in foreign currency by using prime counterparty, market-listed derivative instruments, such as purchases and sales of foreign currency futures and options, thus limiting counterparty risk. The management period for the hedges does not exceed 18 months.

Conversely, exchange risk on net investment in foreign subsidiaries is not hedged, except for the amount of dividends receivable.

While receivables and debts denominated in foreign currency are recorded on the balance sheet in euros at year-end, unrealized net hedging results on transactions already realized have no impact on earnings unless they are losses (in which case a provision is set aside) or gains offsetting unrealized losses on hedging instruments marked to market at the balance sheet date (in which case a provision is not set aside).

Unrealized gains and losses arising from hedging transactions yet to be settled are deferred until the day the transactions are actually realized.

Pursuant to ANC 2015-05 for forward financial instruments and hedging, applicable to commercial and industrial companies for financial years beginning on or after January 1, 2017, foreign exchange gains and losses related to trade receivables/payables are recognized in operating income.

Since the majority of the Group's financing is arranged by Bel SA, management of interest rate risk is also centralized at this unit. All Bel SA financing is issued at floating rates.

To protect against an unfavorable rise in interest rates, while partially taking advantage of any interest rate declines, Bel SA hedged interest rate risk through interest rate swaps or collars which combine simultaneous cap purchases and floor sales.

1.11 – Income tax

Since January 1, 2023, BEL SA has been a part of the tax consolidation group headed by Unibel.

Therefore, it states in its accounts the income tax charge that would be payable as if it was taxed separately with no tax consolidation.

Tax savings or expenses related to tax losses or arising from adjustments are now integrated by the parent company Unibel.

1.12 – Investment grants

Investment grants are recorded under equity.

They are released to income, reported as extraordinary income and apportioned over the same schedule as the depreciation schedule of the assets they financed.

1.13 – Revenue

Revenue from sales of goods, merchandise, raw materials and other goods and services rendered in the course of ordinary activities is recorded as soon as the transfer of ownership takes place or the service was rendered.

Revenue from sales is presented net of any discounts or allowances.

Charges arising from trade cooperation agreements with retailers are disclosed in "Other outside services" and presented in operating expenses. These amounts are estimated at the time revenue is recognized, on the basis of agreements and commitments with the customers concerned. It is recognized in the income statement when the products are transferred.

1.14 – Advertising, promotional and public relations costs

Also included in "Other outside services" are advertising, promotional and public relations costs which are expensed in the year in which they are incurred.

1.15 – Distinction between income from ordinary activities and extraordinary income

Income from ordinary activities represents the sum of operating income and net financial income. It therefore includes all income and expense directly related to the Company's ordinary activities.

Extraordinary income and expenses are comprised of material items that cannot be considered inherent to the Company's ordinary activities because of their nature or unusual character.

1.16 – Use of estimates

In preparing its financial statements, the Company sometimes uses estimates and assumptions to determine the value of assets and liabilities, notably for provisions, participating interests and intangible assets.

These estimates and assumptions are made on the basis of information and positions known at the financial statements closing date and may vary significantly from actual values.

NOTE 2 > Main events

Financial year 2023

During the first half of 2023, the company MOM Investissements was dissolved, without liquidation, by means of a Transmission Universelle de Patrimoine (TUP) with its assets being transferred to BEL SA. This transaction led to a technical penalty of €33.8 million (see Note 9).

BEL SA also liquidated its subsidiary BEL Africa in January 2023.

NOTE 3 > Revenue

The revenue presented takes into account the specific characteristics of the Group's sector in accordance with the French General Chart of Accounts.

Revenue by region

(in € millions)	2023	2022
France	570.8	540.8
Other European countries	382.3	368.3
Rest of the world	408.2	375.0
Total	**1,361.3**	**1,284.1**

Revenue was up by 6% compared with the previous financial year (up by 1.3% in 2022).

At constant exchange rates, using the average exchange rate for the past financial year, revenue was up by 5.49% (down by 1.08% in 2022).

NOTE 4 > Expense transfers

Transfer of operating expenses for a total amount of €24.4 million is made up essentially of advertising and retailing expenses, in the amount of €11.2 million, personnel and expatriate expenses in the amount of €4.0 million, other general management expenses in the amount of €7.0 million and costs link to the transport in the amount of €1.3 million.

NOTE 5 > Compensation and workforce

Management compensation *(in € millions)*	**2023**	**2022**
Directors' fees paid to members of the Board of Directors (included in "Other operating expenses")	0.1	0.2

The amount of compensation allocated to management amounts to €3 million for the 2023 financial year (€2.5 million for the 2022 financial year).

This amount includes a portion of the compensation allocated to Unibel management, billed back to Bel under the management fees contract.

	Personnel employed		**Personnel supplied to the Company**	
Average workforce	**2023**	**2022**	**2023**	**2022**
Executives and managers	721	730	0	1
Non-executive technicians and supervisors	279	286	1	1
Staff employees	77	76	2	1
Workers	0	0	0	0
Total	**1,077**	**1,092**	**3**	**3**

NOTE 6 > Financial income (expense)

Financial income (expense) concerns:

(in € millions)	2023	2022
Dividends received	252.0	78.8
Income from receivables related to participating interests [(a)]	38.1	36.6
Merger surplus (SICOPA transfer of assets – TUP)		770.6
Gains/(losses) from sales of marketable securities	2.4	(42.3)
Write-downs (and reversals) on exchange rate risks	5.3	(3.0)
Write-downs (and reversals) on participating interests	(68.0)	8.1
Interest income (expense)	(48.6)	(23.9)
Foreign exchange gains (losses)	7.2	2.3
Total	**188.4**	**827.20**

(a) including revenue from receivables related to equity interests of the MOM Group (€36.9 million in 2023 vs. €35.4 million in 2022).

In 2023, the dividends received are mainly those received from Bel España, in the amount of €182.9 million; in 2022, the dividends received from Sicopa, in the amount of €57.2 million, was largely responsible for the balance.

The main movements relating to write-downs on participating interests comprise the following:

- reversal of the write-down on Bel Africa shares in the amount of €28.8 million;
- write-down on All in Foods shares in the amount of €37.7 million;
- write-down on Bel España shares, in the amount of €54.4 million.

NOTE 7 > Extraordinary income

Exceptional profit (loss) consisted primarily of:

(in € millions)	2023	2022
Regulated provisions	(9.1)	(2.7)
Provisions for disputes and litigation and other extraordinary expenses	(5.0)	(2.9)
Net profit (loss) from disposals of fixed assets	(28.7)	(2.7)
Severance pay	(0.3)	
Other extraordinary income	0.1	0.2
Loss on repurchase of shares awarded to employees	(1.5)	(0.7)
Total	**(44.5)**	**(8.8)**

The net profit (loss) from disposals of fixed assets is primarily attributable to the liquidation of Bel Africa (€28.9 million).

NOTE 8 > Income tax

Income tax breaks down as follows:

(in € millions)	Current	extraordinary	2023
Profit before tax and profit-sharing	141.3	(44.5)	96.8
Reintegration	137.4	2.6	140.0
Deductions	(283.4)		(283.4)
Tax base	(4.7)	(41.9)	(46.6)
Corporate income tax			0.8
Tax credits			(2.5)
Total corporate income tax			**(1.7)**

Effect of prospective increases and decreases

Tax base	12/31/2022	Change	12/31/2023
› Tax-base increase			
Excess tax depreciation	42	8.7	50.9
Revaluation	1.7		1.7
Stock valuation difference	4.2	-4.2	
Other temporary differences	3.5	2.3	5.8
Total increase	**51.6**	**6.8**	**58.4**
› Tax-base decrease			
Financial instruments	2.2	-0.2	2.0
Stock valuation difference		1.2	1.2
Provisions for risks and liabilities	0.1	0.1	0.2
Non-tax-deductible expenses	1.9	-0.1	1.8
Employee profit-sharing	1.9	2.5	4.4
Provision for asset write-downs	1.6		1.6
Other temporary differences	2.3	-0.7	1.6
Total decrease	**10.0**	**2.8**	**12.8**
Net tax base increase	**41.6**	**10.4**	**45.6**
Prospective increase/decrease in corporate income tax	**10.6**	**1.0**	**11.6**
2022 effective tax rate = 25.83% 2023 effective tax rate = 25.83%			

In 2023, the applicable corporate tax rate in France was 25% to which was added 3.3% for a total rate of 25.83%.

At the closing date of the 2023 financial statements, the tax losses specific to Bel, borne by Unibel as the head of the tax consolidation group, were €37.9 million, of which €0.1 million were taxed at 15%.

NOTE 9 > Capital assets

Statement of fixed assets

(in € millions)	12/31/2022	Increases	Decreases	Transfers	12/31/2023
Intangible assets					
Concessions, patents, licenses, brands, processes, software, rights and similar assets	128.8	0.6		8.6	138.0
Business goodwill	221.5				221.5
Intangible assets in progress	14.3	18.9	1.7	(8.6)	22.9
Advances and down-payments	0.4	0.2		(0.5)	0.1
Property, plant and equipment					
Real property	27.4	0.1	0.1		27.4
Technical installations, fixtures, machinery and equipment	48.4	0.1	0.3	0.2	48.4
Other	8.7	0.3			9.0
Property, plant and equipment under construction	0.8	0.1		0.2	1.1
Advances and down-payments	0.1			0.1	0.1
Financial assets					
Participating interests	1,810.1	8.7	72.9		1,745.9
Other	696.2	108.3	14.8		789.7
Total	**2,956.7**	**137.3**	**89.8**		**3,004.2**

Statement of depreciation and amortization

(in € millions)	12/31/2022	Increases	Decreases	12/31/2023
Intangible assets	**91.3**	**7.9**		**99.2**
Property, plant and equipment				
Real property	18.2	1.5	0.1	19.6
Technical installations, fixtures, machinery and equipment	41.0	1.4	0.3	42.1
Other	7.0	0.5		7.5
Total	**157.5**	**11.3**	**0.4**	**168.4**

Intangible assets

The goodwill arising from the acquisition of Boursin totaled €220 million. An impairment test is carried out every year and no provision for impairment was required at December 31, 2023.

The change in this item relates mainly to internally developed IT projects, for €9.2 million.

In the context of its commitment to achieve carbon neutrality, Bel SA has set up carbon sequestration projects to balance out its incompressible CO_2 emissions. In 2023, these expenses amounted to €4.2 million, and are recognized at the closing date as assets under construction.

Property, plant and equipment

The change of +€0.7 million in this item relates mainly to:

- the acquisition of equipment for the Research Centers (+€0.4 million), and La Maison de la Vache Qui Rit (+€0.3 million).
- disposal of industrial equipment (-€0.2 millions).

Financial assets

The gross value of participating interests decreased by €64.3 million in 2023 (see table of subsidiaries and interests). This change is related to the following transactions:

Increase of €8.7 million

Newton Holding (TUP from MOM Investissements)	7.1
Bel Hub Asia	1.0
Britannia	0.4

Decrease of €72.9 million

MOM Investissements (TUP)	40.4
BEL AFRICA liquidation	32.1
Shandong Jun Jun Cheese Co: price adjustment	0.3

Receivables relating to participating interests consist of loans granted to the following subsidiaries (excluding accrued interest of €2.9 million)

Newton Holding	558.2
Materne North America	104.4
Bel Brands USA	31.7
Bel Tunisie Distribution	0.8
Shandong Jun Jun Cheese Co.	3.2

The Bel Tunisie Distribution loan has been written down 100% since 2009. Bel Tunisie Distribution is in court-ordered liquidation.

The Company holds 63,332 treasury shares valued at €19.6 million; compared with

75,417 treasury shares at December 31, 2022, valued at €21.8 million.

We also have a provision for dividends receivable in the financial statements in the amount of €6.3 million.

The TUP from MOM Investissements led to a technical penalty, from the merger of holdings in the amount of €33.8 million.

NOTE 10 > Other receivables from operations

This line item includes:

(in € millions)	2023	2022
Trade and other payables	14.1	17.5
VAT liabilities	19.9	21.1
Of which the reimbursements claimed for VAT credits	5.2	5.4
Other	0.5	0.3
Total	**34.5**	**38.9**

NOTE 11 > Sundry receivables

This line item includes:

(in € millions)	2023	2022
Income tax receivables	3.9	5.5
Current accounts	86.4	262.7
Tax consolidation payables	2.5	
Other	4.3	4.2
Total	**97.1**	**272.4**

On January 1, 2023, the tax consolidation scope changed. Unibel is now the new head of the tax consolidation group (see Note 32). Within this new scope, Bel benefits from a tax consolidation receivable of €2.5 million with respect to Unibel.

On December 31, 2023, the gross value of outstanding cash advances to subsidiaries came to:

(in € millions)	2023	2022
Mont Blanc	39.0	9.0
Materne North America	30.2	40.5
All In Foods	11.9	13.4
Bel Syry Cesko	2.0	1.1
Bel Karper	1.7	2.7
Bel Côte d'Ivoire	0.9	0.8
Trackloc Services	0.3	
Jura Natura Services	0.3	
MBMA		90.9
Fromageries Bel Production France		73.6
Bel Polska		14.5
Bel Brands Deutschland France		8.0
Fromageries Boursin		7.5
Materne Canada		0.6
Other outstanding cash advances (less than €1,000)	0.1	0.1
Total	**86.4**	**262.7**

NOTE 12 > Marketable securities

Cash on hand, consisting mainly of marketable securities measured at the last known closing price or net asset value, totaled €92.4 million versus €144.8 million in 2022.

NOTE 13 > Short-term financial instruments

Other short-term financial instruments include premiums paid (assets) and received (liabilities) on currency options and interest rate hedges marked to market at the balance sheet date.

Because these are for hedging purposes, the corresponding adjustments are posted to the following balance-sheet line items:

- prepaid expenses for unrealized losses; deferred income for unrealized gains;
- they are treated according to the symmetry principle.

NOTE 14 > Prepaid expenses

Prepaid expenses relating to operational activities totaled €5.7 million (€5.2 million in 2022) and those relating to financial activities amounted to €54.9 million (€57.6 million in 2022).

NOTE 15 > Translation adjustments

(in € millions)	Amounts	Differences offset by hedging	Provisions for foreign exchange losses[a]
Translation adjustments – Assets			
› from financial investments	0.2		0.2
› from trade receivables	3.4	1.8	1.6
› from financial liabilities	7.5	6.9	0.6
Total	**11.1**	**8.7**	**2.4**
Unrealized gains on translation differences			
› from financial investments	3.5	3.5	
› from trade receivables	0.4	0.1	
› from financial liabilities	3.4	3.4	
› from debts	0.8	0.4	
Total	**8.1**	**7.4**	

(a) From translation differences only.

NOTE 16 > Provisions for impairment

(in € millions)	12/31/2022	Increase (charged during the period)	Decrease (reversals)	12/31/2023
Intangible assets	1.6			1.6
Financial assets	146.8	97.2	29.7	214.3
Stock and work-in-progress	0.2	0.2	0.2	0.2
Trade receivables	0.3	1.3	0.1	1.5
Sundry receivables		1.4		1.4
Total	**148.9**	**100.1**	**30.0**	**219.0**
Of which charges and reversals:				
posted to operating income/expenses		1.5	0.3	
posted to financial income/expenses		97.2	29.7	
posted to extraordinary income/expenses		1.4		

Charges on financial assets primarily comprise the write-down on the shares in Bel España (€54.4 million) and All In Foods (€37.7 million). Reversals of financial provisions comprise the reversal of the provision for the shares in Bel Africa (€28.8 million), which was liquidated during the financial year.

NOTE 17 > Share capital

The share capital is made up of 5,280,863 shares with a par value of €1.50, of which 63,332 were held by the Company on December 31, 2023, carrying 10,085,268 voting rights exercisable at Annual General Meetings.

Double voting rights are attributed to any fully paid-up registered shares held for at least four years by the same shareholder. At December 31, 2023 a total of 4,867,737 double voting rights were available for exercise at Annual General Meetings.

NOTE 18 > Regulated provisions

Provision charges and reversals corresponding to regulated provisions are recorded under extraordinary income.

(in € millions)	At 12/31/2022	Increase (charged during the period)	Decrease (reversals)	At 12/31/2023
Excess tax depreciation	45.7	13.9	4.8	54.8
Reinvested capital gains	1.7			1.7
Total	**47.4**	**13.9**	**4.8**	**56.5**

The decrease in excess tax depreciation was primarily related to intangible assets, in particular internally produced software.

NOTE 19 > Changes in equity

(in € millions)	
> Equity at December 31, 2021	**1,299.6**
Share capital reduction	(2.4)
Retained earnings (following share capital reduction)	(210.2)
Dividends	(35.0)
Cancellation of dividends on treasury shares	0.4
Free reserves	(487.7)
Regulated provisions	4.6
Profit for the year	759.4
> Equity at December 31, 2022	**1,328.7**
Retained earnings	(1.2)
Dividends	(100.2)
Cancellation of dividends on treasury shares	0.6
Free reserves	1.2
Regulated provisions	9.1
Profit for the year	94.3
Equity at December 31, 2023	**1,332.5**

NOTE 20 > Provisions for contingencies and losses

(in € millions)	12/31/2022	Increase (charged during the period)	Reversals – offset against expenses	Reversals – canceled provisions	12/31/2023
Disputes, litigation and risks	2.9	0.5	0.2		3.2
Foreign exchange losses	7.9	2.6	7.9		2.6
Withholding tax	1.1	1.2	0.9		1.4
Stock option plan	6.2	3.3	1.5		8.0
Other	0.5	0.1	0.1		0.5
Total	**18.6**	**7.7**	**10.6**		**15.7**
Of which charges and reversals:					
posted to operating income/ expenses		4.6	2.5		
posted to financial income/ expenses		2.6	7.9		
posted to extraordinary income/ expenses		0.5	0.2		

NOTE 21 > Other bonds

This item is made up of four bonds:

- A first loan of €500 million contracted in April 2017 with a coupon of 1.50% on maturity on April 24, 2024, excluding accrued interest not yet due of €3.2 million; This bond has been partially redeemed, in the amount of €198.2 million.
- A second loan of €125 million contracted in October 2019 maturing in 2027 and 2029 and indexed to performance in terms of social and environmental responsibility, excluding accrued interest not yet due of €0.4 million,
- A third loan of $150 million (€135.7 million) contracted in November 2020, maturing in 2035, excluding accrued interest not yet due of $0.4 million (€0.3 million),
- A fourth loan of €135 million contracted in December 2023, maturing in 2030, excluding accrued interest not yet due of €0.4 million.

All these bonds, which were fully subscribed at the issue date, were issued at par.

NOTE 22 > Bank borrowings

This item is primarily made up of the following:

- a €100 million Prêt Participatif Relance, maturing in 2030;
- Schuldschein and Namensschuldverschreibung private bond financing of €195 million and $120 million, maturing between 2025 and 2034;

Accrued interest not yet due on all Schuldschein loans stands at €1.3 million.

NOTE 23 > Sundry borrowings and financial liabilities

This item mainly consists of:

- debts attached to the employee profit-sharing scheme with Bel Egypt Expansion for Cheese, for €9.3 million – accrued interest included (€9.6 million in 2022);
- and the item other “Treasury notes” loans of €99.5 million (€72.5 million in 2022), and long-term NEU MTN of €90.0 million (€70.0 million in 2022);
- And the employee profit-sharing scheme of €0.8 million – accrued interest included (€1.2 million in 2022).

NOTE 24 > Other debts from operations

This line item consists entirely of trade and related receivables amounting to €26.7 million versus €51.6 million in 2022.

NOTE 25 > Other sundry payables

(in € millions)	2023	2022
Of which:		
Advances of Group companies generating interest, excluding accrued interest	548.4	498.9
Tax consolidation liabilities*		1.0
Accrued social debt for employee profit-sharing plan	4.4	2.7
Other	1.3	2.1
Total	**554.0**	**504.7**

* Excess payment of income tax of entities included in the old tax combination scope, which ended on December 31, 2022 and for which the lead company was Bel SA.

NOTE 26 > Deferred income and suspense account

Deferred income concerns financial income (unrealized profits on the valuation of balance-sheet derivatives) in the amount of €38.1 million (€43.8 million in 2022).

NOTE 27 > Effect of tax exemption assessments

(in € millions)	2023	2022
Net profit for the year	94.3	759.4
Income tax	(1.7)	(6.6)
Profit before tax	**92.6**	**752.8**
Change in regulated provisions	9.1	4.6
Profit before tax excluding assessed tax exemptions	**101.7**	**757.3**

NOTE 28 > Deferred income, accrued expenses

Deferred income

(in € millions)	2023	2022
Trade and other receivables	17.9	21.7
Other receivables from operations	24.4	26.4
Cash on hand and balance with banks	2.7	0.3
Total	**45.0**	**48.4**

Accrued expenses

(in € millions)	2023	2022
Bonds	4.3	6.8
Bank borrowings	2.3	0.5
Sundry borrowings and financial liabilities	1.1	12.5
Trade and other payables	85.8	99.2
Taxes payable and payroll and on-cost amounts payable	47.8	47.2
Other debts from operations	21.7	39.4
Amounts payable to fixed asset suppliers and related accounts	0.5	0.8
Other sundry payables	0.6	0.3
Total	**164.1**	**206.6**

NOTE 29 > Financial commitments

(in € millions)	2023	2022
Commitments given		
Guarantees	0.7	0.4
Retirement indemnities (see Note 29.1)	11.4	10.0
Of which managers	1.0	0.1
Total	**13.1**	**10.5**
Commitments received		
Syndicated credit lines (see Note 29.2)	550.0	550.0
Non-received funding (Schuldschein lines)		73.3
Export receivable guarantees	6.9	6.9
Total	**556.9**	**630.2**
Reciprocal commitments (excluding currency futures and financial leases)		
Asset rentals	30.6	36.0
Put on All in Foods minority interests	27.5	27.5
Asset rentals	4.9	2.9
Commitments linked to investments	36.2	1.6
Stock option plan (see Note 29.3)	7.4	7.5
Total	**106.6**	**75.5**

29.1 – Obligations arising from pensions, retirement and similar employee benefits

The post-employment benefits were subject to an actuarial valuation using the projected unit credit method based on the following assumptions:

- voluntary retirement (giving rise to the additional payment of payroll on-costs) at the age of:
  - 62 and progressively 65 depending on the year of birth for managers and executives,
  - 60 years and progressively 64 years for technicians, supervisors and other employee categories;
- length of service, mortality rate and employee turnover rate;
- the discount rate and the rate of inflation:
  - 2023: 4.20% including an inflation rate of 2.1%
  - 2022: 3.75% including an inflation rate of 2.1%

In accordance with the position of the IFRIC, validated by the IASB at the end of May 2021, for post-employment schemes, with conditions of presence and depending on the number of years of service, the services rendered are recognized only on the last years of service that confer rights on the employees at the time of their departure.

In 2023, the assumptions were updated to take account of the revised retirement age.

Post-employment benefits earned by employees are not provisioned for but recorded under "Off-balance sheet commitments" (see above).

29.2 – Financial instruments

29.2.1 – Market risk management

The Treasury department, which is attached to the Group Finance Department, has the requisite skills and tools to manage market risk. The department reports to Management on a monthly basis and makes regular presentations to the Audit Committee.

29.2.2 – Financial and liquidity risk management

At December 31, 2023, the Group had significant liquidity including:

- a confirmed syndicated credit line of €550 million maturing in 2028, or 2029 if extended. This line has not been drawn;
- a €500 million NEU CP program, of which €99.5 million has been used;
- a NEU MTN program of €200 million, of which €90 million has been used;
- a Euro PP bond loan of €125 million maturing in 2027 and 2029, contracted with private investors;
- a Euro PP bond loan of €135 million, issued on December 13, 2023, maturing in 2030, contracted with private investors;
- a €301.8 million bond listed on Euronext maturing in April 2024, following the partial redemption out of the initial amount of €500 million.
- a private bond issue in the form of a USPP under French law of $150 million maturing in November 2035;
- Schuldschein and Namensschuldverschreibung private bond financing of €195 million and $120 million, maturing between 2025 and 2034;
- a €100 million "Prêt Participatif Relance" maturing in 2030.

Surplus liquidity is invested in money-market mutual funds, term deposit accounts or short-term certificates of deposit.

Similarly, in its syndicated credit lines, its private placements (Euro PP and US PP) and Schuldschein and Namensschuldverschreibung financing, Bel SA has committed to keeping its financial leverage ratio below 3.75 over the entire life of the medium- and long-term financing mentioned above. Failure to meet the ratio could trigger the repayment of a significant part of the debt. On December 31, 2023, the ratio stood at 2.07 versus 2.27 on December 31, 2022.

The Group implemented a policy of pooling liquidity at the Bel level for all countries where the local currency is freely convertible and where there are no legal or fiscal limits on pooling local surpluses or liquidity needs. Internal current accounts and intragroup compensation payment systems are managed by the Group Treasury Department.

29.2.3 – Foreign exchange risk management

Bel SA is subject to foreign exchange rate fluctuations as a result of its international operations and presence.

Bel SA is exposed to foreign exchange risk on sales recognized on the balance sheet as well as foreign exchange risk on highly probable future transactions when such business is transacted in currencies other than their functional currency, e.g. imports, exports and financial transactions.

Hedging policy for foreign exchange exposure

The management policy is to hedge risk on transactions denominated in foreign currency through the use of derivative financial instruments.

The Group implements a central exchange rate policy that aims to hedge the annual budgetary risk on currency purchases and sales for deliverable currencies. The Group Treasury Department provides these entities with the necessary currency hedges. The Group Treasury department is not a profit center.

Bel also hedges exchange rate exposure arising from the payment of intragroup dividends denominated in foreign currency.

When the budget is prepared, budgeted currency prices are set according to market conditions for use as benchmarks to set up hedges. The management period for budgeted hedges does not exceed 18 months. At December 31, 2023, the maturity of the derivatives portfolio did not go beyond February 2025. Cash flow from the budgeted 2023 and 2024 hedges is expected in 2024 and will thus impact income in 2024.

Hedging of foreign exchange rate fluctuations on imports, exports and financial transactions

Group entities recalculate their net foreign exchange exposures periodically during each budgetary review. To manage its exposure, the Group mainly uses forward contracts, currency options and cross-currency swaps.

Hedging positions for foreign exchange, interest rate and raw materials risks versus the previous year

Value of hedges secured by Bel SA

Category of transactions *(in € millions)*	12/31/2023 Market value	12/31/2022 Market value
Forwards	**6.2**	**7.8**
Currency options	**6.5**	**4.7**
Currency swaps	**(0.2)**	**(0.3)**
Total portfolio related to foreign exchange	**12.5**	**12.2**
Total portfolio related to interest rates	**(23.5)**	**(26.0)**
Total Bel Group	(10.9)	(13.8)
Total Assets – non-current	2.3	6.1
Current	16.3	16.1
Total Liabilities – non-current	(25.5)	(31.4)
Current	(4.0)	(6.1)

On December 31, 2023, Bel SA had secured the following hedges:

Category of transactions *(in € millions)*	Cross	12/31/2023 Commitment	12/31/2023 Total	12/31/2022 Commitment	12/31/2022 Total
Portfolio related to foreign exchange risk					
1 – Forwards					
Forward purchase	EUR GBP	67.6	0.2	48.3	1.5
Forward sale	EUR PLN	38.3	2.9	38.1	1.2
Forward purchase	EUR PLN	4.0	(0.7)	3.0	-
Forward purchase	EUR USD	218.0	3.6	198.7	3.7
Forward sale	EUR USD	9.4	(0.4)	4.6	0.1
Forward purchase	Other	75.5	1.1	58.4	1.0
Forward sale	Other	7.3	(0.5)	11.0	0.3
2 – Currency options					
Call purchase	EUR GBP	43.5	0.2	58.5	1.4
Call sale	EUR GBP	-	-	4.5	-
Put sale	EUR GBP	21.8	(0.1)	31.5	(0.1)
Put purchase	EUR PLN	31.5	2.8	46.5	1.1
Call sale	EUR PLN	13.0	(0.0)	16.0	(0.1)
Call purchase	EUR USD	163.7	3.0	244.2	3.1
Put sale	EUR USD	87.2	(0.3)	165.0	(1.8)
Call purchase	Other	53.9	1.2	37.2	1.5
Put sale	Other	27.0	(0.2)	17.5	(0.4)
Call sale	Other	-	-	-	-

Category of transactions *(in € millions)*	**Cross**	**12/31/2023**		**12/31/2022**	
		Commitment	**Total**	**Commitment**	**Total**
3 – Currency swaps					
Swap purchase	EUR GBP	-	-	2.6	-
Swap sale	EUR GBP	29.8	(0.2)	29.1	(0.3)
Swap purchase	EUR PLN	-	-	19.7	0.1
Swap sale	EUR PLN	8.9	(0.0)	4.2	-
Swap purchase	EUR USD	48.3	(0.0)	23.4	-
Swap sale	EUR USD	105.2	(0.1)	96.6	(0.2)
Swap sale	Other	49.6	0.1	36.3	0.1
Swap purchase	Other	4.6	0.0	12.6	-
Total portfolio related to foreign exchange			**12.5**		**12.2**
Total Assets – non-current			0.3		0.7
Current			16.3		16.1
Total Liabilities – non-current			(0.0)		(0.1)
Current			(4.0)		(4.6)

The transactions are expressed according to the direction of the cross-currency: Examples:

- forward purchase EUR USD means the Group is buying EUR and selling USD;
- call purchase EUR GBP means the Group is buying a EUR Call/ GBP Put option;
- swap on futures sales EUR GBP means that the Group borrows EUR so is selling futures on EUR, lends GBP so is purchasing futures on GBP.
- NIH: Documented strategies for net investment hedges in foreign currency
- CFH: documented strategies for hedging highly probable foreign currency cash flows

Bel SA guarantees its subsidiaries' foreign currency denominated budget year flows through annual foreign exchange guarantees which are issued once the previous budget year has been collected. At December 31, 2023, Bel SA's subsidiary hedging portfolio hedged only subsidiaries' foreign exchange risks, relating to the 2023 budget year and collected in 2024.

The Group's main currency exposure is the US dollar, the Pound Sterling and the Polish Zloty. The valuations shown exclude the impact of deferred taxes.

On December 31, 2023, the 2024 budget net exposure (realized and future) relative to the main currencies was hedged at a ratio between 81% and 100%, depending on the currency managed. Currency fluctuation gains and losses arising from the recognition of sales and purchasing transactions of Group entities can thus be offset up to the hedge amount by gains and losses from the hedges.

Hedge measurements comply with market practices in terms of data for yield curves, foreign exchange rates and volatility curves, as well as valuation models. The Treasury department has the requisite in-house means for calculating the valuations. However, the Bel group uses an external provider to determine the valuations.

29.2.4 – Interest-rate risk management

Most of the Group's financing is arranged by Bel, which also handles interest rate risk management centrally. The policy governing interest rate derivatives is designed to protect against an unfavorable rise in interest rates while partially taking advantage of any interest rate declines.

At December 31, 2023, the Group hedged interest rate risk through interest rate swaps:

Category of transactions *(in € millions)*	Currencies	12/31/2023 Commitment	12/31/2023 Total	12/31/2022 Commitment	12/31/2022 Total
Portfolio related to interest rate					
Fixed-rate payer swaps	EUR	75.0	1.9	125.0	5.4
Fixed-rate receiver swaps	EUR	62.5	(7.3)	72.5	(11.2)
Fixed-rate receiver swaps	USD	67.9	(18.1)	70.3	(20.2)
Fixed-rate borrower cross currency swaps	EUR/CNY	8.9	0.1	-	-
Total portfolio related to interest rates			**(23.5)**		**(26.0)**
Total Assets – non-current			2.0		5.4
current			-		-
Total Liabilities – non-current			(25.5)		(31.4)
current			-		-

Change in interest rate hedging portfolio on December 31, 2023

(in millions of currency units)	Currency	2024	2025	2026	2027	2028	2029	2030 > 2035
Interest-rate swaps	EUR	137.5	137.5	137.5	137.5	31.3	31.3	-
Interest-rate swaps	USD	75.0	75.0	75.0	75.0	75.0	75.0	75.0

29.2.5 – Counterparty risk management

All short-term cash investments and financial instruments are arranged with major counterparties in accordance with both safety and liquidity rules. "Major counterparties" are mainly French banks from the banking pool. Money-market mutual funds offering daily liquidity or certificates of deposit account for most of the short-term cash investments.

The DVA (Debt Value Adjustments) and CVA (Credit Value Adjustments) of the Group's foreign exchange and interest rate hedges were not material at December 31, 2023.

29.2.6 – Raw-materials risk management

At December 31, 2023, Bel SA had no raw materials risk.

29.2.7 – Equity risk management

At December 31, 2023 Bel SA had no equity derivatives.

29.3 – Existing bonus share plans

The commitment given corresponds to the difference between the award amount, which takes into account the rate of completion of performance milestones, and the provision recorded in the amount of €8.0 million.

A breakdown of bonus share plans is presented in the following table:

(in € millions)	2023 share plan	2022b share plan	2022a share plan	Total
Number of shares awarded originally[(a)]	18,556	18,430	15,324	
Award criteria: percentage provisioned	100	100	100	
number of shares awarded at December 31, 2023	17,842	15,984	13,143	
Share value in €	280.00	280.00	276.61	
Amount expensed in 2022		1.8	1.9	3.7
Amount expensed in 2023	1.0	1.0	1.3	3.3

(a) Authorized by the Board of Directors.

Personnel expenses also include the provision for the 20% employer social contribution on share plans, totaling €1.0 million.

29.4 – Other commitments

Proceedings, disputes and litigation

The Company is engaged in a certain number of disputes and litigations in the normal course of its business. Provisions were booked for any probable and measurable costs that might arise from these lawsuits and disputes. Management knows of no dispute carrying significant risk that could adversely impact the Company's earnings or financial position that has not been provisioned for at the end of the financial year.

NOTE 30 > Parent company consolidating the group's financial statements

The financial statements of Bel SA, the parent company of the Bel group, are included in the consolidation of the Unibel group, which has its headquarters at 2, allée de Longchamp, 92150 Suresnes.

A copy of the financial statements can be obtained at this address and can also be consulted on the website www.groupe-bel.com.

NOTE 31 > Subsequent events

No significant events to report.

NOTE 32 > Statement of maturities and debts

Statement of maturities, receivables and debts as at 12/31/2023

		Maturity	
(in € millions)	**Gross amount**	**1 year or less**	**more than 1 year[(e)]**
> Receivables			
Fixed asset receivables:			
Loans to and receivables from participating interests	707.4	707.4	
Loans[(a)]	6.5	0.4	6.1
Other	75.8	3.6	72.1
Current asset receivables:			
Trade and other receivables	201.3	201.3	
Other	131.6	130.2	1.4
Prepaid expenses	60.6	57.4	3.2
Total	**1,183.2**	**1,100.4**	**82.8**
> Debts			
Other bonds[(b)]	701.9	306.1	395.8
Borrowings[(b)] and current used facilities at banks[(c)]	413.7	10.1	403.6
Sundry borrowings and financial liabilities[(b)(d)]	200.7	110.0	
Trade and other payables	202.4	202.4	
Taxes payable and payroll and on-cost amounts payable	55.6	46.2	9.4
Amounts payable to fixed asset suppliers and related accounts	10.1	10.1	
Income tax payable			
Other liabilities[(d)(e)]	554.3	554.3	
Deferred income	38.1	38.1	
Total	**2,176.8**	**1,277.3**	**899.5**

(a) Loans granted during the financial year	0.4
Loans recovered during the financial year	
(b) Borrowings subscribed during the financial year	636.0
Borrowings reimbursed during the financial year	627.1
(c) Of which:	
originally no more than two years	10.1
originally more than two years	403.6
(d) of which to associates (line item: Other liabilities)	548.4
(e) Debts maturing in more than five years	

Elements concerning affiliates and participating interests

(in € millions)	Amounts concerning businesses affiliates	in which the Company has an equity interest
Participating interests	1,519.4	13.4
Loans to and receivables from participating interests	706.6	
Other long-term financial assets	19.6	
Trade and other receivables	114.1	
Other current assets	93.9	
Sundry borrowings and financial liabilities	9.3	
Trade and other payables	90.1	
Other liabilities	551.0	
Revenue	542.6	
of which sales of finished products	485.0	
Dividends and interest income	290.1	
Other financial income	8.1	
Financial expenses	21.9	

Related-party transactions

Cash management agreement with Unibel

At December 31, 2023, the Company had received a €46.4 million cash advance from Unibel. The advance, bearing interest at the ESTR rate plus the Applicable Margin, generated a financial expense of €1.9 million recorded in 2023.

Service agreement with Unibel

In 2023, €2.8 million were expensed under the service agreement with Unibel.

Tax consolidation agreement with Unibel

Since January 1, 2023, Bel SA is part of the Group of companies tax consolidated into Unibel.

As such, BEL SA had a tax debt to the parent company Unibel of €2.5 million as at December 31, 2023.

Operating expenses billed back to Bel SA by unconsolidated Group entities

In 2023, a total of €11.5 million in operating expenses were billed back to Bel SA.

Table of subsidiaries and participating interests

Financial year 2023

Companies	Share capital [a]	Equity other than share capital [a]	% share capital held	Carrying amount of shares held Gross	Carrying amount of shares held Net	Revenue	Net profit	Outstanding loans and advances granted by the Company	Amount of endorsements, guarantees and letters of intent provided by the Company	Dividends collected by the Company during the financial year
	(in millions of currency units)			*(in € millions)*		*(in millions of currency units)*		*(in € millions)*		
I - Detailed information										
Subsidiaries (more than 50%-owned by the Company):										
French entities										
Fromageries Picon	EUR 0.6	EUR 2.5	99.980	5.6	5.6	EUR 0.8	EUR 0.6			0.5
Fromageries Bel Production France	EUR 48.9	EUR 169.9	100.000	132.2	132.2	EUR 705.6	EUR 15.0			
SAS des Fermiers Réunis	EUR 7.2	EUR 12.7	99.858	18.1	18.1	EUR 1.6	EUR 1.7			1.1
Sofico	EUR 2.3	EUR 10.0	99.996	23.6	23.6	EUR 0.0	EUR 2.5			2.0
Fromagerie Boursin SAS	EUR 2.8	EUR 20.2	100.000	23.6	23.6	EUR 71.3	EUR 1.7			1.0
LVQR Diffusion	EUR 0.1	EUR 0.6	100.000	0.0	0.0	EUR 0.7	EUR 0.0			
Atad	EUR 0.3	EUR 0.1	100.000	0.4	0.2	EUR 0.0	EUR 0.0			
Newton Holding	EUR 253.2	EUR 286.0	100.000	523.1	523.1	EUR 13.1	EUR 94.2	558.2		
All In Foods	EUR 0.1	EUR 2.2	80.000	56.4	18.6	EUR 9.9	(EUR 0.2)	11.9		
Foreign entities										
Bel UK	GBP 27.3	GBP 28.7	100.000	39.4	39.4	GBP 125.6	GBP 7.5			5.5
Bel Belgium	EUR 15.0	EUR 38.1	99.784	15.5	15.5	EUR 83.0	EUR 5.1			3.1
Bel Karper Gida Sanayi	TRY 124.3	TRY 102.3	100.000	51.4	11.5	TRY 647.4	TRY (31.2)	1.7		
Bel Nederland	EUR 0.0	EUR 38.8	100.000	31.8	31.8	EUR 28.1	EUR 0.7			0.7
Grupo Fromageries Bel España	EUR 19.6	EUR 72.4	100.000	197.5	143.1	EUR 64.7	EUR 12.8			182.9
Bel Nordic	SEK 1.5	SEK 30.5	100.000	1.5	1.5	SEK 269.3	SEK 5.0			0.5
Bel Suisse	CHF 5.5	CHF 10.3	100.000	3.3	3.3	CHF 38.0	CHF 0.8			0.7
Fromageries Bel Maroc	MAD 46.2	MAD 397.4	66.072	1.4	1.4	MAD 1,591.6	MAD 3.8			14.6
Bel Brands USA	USD 0.0	USD 198.7	100.000	238.0	238.0	USD 505.1	USD 10.4	31.6		15.2
Fromageries Bel Canada	CAD 8.0	CAD 96.3	100.000	5.6	5.6	CAD 204.7	CAD 18.1			
KÄVEBE	EUR 26.0	EUR 2.2	100.000	0.0	0.0		EUR 0.0			
Fromageries Bel Côte d'Ivoire	XOF 300.0	XOF 931.5	100.000	9.2	0.0	XOF 1,272.2	XOF (378.9)	0.9		
Bel Rouzaneh Dairy Products Company	IRR 2,798,774.7	IRR 9,927,999.6	70.000	69.0	15.0	IRR 26,657,335.5	IRR 4,876,144.5		0.1	

Companies	Share capital [a]	Equity other than share capital [a]	% share capital held	Carrying amount of shares held: Gross	Carrying amount of shares held: Net	Revenue	Net profit	Outstanding loans and advances granted by the Company	Amount of endorsements, guarantees and letters of intent provided by the Company	Dividends collected by the Company during the financial year
	(in millions of currency units)			*(in € millions)*		*(in millions of currency units)*		*(in € millions)*		
Bel Middle East	AED 1,900.0	AED 2,195.1	100.000	0.4	0.4	AED 18,272.7	AED 1,034.3			
Bel Polska	PLN 126.0	PLN 12.2	100.000	31.5	31.5	PLN 504.0	PLN 11.6			1.8
Bel Slovenko	EUR 42.5	EUR 8.6	99.491	42.4	42.4	EUR 120.1	EUR 4.5			
Bel Syry Cesko	CZK 152.0	CZK 25.2	100.000	19.1	19.1	CZK 1,145.7	CZK 0.6	2.0		
Bel Tunisie - Tunis/ Tunisia	TND 3.0	TND 7.7	99.167	2.1	0.0					
Fromageries Bel Hellas	EUR 0.2	EUR 0.8	100.000	0.2	0.0	EUR 9.2	EUR 0.1			
Bel Algérie SpA	DZD 3,318.9	DZD 3,847.9	99.997	21.3	21.3	DZD 10,160,449.2	DZD 537,480			3.6
Bel Egypt Expansion For Cheese Production	EGP 164.7	EGP 1,349.0	81.823	15.1	15.1	EGP 3,498.0	EGP 612.0			6.9
SIEPF	MAD 26.0	MAD 46.2	99.998	2.4	2.4	MAD 263.1	MAD 10.1			0.7
Bel Japon	JPY 530.0	JPY 804.7	100.000	4.0	4.0	JPY 8,736.2	JPY 547.8			6.7
BEI LE (Shanghai)	CNY 41.5	CNY 28.6	100.000	5.8	5.8	CNY 358.7	CNY 7.9			
Bel Cheese Korea	KRW 4,950.0	KRW 1,454.3	100.000	4.0	4.0	KRW 23,326.5	KRW 1,571.9			0.5
Bel Vietnam	VND 298,259.9	VND 377,144.5	100.000	11.5	11.5	VND 1,090,458.9	VND 167,546.5			3.6
Quesos Bel Mexico	MXN 8.0	MXN 15.1	100.000	0.4	0.4	MXN 0.0	MXN 0.9			
Bel PMO Beyrouth	LBP 600,000.0	LBP 611,393.0	99.900	0.3	0.3	LBP 25,818,811.0	LBP 13,443,950.0			
Bel India	INR 36.0	INR 171.3	100.000	18.1	2.7	INR 28.6	INR (244.4)			
Bel South Africa (PTY) LTD	ZAR 43.8	ZAR 4.6	100.000	2.8	2.8	ZAR 114.1	ZAR 3.7			0.2
Bel Senegal SA	XOF 400.0	XOF 552.5	100.000	0.6	0.6	XOF 4,789.2	XOF 513.2			0.2
Bel Brands Deutschland GmbH	EUR 0.0	EUR 3.1	100.000	0.0	0.0	EUR 104.6	EUR 1.2			
Bel Italia SRL	EUR 0.3	EUR 0.3	100.000	0.3	0.3	EUR 7.3	EUR 0.1			
Shandong Junjun Cheese	CNY 33.0	CNY 126.0	63.000	64.7	64.7	CNY 354.7	CNY 8.5	3.2		
Bel Tunisie Marketing			100.000							
Bel Hub Asia	SGD 1.5		100.00	1.1	1.1					
II – General information										
Subsidiaries not covered in paragraph I										
a) French subsidiaries (aggregate)										
b) Foreign subsidiaries (aggregate)				59.0	59.0					
Interests not covered in paragraph I										

(a) In French entities (aggregate)
(b) In foreign entities (aggregate)
(c) French GAAP data for French entities and IFRS data for foreign entities.

Inventory of investments and participating interests

(in € millions)	Securities	Net carrying amount in 2023 balance sheet	Net carrying amount in 2022 balance sheet
Participating interests			
French entities			
NEWTON HOLDING	253,168,272	523.2	516.0
MOMI			40.4
FROMAGERIES BOURSIN SAS	3,706,666	23.6	23.6
SAS DES FERMIERS RÉUNIS “SAS FR”	239,660	18.1	18.1
Fromageries Bel Production France	132,208,521	132.2	132.2
Société Financière et Commerciale “SOFICO”	155,914	2.4	2.4
FROMAGERIES PICON	19,996	5.7	5.7
Atad	10,000	0.2	0.2
SOCIÉTÉ DES PRODUITS LAITIERS “SPL”	999		
LVQR DIFFUSION	3,333		
All In Foods	80,000	18.7	56.4
Entities with a net carrying amount below €15 per category of shares			
		724.1	**795.0**
Foreign entities			
BEL EGYPT EXPANSION FOR CHEESE PRODUCTION	163,337	15.1	15.1
BEL ALGÉRIE SpA	3,318,882	21.3	21.3
BEL TUNISIE			
BEL VIETNAM		11.5	11.5
KÄVEBE			
BEL MIDDLE EAST		0.4	0.4
BEL TUNISIE MARKETING	1,000		
BEL UK	27,255,175	39.4	39.4
BEL BELGIUM	1,138,577	15.5	15.5
BEL KARPER GIDA SANAYI	1,215,513,664	11.5	13.0
BEL NEDERLAND	1,000	31.8	31.8
GRUPO FROMAGERIES BEL ESPAÑA	3,254,751	143.1	197.5
BEL NORDIC	1,500	1.5	1.5
BEL SUISSE	54,824	3.3	3.3
BEL AFRICA			3.4
FROMAGERIES BEL MAROC	305,253	1.4	1.4
BEL BRANDS USA	150	238.0	238.0
FROMAGERIES BEL CANADA	800,000	5.6	5.6
FROMAGERIES BEL CÔTE D’IVOIRE	300,000		
BEL ROUZANEH DAIRY PRODUCTS COMPANY	699,693,663	15.1	15.1
BEL POLSKA	252,000	31.5	31.5
SYRAREN BEL SLOVENSKO	1,278,437	42.4	42.4
BEL SYRY CESKO	152	19.1	19.1
FROMAGERIES BEL HELLAS	10,000		

(in € millions)	Securities	Net carrying amount in 2023 balance sheet	Net carrying amount in 2022 balance sheet
SIEPF	259,995	2.4	2.4
BEL JAPON	10,002	4.0	4.0
BEI LE (SHANGHAI)	1	5.8	5.8
BEL CHEESE KOREA	495,000	4.0	4.0
BEL SOUTH AFRICA (PYT) LTD	2,600	2.8	2.8
BEL SENEGAL SA	40,000	0.6	0.6
BEL BRANDS DEUTSCHLAND GMBH	25,000		
BEL ITALIA SRL	1	0.3	0.3
BEL SHANDONG JUNJUN CHEESE	70	64.7	66.1
BRITANNIA DAIRY PRIVATE LIMITED	5,063,854	58.7	57.3
QUESOS BEL MEXICO	4	0.4	0.4
BEL PMO BEYROUTH	999	0.3	0.3
BEL INDIA	3,595,167	2.7	5.9
ZHEIJIA1NG RENZHICH	1,629,535	13.4	13.4
BEL HUB ASIA	1,500,000	1.1	
TRACKLOCK	210		
Entities with a net carrying amount below €15 per category of shares			
		808.7	**870.1**
Total participating interests		**1,532.8**	**1,665.1**
Other long-term financial assets			
French entities			
FPCI CAP AGRO-INNOVATION B	37,051	3.7	3.7
CAP AGRO II	20,000	1.9	2.0
SOGAL – SOCAMUEL	1,120		
Bel SA	63,332	19.6	21.8
STANDING OVATION	2,799	1.7	0.5
		26.9	**28.0**
Foreign entities			
NEW PROTEIN FUND	4,790,000	4.2	4.0
LIVELIHOODS CARBON FUND	50,000	5.0	5.0
AGRI-VIE FUND	5,000,000	3.9	3.5
CLIMAX	1,000	0.5	
		13.6	**12.5**
Total other long-term financial assets		**40.5**	**40.5**
Marketable securities		**92.4**	**144.8**

Statutory Auditors' report on the financial statements

Year ended December 31, 2023

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Bel
2, allée de Longchamp
92150 Suresnes, France

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meetings, we have audited the accompanying financial statements of Bel for the year ended December 31, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2023 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 851-53 and R. 821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of the fair value of equity securities

(Note 1.3 "Accounting rules and methods - Financial assets" to the financial statements)

Risk identified

As of December 31, 2023, equity interests are recorded on the balance sheet at a net carrying amount of €1,533 million, or 42% of total net assets. They are recorded at acquisition cost on initial recognition.

When the fair value of these securities is lower than their net carrying amount, an impairment is recognized in the amount of the difference. Fair value is determined based on a range of criteria, including market value, value in use based on discounted forecast cash flows and the share of revalued equity.

Cash flow projections are based on 5-year budget data taken from subsidiary business plans.

Given the significant amount of equity securities in the balance sheet and the sensitivity of valuation models to the assumptions used to determine cash flows, we considered the fair value measurement of equity securities to be a key audit matter.

Our response

Our assessment of the measurement of the fair value of equity securities is based on the process implemented by the Company to determine the value in use of equity securities.

Our work mainly consisted in:

- reconciling the net equity amounts used by the Company with the financial statements of subsidiaries;
  - where the share in net equity is less than the net carrying amount of the securities:
  - obtaining cash flow forecasts for the relevant entities and comparing them with the subsidiary business plans;
  - verifying the consistency of the assumptions underlying the determination of cash flows with the historical performance of the Group and the entities, and confirming future growth prospects, primarily through interviews with local finance managers in each geographical area;
  - assessing, with the assistance of our valuation experts, the valuation model and discount rates adopted with respect to market benchmarks.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents addressed to shareholders with respect to the financial position and the financial statements

We have no matters to report on the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to shareholders.

We attest the fair presentation and consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (code de commerce).

Information relating to corporate governance

We attest that the Board of Directors' report on corporate governance contains the information required by Articles L.225-37-4 and L.22-10-10 of the French Commercial Code.

Other Legal and Regulatory Verifications or Information

Appointment of the Statutory Auditors

We were appointed as statutory auditors of BEL by the Annual General Meetings held on May 12, 2020 for Grant Thornton and May 11, 2021 for PricewaterhouseCoopers Audit.

As of December 31, 2023, Grant Thornton and PricewaterhouseCoopers were in the 14th and 3rd year of uninterrupted engagement, respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Neuilly-sur-Seine, March 19, 2024

The Statutory Auditors

PricewaterhouseCoopers Audit	Grant Thornton
Xavier Belet	Vincent Fribourt

5.5.3 Information on the Statutory Auditors

Identity of the Statutory Auditors

The Statutory Auditors are:

- **Grant Thornton,**
  represented by Vincent Frambourt
  29, rue du Pont, 92200 Neuilly-sur-Seine
  Grant Thornton was appointed as Statutory Auditor by the Combined Annual General Meeting on May 16, 2013, replacing Pierre-Henri Scacchi, a company that resigned as Statutory Auditor; its term was renewed on May 12, 2016, and then on May 12, 2022 for a term of six financial years, expiring on 2028 after the Annual General Meeting that will meet to vote on the financial statements for the financial year ending December 31, 2027.
  Grant Thornton is a member of the Compagnie régionale des Commissaires aux comptes de Versailles.
- **PricewaterhouseCoopers,**
  represented by Xavier Belet and Xavier Leroux
  63, rue du Pont, 92208 Neuilly-sur-Seine

PricewaterhouseCoopers was appointed as Statutory Auditor by the Combined Annual General Meeting on May 11, 2021 or a term of six financial years, expiring on 2027 after the Annual General Meeting that will meet to vote on the financial statements for the year ending December 31, 2026.

PricewaterhouseCoopers is a member of the Compagnie régionale des Commissaires aux comptes de Versailles.

Information on resignations or non-renewals of the Statutory Auditors' terms

No resignations or non-renewals occurred in 2023.

Statutory Auditors' fees

This information is included in Note 11 to the consolidated financial statements.

5.6 > Verification of annual financial information

5.6.1 Statement of verification of historical financial information

See the Statutory Auditors' Reports on the consolidated financial statements and the annual financial statements for the year ended December 31, 2022, in paragraphs 5.5.1 and 5.5.2 respectively of this Universal Registration Document.

For previous years, see the following reports included by reference in this Universal Registration Document pursuant to Article 28 of Commission Regulation (EC) No 809/2004:

- the Statutory Auditors' Reports on the consolidated financial statements and the annual financial statements for the year ended December 31, 2020, as well as the financial statements themselves, can be found in paragraphs 5.5.1 "Consolidated financial statements at December 31, 2020" and 5.5.2 "Company financial statements at December 31, 2020," respectively, of the Company's Universal Registration Document filed with the AMF on April 6, 2021 under number D. 21-0258;
- the Statutory Auditors' Reports on the consolidated financial statements and the annual financial statements for the year ended December 31, 2019, as well as the financial statements themselves, can be found in paragraphs 5.5.1 "Consolidated financial statements at December 31, 2019" and 5.5.2 "Company financial statements at December 31, 2019," respectively, of the Company's Universal Registration Document filed with the AMF on April 3, 2020 under number D. 20-0244.

Both of these Registration Documents referred to above are available on the website of the AMF (www.amf-france.org) and on the Company's website (www.groupe-bel.com).

Since the Bel 2021 annual report and following the delisting on January 25, 2022, the document is filed only on the Company's website (www.groupe-bel.com).

5.6.2 Other information verified by the Statutory Auditors

In the consolidated financial statements

Research and Development expenditure totaled €30 million in 2023.

In the annual financial statements

In accordance with Article 223 quater and Article 39.4 of the French General Tax Code, expenses and costs that are not tax-deductible totaled €438,618.18.

Article D. 441-6: Open trade receivables received which are overdue at the closing date

	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Overdues groups						
Number of invoices	4,684					680
Total amount (incl. VAT) *(in euros)*	110,732,662	207,460	310,801	5,986	3,128,525	3,652,772
in % of the annual purchase amount (incl. VAT) for the financial year	7.39%	0.01%	0.02%	0.00%	0.21%	0.24%
in % of the annual revenue amount (incl. VAT) for the financial year						
(B) Excluded invoices from (A), related to non-posted or under litigation trade payables/receivables						
Number of exclusions						204
Total amount of exclusions (incl. VAT) *(in euros)*						4,205,522
(C) Reference payments terms (contractual or legal – Art. L. 441.6 or Art. L. 443.1 of the French Commercial Code)						
Payment terms used to calculate overdues	30/40/50 days end of 10-day period: contractual payment terms					

Article D. 441-6: Open trade receivables issued which are overdue at the closing date

	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Overdues groups						
Number of invoices	455					3,229
Total amount (incl. VAT) *(in euros)*	10,903,569	2,093,839	1,143,169	126,117	13,318,794	16,681,919
in % of the annual purchase amount (incl. VAT) for the financial year						
in % of the annual revenue amount (incl. VAT) for the financial year	0.7%	0.1%	0.1%	0.0%	0.9%	1.1%
(B) Excluded invoices from (A), related to non-posted or under litigation trade payables/receivables						
Number of exclusions						776
Total amount of exclusions (incl. VAT) *(in euros)*						670,510
(C) Reference payments terms (contractual or legal – Art. L. 441.6 or Art. L. 443.1 of the French Commercial Code)						
Payment terms used to calculate overdues	30 days end of 10-day period, invoice date (France) 60 days boarding date (Export)					

Company earnings and other financial highlights over the last five years (Articles R. 225-81, R. 225-83 and R. 225-102 of the French Commercial Code)

Type of information	2023	2022	2021	2020	2019
I. Share capital at year end					
Share capital	7,921,295	7,921,295	10,308,503	10,308,503	10,308,503
Number of ordinary shares outstanding	5,280,863	5,280,863	6,872,335	6,872,335	6,872,335
II. Operations and results for the financial year					
Revenue, net of VAT	1,361,378,095	1,284,088,178	1,267,171,218	1,323,456,351	1,317,068,112
Profit before tax, profit-sharing, depreciation, amortization and write-downs	184,910,513	766,329,708	41,504,823	112,165,679	66,840,700
Income tax	(1,735,448)	(6,670,287)	(17,398,163)	(1,771,915)	(7,084,961)
Employee profit-sharing owed for the financial year	4,188,599	2,412,750	4,074,976	3,474,969	3,675,049
Earnings after tax, profit-sharing, depreciation, amortization and write-downs	94,258,084	759,399,952	53,203,747	91,664,534	93,085,516
Dividends paid out	55,449,062[(a)]	0	35,048,909[(a)]	0	24,053,173 [(a) (b)]
III. Earnings per share					
Earnings after tax and profit-sharing, but before depreciation, amortization and write-downs	35	145.92	6.04	16.09	10.22
Earnings after tax, profit-sharing, depreciation, amortization and write-downs	18	143.80	7.74	13.34	13.54
Dividend per share	10.5	19,10	5.1	0	3.50
IV. Personnel					
Average workforce during financial year	1,078	1,092	1,108	1,033	1,000
Total payroll for the financial year	92,878,394	90,454,007	86,109,488	83,871,141	92,957,668
Amount of employee benefits paid in the financial year (social security, volunteer work)	43,294,766	41,639,198	40,194,108	39,035,947	38,985,414

(a) Theoretical amount since treasury shares held by the Company are not entitled to dividends. The corresponding amount of unpaid dividends is allocated to "Retained earnings."

(b) Amount modified vs 2019 URD.
In the context of the Covid-19 pandemic, the Board of Directors' meeting of April 20, 2020 decided to reduce the amount of the dividend proposed by the Board of Directors on March 11, 2020.

5.6.3 Financial information not included in the financial statements

This paragraph is not applicable.

5.7 > Date of latest financial information

The most recent financial year for which financial information was audited was the year ended December 31, 2022.

5.8 > Interim and other financial information

5.8.1 Quarterly and half-yearly financial information

None.

5.8.2 Interim financial information

As no financial position after December 31, 2022 has been published, these paragraphs are not applicable.

5.9 > Dividend policy

(in euros per share)	2018	2019	**2020**	**2021**	**2022**
Net dividend	4.95	3,50	0.00	5.10	19.10

A proposal will be submitted to the Combined Annual General Meeting of May 16, 2024 for 10,5 € dividend purchare for 2023.

5.10 > Legal and arbitration proceedings

Information concerning judicial and arbitration proceedings appears in Chapter 2 “Risk factors and insurance” of this Annual Report.

5.11 > Significant change in the financial or trading position

The main changes in the financial position during the financial year are set out in section 5.3.1 and in Note 4.15.2 to the Consolidated Financial Statements.

The main events during the financial year concerning the Group’s trading position are described in the Integrated Report.

6

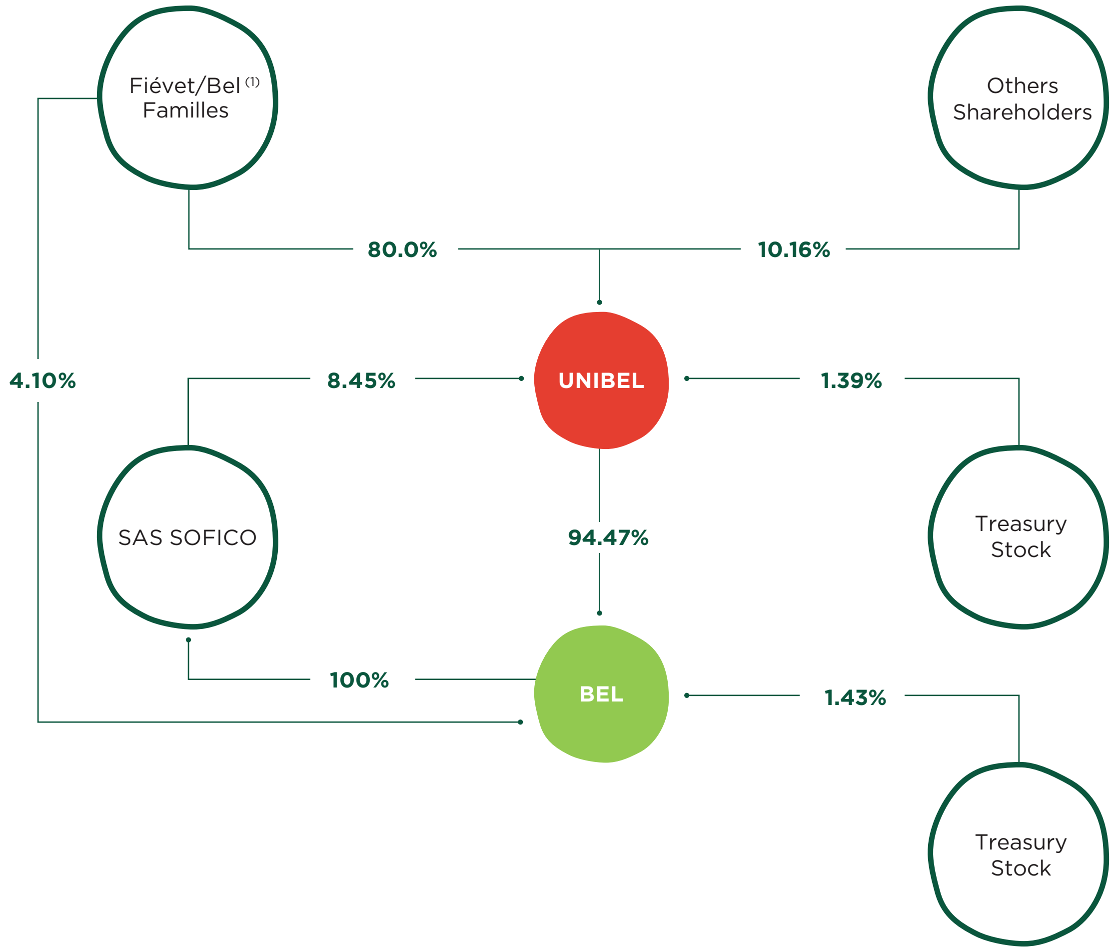
Shareholding (1)

(1) Certain information presented in this chapter is included in the Management Report and the Corporate Governance Report.

6.1 > Shareholding and share capital

6.1.1 Shareholding at December 31, 2023 and over the last three years

Shareholding structure *(by % of share capital)*



(1) This item includes the signatories of the Unibel shareholders's agreement which came into on September 19, 2013 and controlled companies.

To the issuer's knowledge, Bel's share capital is broken down between shareholders as follows:

	Share capital		"Gross" voting rights		AGM voting rights	
Bel at December 31, 2023	**Number**	**%**	**Number**	**%**	**Number**	**%**
Unibel[(a)]	5,001,031	94.70%	9,652,268	95.71%	9,652,268	95.71%
Fiévet-Bel family group[(b)]	216,500	4.10%	433,000	4.29%	433,000	4.29%
Subtotal	**5,217,531**	**98.80%**	**10,085,268**	**100.00%**	**10,085,268**	**100.00%**
Treasury shares	**63,332**	**1.20%**	**63,332**	**0.00%**	**-**	**0.00%**
Total	**5,280,863**	**100.00%**	**10,148,600**	**100.00%**	**10,085,268**	**100.00%**

(a) Entity controlled at the highest level by the Fiévet-Bel family.
(b) Signatories of the Unibel shareholders' agreement which came into force on September 19, 2013, and the companies other than Unibel that they control.

On December 31, 2023, the share capital consisted of 5,280,863 shares carrying 10,148,600 gross voting rights and 10,085,268 voting rights that could be exercised at the Annual General Meeting (the difference corresponding to treasury shares and double voting rights).

Unibel, a French société anonyme (limited liability company) with a Management Board and a Supervisory Board, is controlled by members of the Fiévet-Bel family group who are bound by an agreement published by the AMF (French financial markets regulator) on September 19, 2013. This agreement is described in AMF notice No. 213C1436 of September 26, 2013 and in Unibel's Universal Registration Document. These shareholders currently control 80% of the share capital and 83.95% of Unibel's gross voting rights.

In addition, Société Financière et Commerciale (Sofico), a wholly owned subsidiary of Bel, holds 8.45% of Unibel treasury shares.

The Dutreil agreement No. 2019/2 signed on January 7, 2019 and registered on January 9, 2019, for a minimum period of two years, tacitly renewable for an additional period of three months, was terminated by a letter dated February 24, 2021 to the tax authorities. As a result, the agreement was not renewed and expired on April 9, 2021, the date on which the individual lock-up agreements for the beneficiaries of donations made through this agreement came into force. The individual lock-up agreements are valid for a period of four years, i.e. until April 9, 2025.

Accordingly, a new collective lock-up agreement relating to BEL shares was entered into on April 1, 2021, with the following characteristics:

Lock-up agreement	
Type	Collective
Registration date/start date	04/06/2021
Initial duration of the collective commitment	2 years
Renewal	
% of share capital committed on the signing date	71.58%
% of voting rights committed on the signing date	72.91%
Executive signatory	Antoine Fiévet
Signatory holding at least 5% of the share capital	Unibel

In light of the delisting of BEL on January 25, 2022, an amendment to this collective lock-up agreement is planned.

"Dutreil agreements" provide direct or indirect shareholders covered by the scope of the agreement with tax exemptions of 75% of the tax base in terms of transfer duties and solidarity wealth tax. In return, beneficiaries of these exemptions commit not to sell or transfer their shares for a minimum individual or collective period of six years.

Changes in the breakdown of share capital over the last three financial years

The following table indicates the breakdown of share capital and voting rights that could be exercised at AGMs over the last three financial years.

	12/31/2023			12/31/2022			12/31/2021		
	Shares	% share capital	% of AGM voting rights	Shares	% share capital	% of AGM voting rights	Shares	% share capital	% of AGM voting rights
Unibel[(a)]	5,001,031	94.70%	95.71%	4,988,946	94.47%	95.70%	4,680,560	68.11%	91.58%
Fiévet-Bel family group[(b)]	216,500	4.10%	4.29%	216,500	4.10%	4.30%	216,500	3.15%	4.25%
Concert subtotal	5,217,531	98.80%	100.00%	5,205,446	98.57%	100.00%	4,897,060	71.26%	95.83%
Sofil/Lactalis Group[(c)]							61,851	0.90%	1.21%
Other shareholders							241,332	3.51%	2.96%
Public subtotal							303,183	4.41%	4.20%
Treasury shares	**63,332**	**1.20%**	**0.00%**	**75,417**	**1.43%**	**0.00%**	**80,620**	**1.17%**	**0.00%**
Sofico							**1,591,472**	**23.16%**	**0.00%**
Total	**5,280,063**	**100%**	**100%**	**5,280,863**	**100%**	**100%**	**6,872,335**	**100%**	**100%**

(a) Entity controlled at the highest level by the Fiévet-Bel family.
(b) Signatories of the Unibel shareholders' agreement which came into force on September 19, 2013, and the companies other than Unibel that they control.
(c) Entity controlled at the highest level by the Besnier family and not represented on the Board of Directors.

6.1.2 Share capital

Balance at December 31, 2023

The amount of share capital subscribed and fully paid up was €7,921,294.50 at December 31, 2023. It is divided into 5,280,863 shares with a par value of €1.50.

Each share confers the right to ownership in the Company's assets, a share in the profits, and in the liquidation surplus proportional to the percentage of share capital that it represents.

Equity securities, non-equity shares, options

At December 31, 2023, there were no equity securities, non-equity shares, or options. Information on bonus share award programs in place is detailed in section 6.2.3 "Stock options/ performance shares."

Delegations and authorizations granted by the Annual General Meeting to the Board of Directors (in accordance with Article L. 225-100 of the French Commercial Code) currently valid or terminated during the year

Date of the AGM	Purpose of the delegation	Authorized maximum nominal amount or number of shares	Delegation duration and/or end date	Date and terms of use by the Board of Directors
May 14, 2020	Authorization to be given to the Board of Directors to grant bonus shares already existing and/or to be issued by the Company for personnel and/or certain corporate officers of the Company and related companies.	30,000 shares	38 months, i.e. up to July 13, 2023	
May 11, 2021	Authorization to be given to the Board of Directors to cancel the shares purchased by the Company in accordance with Article L. 22-10-62 of the French Commercial Code.		24 months, i.e. up to May 10, 2023	
May 12, 2022	Delegation to be given to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities granting access to capital, without subscription rights, in favor of employees who are members of a Company savings scheme in application of Article L. 3332-18 et seq. of the French Labor Code.	The maximum nominal amount of share capital increases may not exceed 1% of the share capital at the date on which the decision to increase the share capital was made	26 months, i.e. up to July 11, 2024	
May 12, 2022	Delegation to be given to split the nominal value of the shares according to the suspensive condition that the Board of Directors decides for the principle of the share capital increase in favor of employees who are members of a savings scheme under the thirteenth resolution of this Annual General Meeting and, if necessary, delegates its implementation to the Chief Executive Officer		26 months, i.e. up to July 11, 2024	
November 24, 2023	Delegation to be given to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities granting access to capital, without subscription rights, in favor of employees who are members of a Company savings scheme in application of Article L. 3332-18 et seq. of the French Labor Code	3%	26 months, i.e. up to January 23, 2026	
November 24, 2023	Delegation to be given to the Board of Directors to enable an increase in share capital for the benefit of beneficiary categories, without subscription rights	1%	18 months, i.e. up to May 23, 2025	

Date of the AGM	Purpose of the delegation	Authorized maximum nominal amount or number of shares	Delegation duration and/or end date	Date and terms of use by the Board of Directors
November 24, 2023	Delegation to be given to split the nominal value of the shares according to the suspensive condition that the Board of Directors decides for the principle of the share capital increase under the first and second resolution of this Annual General Meeting and, if necessary, delegates its implementation to the Chief Executive Officer		26 months, i.e. up to January 23, 2026	
November 24, 2023	Authorization to be given to the Board of Directors to freely grant shares to personnel and/or certain corporate officers.	1%	38 months, i.e. to January 24, 2027	

Changes in the share capital over the last five years

Date	Type of transaction	Number of shares created or canceled	Variation of nominal capital *(in euros)*	Reserves	Nominal capital following transaction *(in euros)*	Number of shares
01/01/2016	Starting position	–	–	–	10,308,502.50	6,872,335
12/31/2023	Final position	–	–	–	7,921,294.50	5,280,863

Changes to shareholders' rights

As the Articles of Association do not set out any specific provisions, any change in rights attached to securities making up the share capital is governed by legal requirements.

Annual General Meetings – Meeting notification method – Terms of admission and conditions for exercising voting rights

Meeting notification methods, terms of admission and conditions for exercising voting rights for the Annual General Meetings are governed by law and Articles 20 and 21 of the Company's Articles of Association, and read as follows:

- Ordinary and Extraordinary General Meetings are made up of all shareholders, regardless of the number of shares they hold;
- the Ordinary Annual General Meeting meets at least once a year in the half-year following the closure of each financial year, subject to the extension of this deadline by adjudication;
- Extraordinary General Meetings or Ordinary General Meetings convened extraordinarily may meet during the year;
- Annual General Meetings take place at the head office or in any other location indicated in the Notice of Meeting;
- The agenda is approved by the party issuing the notice, subject to the exceptions provided for by law. Only items on the agenda may be discussed, except for circumstances permitted by law concerning the removal of Directors and their replacement;
- All shareholders may also vote by mail in accordance with applicable laws and regulations.

If unable to attend the Annual General Meeting in person, any shareholder may participate either by:

- voting by mail; or
- designating a representative of his or her choice, such as the Chairman, the shareholder's spouse or civil partner, another shareholder or any other person (individual or legal entity), under the terms and conditions set forth in the legal and regulatory provisions in force, even without appointing a proxy.

If power of representation is given by a shareholder without indicating a specific proxy, the Chairman of the Annual General Meeting shall vote in favor of adopting draft resolutions presented or approved by the Board of Directors and shall vote against adopting any other draft resolutions.

The forms for designating a proxy and voting by mail are drawn up and made available to shareholders pursuant to applicable legislation.

6.1.3 Voting rights

On December 2, 1935, the Extraordinary General Meeting instituted double voting rights.

In accordance with Article 24 of the Articles of Association, a voting right that is double that which is conferred on bearer shares in respect of the proportion of share capital they represent is granted to fully paid-up shares having proof of being registered under the same shareholder for at least four years.

The double voting right automatically ceases for any share that is converted to bearer form or transferred. However, transfer following inheritance, liquidation of marital property between spouses, or inter vivos donations for a spouse or relative entitled to inherit shall not interrupt the aforementioned four-year time frame and the acquired rights shall be retained.

Furthermore, in the event of a share capital increase by capitalization of reserves, profits or share premiums, the double voting right may be conferred, as from their issue, to registered shares granted freely to a shareholder in connection with old shares that received this right.

The double voting right may be removed by a decision of the Extraordinary General Meeting after approval by the Special Meeting of Beneficiary Shareholders.

In the event of the division of share ownership, the voting rights attached to the shares belong to the bare owner, with the exception of decisions relating to the allocation of profits, which fall to the beneficial owner.

6.1.4 Stock options – Performance shares

To date, the Group has never used stock options.

However, bonus issue plans under performance conditions have been implemented since 2007. Beneficiaries of Bel's first 12 plans have been able to sell the shares they were awarded.

A plan has been put in place each year, except 2021, since 2007. The following table summarizes the plans affecting 2023.

Bel bonus issue plans

Plan No.	14	15	16	17
Status	**Closed**	**In progress**	**In progress**	**In progress**
AGM authorization	05/22/2019	05/12/2022	05/12/2022	05/12/2022
Award date	03/11/2020	05/12/2022	05/12/2022	03/15/2023
Vesting date	03/21/2023	05/13/2024	05/13/2025	03/25/2026
Availability date	03/21/2023	05/13/2024	05/13/2025	03/25/2026
Number of securities attributed	14,748	15,324 (b)	18,430 (b)	18,556 (b)
Number of securities transferred (transferable)	(12,085)	(13,143)	(15,984)	(17,842)
Number of employee beneficiaries	87	81 (a)	90 (a)	102 (a)

(a) Subject to continuous service and performance conditions.
(b) Plan only in shares.

After taking into account known results and departures, a total of 46,969 existing shares could still be awarded under the plans underway at December 31, 2023. At December 31, 2023, employees held no stake in Bel's share capital within the meaning of article L. 225-102 of the French Commercial Code.

Following the delisting, Unibel provided each beneficiary with a promise to purchase the shares awarded under plan 14.

6.1.5 Share buyback program: report and description

Report on share buyback programs

No share buyback operations took place in 2023.

No. of treasury shares at December 31, 2023

Number of shares held in treasury	63,332
% of share capital held in treasury	1.20%
Net carrying value	€19,567 thousand
Par value (€1.50 per share)	€94.9 thousand

Objectives of share capital held on February 29, 2024

Number of shares held directly and indirectly: 63,332, representing 1.20% of the share capital.

Number of shares held broken down by objective

Supporting the stock price via a liquidity contract	None
Acquisition	None

7

Additional information

7.1 > Information on the Company

Corporate name, trade name and acronym

Bel

This name may or may not be followed by the reference: The Laughing Cow.

Acronym: Bel SA

Commercial name: The Laughing Cow – FBSA

Place of registration and registration number

Company register number and place: 542 088 067 Nanterre

NAF/APE code: 1051 C – Cheese making

Legal entity identifier (LEI)

Legal entity identifier (LEI): 5493005GNGE7UFJCIL03

Date of incorporation and duration

Date of incorporation: November 16, 1922.

Date of expiration: December 31, 2040, except for early dissolution or continuance decided by the Extraordinary General Meeting.

Registered office, legal form and applicable legislation

Registered office: 2, allée de Longchamp – 92150 Suresnes

Telephone: +33 1 84 02 72 50

Legal form: limited liability company with Board of Directors

Bel is a limited liability company (société anonyme) under French law, subject to all of the texts governing commercial companies in France, and in particular to the provisions established by the French Commercial Code and to the provisions of its Articles of Association.

Financial year

January 1 to December 31 of each year.

Company purpose

(Excerpt from the Articles of Association – Article 2)

The purpose of the Company, in all countries, is to:

- sell, manufacture and process any types of dairy products, their derivatives and their components;
- sell, manufacture and process any types of food products, their derivatives and their components;
- perform any financial operations such as acquiring, managing, and in some cases reselling all types of equity stakes in French or foreign companies;
- build, purchase, sell, lease, transform and appropriate any buildings and premises necessary for operations;
- study, create, take over, purchase, lease, use or represent any patents, manufacturing processes or brands;
- take a stake in any company or companies whose purpose is to manufacture and sell any type of chemicals.

In general, any industrial, commercial, financial, stock and real estate transactions that may be related directly or indirectly to the Company purpose or likely to foster its development, such as the dissemination or sale of objects of an advertising nature or intended to promote sales.

This may be done, in any direct or indirect way, by any means deemed appropriate, with no restriction as intermediary or by intervention and, in particular, by designing and founding new companies or taking stakes in any existing firms in the form of shareholdings, granting of licenses, or through subscriptions or purchases of securities, shares and ownership interests, or by merging or taking over any companies.

Condition, establishment and distribution of profits

(Excerpt from the Articles of Association – Article 26)

If the distributable profits determined in accordance with the law and established at the Ordinary Annual General Meeting after approval of the financial statements are sufficient, the Annual General Meeting may decide to assign them to one or several reserve positions (for which it determines the assignment or use), to carry them forward or to distribute them to shareholders as a dividend.

The Annual General Meeting may grant each shareholder the choice between payment in cash and/or in shares, for all or part of the dividend to be distributed or for an interim dividend.

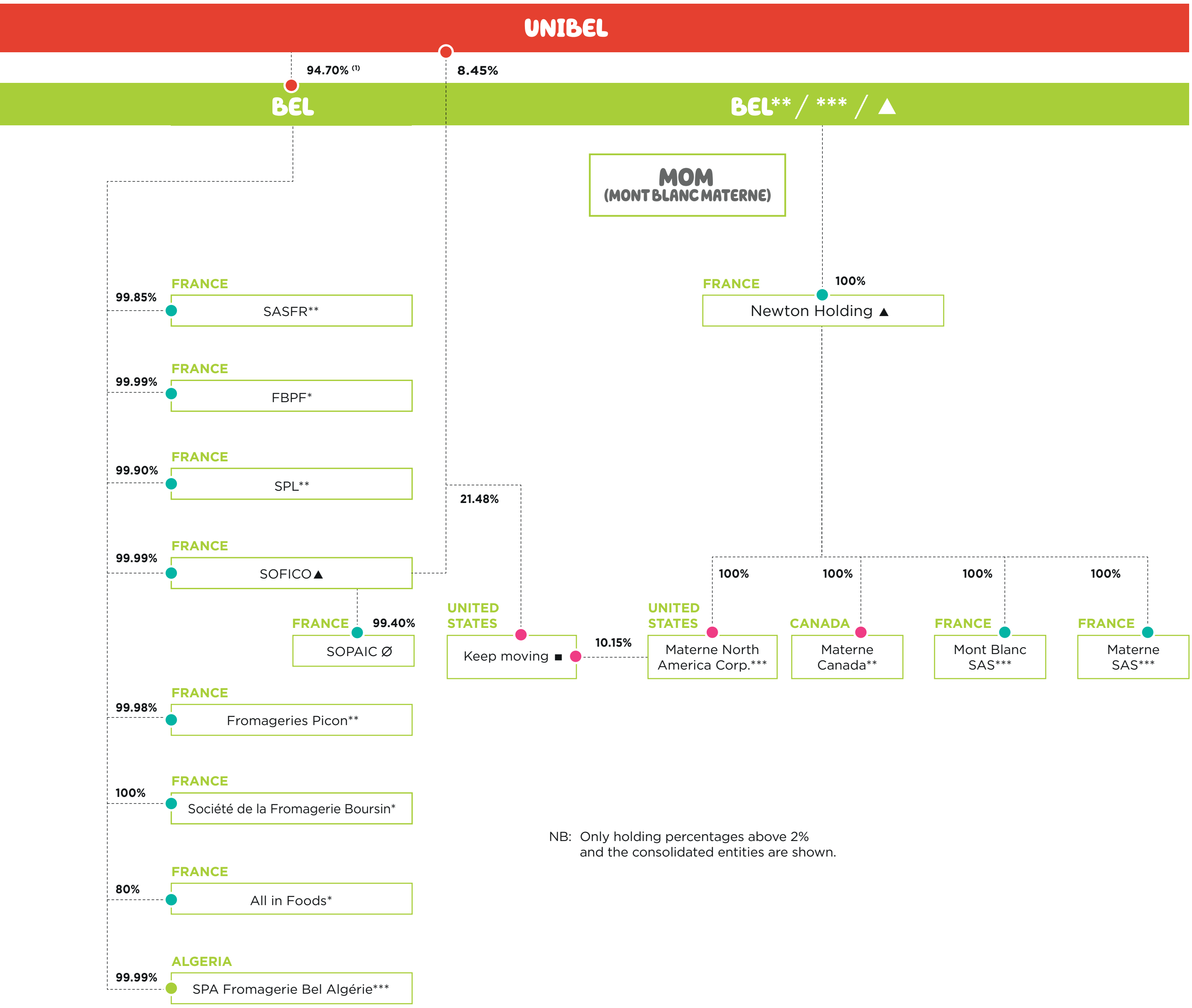
The Meeting may also withdraw all amounts on the reserve funds at its disposal in order to distribute them to shareholders, indicating expressly the positions on which the withdrawals are made. However, dividends are drawn first from distributable profits of the financial year.

7.2 > Information on subsidiaries and interests

UNIBEL

- FRANCE — **BEL**
  - UNITED KINGDOM — Bel UK** — 100%
  - GERMANY — Bel Brands Deutschland** — 100%
  - ITALY — Bel Italia Company** — 100%
  - SPAIN — Grupo Fromageries Bel España, SL*** — 100%
    - PORTUGAL — Fromageries Bel Portugal*** — 100%
  - BELGIUM — Bel Belgium** — 99.88%
  - SWITZERLAND — Bel Suisse** — 100%
  - THE NETHERLANDS — BEL Nederland** — 100%
  - GREECE — Fromageries Bel Hellas**** — 100%
  - SWEDEN — Bel Nordic AB** — 100%
  - POLAND — Bel Polska*** — 100%
  - CZECH REPUBLIC — Bel Syry Cesko*** — 100%
  - SLOVAKIA — Syraren Bel Slovensko AS*** — 99.91%
  - CANADA — Bel Canada Group*** — 100%
  - UNITED STATES — Bel Brands USA*** — 100%
    - UNITED STATES — Bel USA*** — 100%
  - MEXICO — Quesos Bel Mexico Ø — 100%
  - SOUTH AFRICA — Bel South Africa (PTY) LTD** — 100%
  - SENEGAL — Bel Sénégal** — 100%
  - MOROCCO — Fromageries Bel Maroc*** — 66.07%
  - MOROCCO — SIEPF*** — 99.99%
  - CÔTE D'IVOIRE — Fromageries Bel Côte d'Ivoire*** — 100%
  - TURKEY — Bel Karper Gida Sanayi AS*** — 100%
  - EGYPT — Bel Egypt Expansion For cheese production*** — 99.17%
    - EGYPT — Bel Egypt Distribution** — 99.86%
  - IRAN — Bel Rouzaneh Dairy Products Company*** — 99.99%
  - CHINA — Zhejiang Renzhichu Health Industry Co., Ltd. ■ — 13.44%
  - CHINA — Bei Lao Zi (Shanghai) Food Trading Co Ltd**** — 100%
  - CHINA — Shandong Junjun Cheese Co., Ltd.*** — 70%
  - JAPAN — Bel Japon*** — 100%
  - SOUTH KOREA — Bel Korea** — 100%
  - INDIA — Fromageries Bel India Pvt. Ltd** — 99.99%
  - INDIA — Britannia Bel Foods Private Ltd*** — 49%
  - VIETNAM — Bel Vietnam*** — 100%
  - SINGAPORE — Bel Hub Asia**** — 100%
- FRANCE — Vegehub ■ — 44.44%
- LEBANON — Biomass ■ — 35.80%
- UNITED STATES — Keep moving Gutzy — 21.48%
- UNITED STATES — Barfresh Food Group — 15.18%
- UNITED STATES — Foodsmart — 3.58%

NB: Only holding percentages above 2% and the consolidated entities are shown.



NB: Only holding percentages above 2% and the consolidated entities are shown.

* Production activity
** Marketing activity
*** Production and marketing activity
**** Administrative services
▲ Holding company
Ø No activity in 2023
■ Acquisition of a stake / diversification

● Europe
● The Americas
● Asia-Pacific
● Middle East / Greater Africa

(1) 95.71% excluding treasury shares.

NB: Regarding AIF, the level of control is 80%, and the percentage shareholding for the purposes of the consolidated financial statements is 100%.

7.3 > Material contracts

Contracts concluded by the Company and its subsidiaries in the ordinary course of business are not included below.

On March 12, 2020, Bel purchased an 80% stake in the company All In Foods, which manufactures and markets plant-based cheese alternatives. A liquidity facility may enable Bel to acquire 100% of the company's share capital by 2024.

On July 8, 2022, Bel acquired a 70% stake in the Chinese company Shandong Junjun Cheese Co, Ltd. Bel benefits from an exclusive call option exercisable for a period of three years from July 8, 2022 to acquire the remaining share capital of this company.

On November 29, 2022, Bel acquired a 49% stake in BDPL (Britannia Dairy Private Limited), a wholly-owned subsidiary of Britannia, India's leading agri-food company. Bel and Britannia have also entered into a joint venture to accelerate the growth of India's immature cheese market.

For more information, see Note 6 in section 5.5.1 "Consolidated Financial Statements" on the total commitments recorded at December 31, 2023.

Information on the existing service contract between Unibel and Bel is provided in section 4.3.2 "Related Parties."

7.4 > Documents available

Group information is available on the corporate website www.groupe-bel.com, under the Finance heading.

The Articles of Association, minutes of the Annual General Meetings, Statutory Auditors' Reports and other corporate documents may be consulted at the Company's registered office at the secretariat of the Board of Directors, at 2, allée de Longchamp 92150 Suresnes, France.

2, allée de Longchamp
92150 Suresnes
French limited company
(société anonyme)
with share capital of €7,921,294.50
Nanterre Trade and Companies
Register 542 088 067
APE/NAF code: 1 051C

Follow Bel news at

@groupe-bel.com

@belcorporate

Bel

Bel Group

Photo credits
@bel - All rights reserved - Jimmy Delpire
Amélie Marzouk - Mary-Lou Mauricio
Marie-Laure Eychenne - Adobe stock
Getty images: zhuang wang - Mint images
Compassionate Eye Foundation/Hero Images
Roman Mykhalchuk - ZenShui/Yves Regaldi
Valerii Apetroaiei - Tina Terras & Michael Walter
Walter Bibikow - Cavan Images.

Design and production: HAVAS Paris