



BEL
CSR PROGRAM

2022 COMMUNICATION
ON PROGRESS



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ABOUT THIS DOCUMENT

This document outlines the Bel Group's Social Responsibility approach and the resulting actions they will take for value creation in the short-, medium- and long-term. In particular, it outlines the progress made toward better integrating the principles of the United Nations Global Compact, of which the Bel Group has been a participant since 2003.

The published data in this document covers all Bel's entities and subsidiaries, as consolidated in its Annual Financial Report. It covers the period from January 1 to December 31, 2022 and is a snapshot of the data as at December 31, 2022.

If historical data is available, it is provided for the last three financial years in order to give the reader an overview of the Group's progress. With regard to environmental data, Bel believes that looking at data from a longer time span better reflects the progress made. For this data, the reference year is 2008.

WHERE TO FIND INFORMATION?

To provide more information on certain subjects, this report refers to the Group's 2022 Universal Registration Document (available on its website at www.groupe-bel.com).

This document is available on the Group's website at www.groupe-bel.com, as well as on the Global Compact website at: www.unglobalcompact.org

STATEMENT OF SUPPORT FOR THE UNITED NATIONS GLOBAL COMPACT



**ANTOINE
FIÉVET**
Chairman
at Bel Group

Bel joined the United Nations Global Compact twenty years ago, demonstrating the permanence of its values and the strength of its commitments.

This year marks 20 years since Bel opted to join the United Nations Global Compact. Our family group thus demonstrates the lasting nature of its values and its willingness to act in respect of the fundamental principles of the UN Global Compact, such as human rights, international labor standards, protection of the environment and the fight against corruption. For five generations, the Bel Group has built itself on placing these principles at the heart of its activities.

The fragile economic, social and environmental landscape that we are experiencing throughout the world demonstrates on a daily basis the importance of maintaining a long-term vision to construct sustainable business models. At Bel, we believe that responsibility and profitability go hand-in-hand to ensure the sustainability of our business and the fulfillment of our mission: to champion healthier and responsible food for all.

This mission is embedded in a number of drivers, implemented throughout the entire food chain: promoting sustainable and regenerative agriculture, contributing to healthier food, fighting climate change and reducing our environmental footprint, creating sustainable portions and fighting food waste, and improving the accessibility and affordability of our products.

This Advanced-Level Progress Report reflects the high standards that we have set to meet these challenges. Here you will find the short-, medium- and long-term commitments we have made in each field of action, along with the results.

In 2023, we are actively continuing our efforts in this direction. With our 10,800 employees worldwide and our ecosystem of producers, partners, retailers and consumers, we are taking collective action to ensure the transition of food models. Our governance choices enable us to bolster the strengths of our family model while pursuing our growth and innovation strategy within our three complementary areas: dairy, fruit and plant-based.

Thanks to these efforts, to our commitments and to the action of all, we are contributing to the food of tomorrow, food that is accessible and affordable for as many people as possible and that protects our planet.

The Bel group in 2022

5

generations of family
management

3 values:
**DARE
CARE
COMMIT**



Nearly
10,800
employees



6,730⁽¹⁾
suppliers



Nearly **1,200**
dairy producers



126
countries
of sale



29
production
sites



56
subsidiaries
in 32 countries



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



99/100⁽²⁾
on the gender
equality index



Le Cercle de l'Excellence RH
"CODIR ACTIVISTE"
Trophy



BELWCARBON
Project of the Year 2022 Award
and Innovation Category Winner
at the Digital Finance Awards



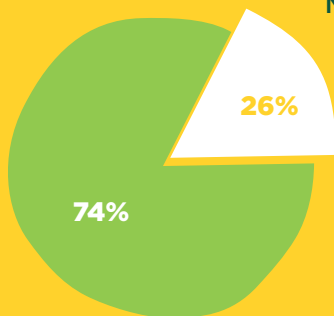
78.3%
of children's and
family products
have positive recipes

(1) With annual revenue over €10,000.
(2) Bel (cheese business only).

OUR MARKETS

€2,654M

Mature Markets
Europe, Near and Middle East, North Africa, North America



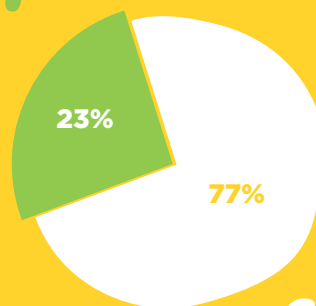
€941M

New Territories
MOM, Sub-Saharan Africa, China

OUR PRODUCTS

€826M

Fruit- and plant-based products



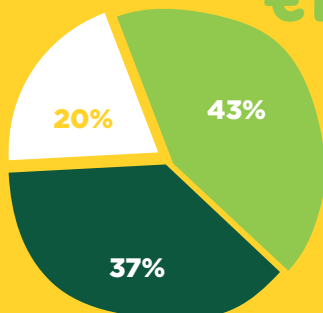
€2,767M

Dairy products

OUR GROWTH AREAS

€707M

Middle East, Greater Africa



€1,542M

Europe

€1,347M

The Americas, Asia-Pacific

€3,593M

REVENUE IN 2022



**OUR
FY2022**



February

A NEW CARBON GOAL

The Bel group announces that it is raising its carbon reduction target in order to help limit global warming to below +1.5°C. This commitment will entail a net reduction of one-quarter of Bel's greenhouse gas emissions across its entire value chain between 2017 and 2035, in addition to making carbon part of its toolkit for operations management.

A SURGE OF SOLIDARITY WITH UKRAINE FROM ITS EMPLOYEES

The Bel group and the Bel Foundation rally to help the Ukrainian people. Donations of goods and emergency equipment are arranged, and the Foundation provides support to its partner associations and to initiatives led by neighboring Bel subsidiaries.

May

BEL BUYS THE REMAINING EQUITY OF MOM

The Bel group, which already holds 82.5% of the capital of Mont Blanc-Materne (MOM), announces the purchase of the balance of the capital. This transaction is part of the Bel group's long-term growth strategy to become the standard-bearer for healthy eating in portions of dairy, fruit and vegetables available for all.

CÉCILE BÉLIOT IS APPOINTED CHIEF EXECUTIVE OFFICER

The Group's Board of Directors appoints Cécile Béliot as Chief Executive Officer and reappoints Antoine Fiévet as Chairman of the Board.



October

10 YEARS OF PARTNERSHIP WITH WWF FRANCE

Bel and WWF France celebrate 10 years of partnership, aimed at pivoting towards a more sustainable food model. To mark the occasion, they announce the renewal of the partnership for the fourth time and strengthen their actions through four ambitious areas of work: sustainable and regenerative agriculture, the preservation of biodiversity, the protection of forests and natural ecosystems, and consumer engagement, notably with a campaign to raise awareness of biodiversity conducted jointly by WWF France and the Kiri® brand.

October

ESTABLISHMENT OF A SUSTAINABILITY-LINKED FINANCING FRAMEWORK

Bel confirms the importance of CSR at the heart of its financing strategy through the implementation of a Sustainability-Linked Financing Framework. On this occasion, the Bel group also announces the successful refinancing of its main credit line, including three of the framework's CSR objectives.



FOR MATERNE, 2022 IS ITS CENTENNIAL. THE BRAND CELEBRATES THIS ANNIVERSARY WITH AN ADVERTISING CAMPAIGN ABOUT ITS 100 YEARS OF CARE AND CLOSES THE YEAR WITH AN OPEN-HOUSE EVENT AT THE BOUÉ PLANT.

July

SUPERBREWED FOOD

SIGNATURE OF AN EXCLUSIVE STRATEGIC PARTNERSHIP WITH SUPERBREWED FOOD

The Group announces a strategic collaboration with the start-up Superbrewed Food to develop cheese products incorporating Superbrewed proteins derived from biomass fermentation. The objective of the Bel group is to develop an entire line of cheeses with this ingredient and to be able to offer these new products to consumers very soon.



August

MAJORITY OWNERSHIP ACQUISITION IN CHINA

Bel acquires a majority stake in the Chinese company Shandong JunJun Cheese Co., Ltd to accelerate the Group's growth ambitions with state-of-the-art manufacturing and innovation capabilities in China.



November

SIXTH AGREEMENT BETWEEN BEL AND APBO PRODUCERS

For the sixth consecutive year, Bel and APBO renew their partnership and agree to raise the price of milk and promote more sustainable agricultural practices. Together, they intend to pursue their vision of low-carbon milk.

MEETING THE CHALLENGE OF PROTEINS FOR THE FUTURE WITH STANDING OVATION

Bel announces a partnership with the start-up Standing Ovation to work together to incorporate casein, the main milk protein, produced thanks to Standing Ovation's technology, into Bel's alternative cheese offerings.



November

IN INDIA, A JOINT VENTURE WITH BRITANNIA INDUSTRIES

Bel announces the creation of a joint venture with Britannia® Industries, India's leading food company, to offer Indian consumers a world-class range of nutritious, delicious and accessible cheese products. The joint venture will combine Bel group's century-old legacy and knowledge of delivering innovative and delicious cheese products under the iconic global brand The Laughing Cow® with that of Britannia's equity of trust, quality, distribution network and knowledge of the Indian market to expand the cheese industry in the country.

December

IN MOROCCO, DISPOSAL OF SAFILAIT

Bel completes the sale to the Polmlek group, Poland's leading dairy company, of the stake it held since 2015 in the Moroccan company Safilait, to allow its cheese subsidiary, Fromageries Bel Maroc, to focus on growing their historic cheese brands and their local market share.

ANIMAL-FREE DAIRY PROTEINS

Bel announces the launch, as of January 2023, of its first range of cheese alternatives containing animal-free dairy proteins, in partnership with Perfect Day in the American market.



SIGNING OF A SUSTAINABILITY-LINKED SCHULDSCHHEIN LOAN

Bel has successfully completed a loan to pursue its sustainable and profitable growth momentum in the future, for an amount equivalent to 315 million euros.

A positive business model

OUR RESOURCES

A solid family business structure

- 5th generation of family shareholders and managers

Our values

- Dare, Care, Commit

Brands known by all

- Over 30 iconic brands
- The individual portion, key to its products' uniqueness

Committed employees

- Nearly 10,800 employees worldwide and their know-how

A solid financial base

- €1,592 million in equity

An industrial base rooted in local communities

- 29 high-performance industrial sites in 15 countries

Committed partners working alongside Bel

- 1,200 farmers
- 6,730 suppliers
- Coalitions for a positive, collaboration-based dynamic: Carrefour's Food Transition Pact, the UN's Race to 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
- Electricity: 287,782 MWh

OUR AMBITION

To establish a responsible and profitable growth model



OUR FARM-TO-FORK VALUE CHAIN

OUR MISSION TO CHAMPION HEALTHIER AND RESPONSIBLE FOOD FOR ALL

FOR OUR
EMPLOYEES

FOR OUR
CONSUMERS

FOR OUR CUSTOMERS

FOR OUR
PARTNERS

FOR THE
PLANET

FOR OUR
FAMILY
SHAREHOLDERS

FOR NGOs AND
SCIENTIFIC EXPERTS

FOR OUR LOCAL
COMMUNITIES

OUR IMPACTS

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

Healthier food for all

- 72% of all products for children and families comply with the Bel Nutri+ promise
- Eight nutritional education programs for consumers set up around the world

Innovative distribution models and a presence in over 126 markets

- Bel ranks among the top three suppliers preferred by its customers in seven countries: France, Belgium, Spain, Portugal, the Netherlands, the United States and Canada

Sustainable and responsible relationships throughout the value chain

- Its partners' average EcoVadis score: 54.6/100 for Dairy, 61.4/100 for Fruit

An ambitious climate goal to help limit global warming to below + 1.5°C

- Net reduction of 1/4 of greenhouse gas emissions across its value chain by 2035 (as compared to 2017, controlling for growth)

A sustainable growth model creating long-term value

Our shared experience and knowledge

- 10 years of partnering with WWF France

A solid local presence

- Taxes representing 33.4% ⁽¹⁾ of income, paid in 26 countries
- Economic and social support for communities



(1) Excluding non-recurring transactions.

A positive business model

Bel, 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 providing everyone with access to healthier and more sustainable food.

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 with a new food model that positively impacts its ecosystem and creates value for all its stakeholders.

An ambition driven by various levels of indicators

Throughout Bel's history, responsibility has been at the heart of its activities. Bel is committed to a performance that creates value for all the stakeholders with whom it works and interacts.

More recently, in 2020, Bel chose to combine responsibility and profitability as levers for its growth model. Bel is convinced that these two dimensions, responsibility and profitability, are mutually enriching.

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. This overall performance is measured by financial and non-financial indicators to which Bel has chosen to link its results.

In 2022, in order to more quickly operationalize its CSR commitments and facilitate their monitoring, Bel organized its ecosystem of CSR indicators according to targets and their expected monitoring frequency.

Starting with the indicators published in its Non-Financial Performance Declaration (NFPD), which presents the progress of all of its CSR commitments, Bel has selected a limited number of strategic indicators, which are intended to be known by everyone and used at all levels of the organization. These strategic indicators enable the straightforward and regular measurement of our product offering's transformation with regard to the key issues of the environmental footprint, recipes and packaging.

The strategic indicators are intended to be monitored on 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.

Finally, in 2022, the Group will publish its Positive Impact Index to report on its ability to deliver on its corporate mission and have a positive impact on its ecosystem. A pioneer in the food sector, this single-score index is based on existing indicators and makes it possible to report on Bel's progress toward its 2035 objectives to its key stakeholders.

2022 Positive Impact Index

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.



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 2022, 10 out of 12 studies place the Group in the Top 5, achieving 83% of its objective.



ENVIRONMENTAL FOOTPRINT

By committing to a 25% reduction in CO₂ 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 emit a maximum of 4.4 million metric tons of CO₂ throughout the value chain. In 2021⁽²⁾, the Group's emissions totaled 4.4 million metric tons of CO₂, i.e. 100% of the objective.



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 2022, the Group achieved 61% of its objective.



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 2022, the Group has reached 401 million, achieving 90% of its objective.



COMMITTED EMPLOYEES

By measuring employees' commitment to the Group's mission and values, Bel's goal 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 2022, the Group is at 76%, or 99% of its objective.



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 2021 performance can be presented.

A positive business model

Our leverage for accelerating the food-model transition

Corporate Social Responsibility (CSR) is an integral part of the Group's mission and is at the heart of its strategic plan. It is driven forward by the Executive Committee and implemented in the road maps of the brands and countries. In this way, every decision and action can be scrutinized through a CSR filter.

From farm to fork, Bel is committed to a performance that creates value for all the stakeholders with whom it works and interacts. 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 its Sustainable Development Goals (SDG); and the G4 Guidelines of the Global Reporting Initiative (see Appendix 3).

The selection of non-financial risks and opportunities presented in this Non-Financial Performance Declaration is founded:

• first, on the Group's risk management approach. Several non-financial risks were deemed significant:

- Risk related to corruption, human rights abuses and tax avoidance,
- Risk related to supplier dependency and the priority challenge to promote sustainable agriculture,
- Quality, food safety and product regulation risks
- Risks of environmental impact from Bel's direct and indirect operations and the priority challenge of committing to responsible packaging,
- Risks related to the sustainability of natural resources and climate change;

• second, on its updated materiality analysis conducted in 2018 on a panel of internal and external stakeholders representing the diversity of the Group's ecosystem.

The analysis was reviewed in conjunction with the Risk Management Department in 2022 without identifying any new risks. A redesign of the matrix is planned for 2023 in conjunction with the preparation of the CSRD. The combined analysis of non-financial risks and the results of the materiality analysis thereby:

- confirmed the relevance of the Group's long-standing commitments to conducting its business ethically (see section 1.2 "Ethics: a common foundation for conducting business") and to developing a model that creates value for all its stakeholders, especially its employees and consumers (see section 2 "A model that creates value for all its stakeholders");
- highlighted the priority levers for future action by the Group, which are reflected in its new identity, *For All. For Good.*

This combined analysis is summarized and presented in the table "Our main non-financial challenges and their performance monitoring".

For each of its six priority challenges (see section 9 "CSR Scorecard"), the Group has set quantified targets that will guide its actions so these targets can be met by 2025. These six challenges form the basis of its actions and its continuous improvement program to make its brands ever more innovative and responsible, from farm to fork.

Our main non-financial challenges and their performance monitoring

Challenge	Risks	Scorecard indicators	SDGs*
A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS			
Building a sustainable future with its employees	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Zero accidents^(a) Share of women in Top management Annual training for every employee Employee commitment 	
Promoting responsible practices with its suppliers	<ul style="list-style-type: none"> Risks of labor and environmental abuses via the value chain 	<ul style="list-style-type: none"> Average EcoVadis supplier rating 	
Being a key and committed partner for its customers	<ul style="list-style-type: none"> Risks related to market penetration and consumer expectations 	<ul style="list-style-type: none"> Strategic customer alignment 	
Developing positive products and responsible communication with consumers	<ul style="list-style-type: none"> Risks related to image and reputation 	<ul style="list-style-type: none"> "Positive" products 	
Promoting responsible financing practices among investors	<ul style="list-style-type: none"> Risks related to access to financing 	<ul style="list-style-type: none"> Financing indexed to CSR indicators 	
CONTRIBUTING TO HEALTHIER FOOD			
Offering high quality, safe and healthy products		<ul style="list-style-type: none"> "Positive" recipes Bel Nutri + Naturalness (0 & 1E) 	
Improving the nutritional quality of products	<ul style="list-style-type: none"> Risks related to product quality and consumer health 		
Promoting better eating habits and encouraging healthier lifestyles		<ul style="list-style-type: none"> Educanut 	
PROMOTING SUSTAINABLE AND REGENERATIVE AGRICULTURE			
Taking action for a sustainable dairy upstream	<ul style="list-style-type: none"> Risks related to animal husbandry and farming practices 	<ul style="list-style-type: none"> Innovative social models Animal welfare Carbon diagnostics on the farm 	
Using plant-based raw materials within strict limits	<ul style="list-style-type: none"> Risks of labor and environmental abuses via the value chain 	<ul style="list-style-type: none"> Responsible procurement 	
Delivering the goodness of fruits			
DESIGNING RESPONSIBLE PACKAGING AND FIGHTING FOOD WASTE			
Fighting food waste	<ul style="list-style-type: none"> Risks related to food waste Risks related to the sustainability of natural resources and climate change 	<ul style="list-style-type: none"> Rate of food loss and waste in our operations^(b) 	
Eco-designing its packaging and using more sustainable materials	<ul style="list-style-type: none"> Risks of environmental and regulatory impact of packaging 	<ul style="list-style-type: none"> Packaging that is recyclable and/or home compostable 	
Encouraging and facilitating the recycling of products		<ul style="list-style-type: none"> Packaging that is recyclable and/or home compostable 	
FIGHTING AGAINST CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT			
Fighting against climate change	<ul style="list-style-type: none"> Risks related to the sustainability of natural resources and climate change 	<ul style="list-style-type: none"> Greenhouse gas emissions (GHG) Scopes 1 and 2^(a) GHG emissions Scopes 1, 2 & 3 Zero deforestation 	
Using water sustainably	<ul style="list-style-type: none"> Risks related to water scarcity and quality 	<ul style="list-style-type: none"> Water consumption^(a) 	
IMPROVING THE ACCESSIBILITY AND AFFORDABILITY OF ITS PRODUCTS			
Helping to make its offering accessible to as many consumers as possible	<ul style="list-style-type: none"> Risks related to changing consumer expectations 	<ul style="list-style-type: none"> For all consumers 	
Improving the accessibility of its products in new regions by developing innovative and socially inclusive distribution models	<ul style="list-style-type: none"> Risks related to consumer purchasing power 	<ul style="list-style-type: none"> Inclusive Business programs (<i>Sharing Cities & Inaya</i>) 	

(a) Indicators considered in the Statutory Auditors' reasonable assurance report on selected social and environmental indicators, presented in Appendix 3.17 of the Universal Registration Document (URD).

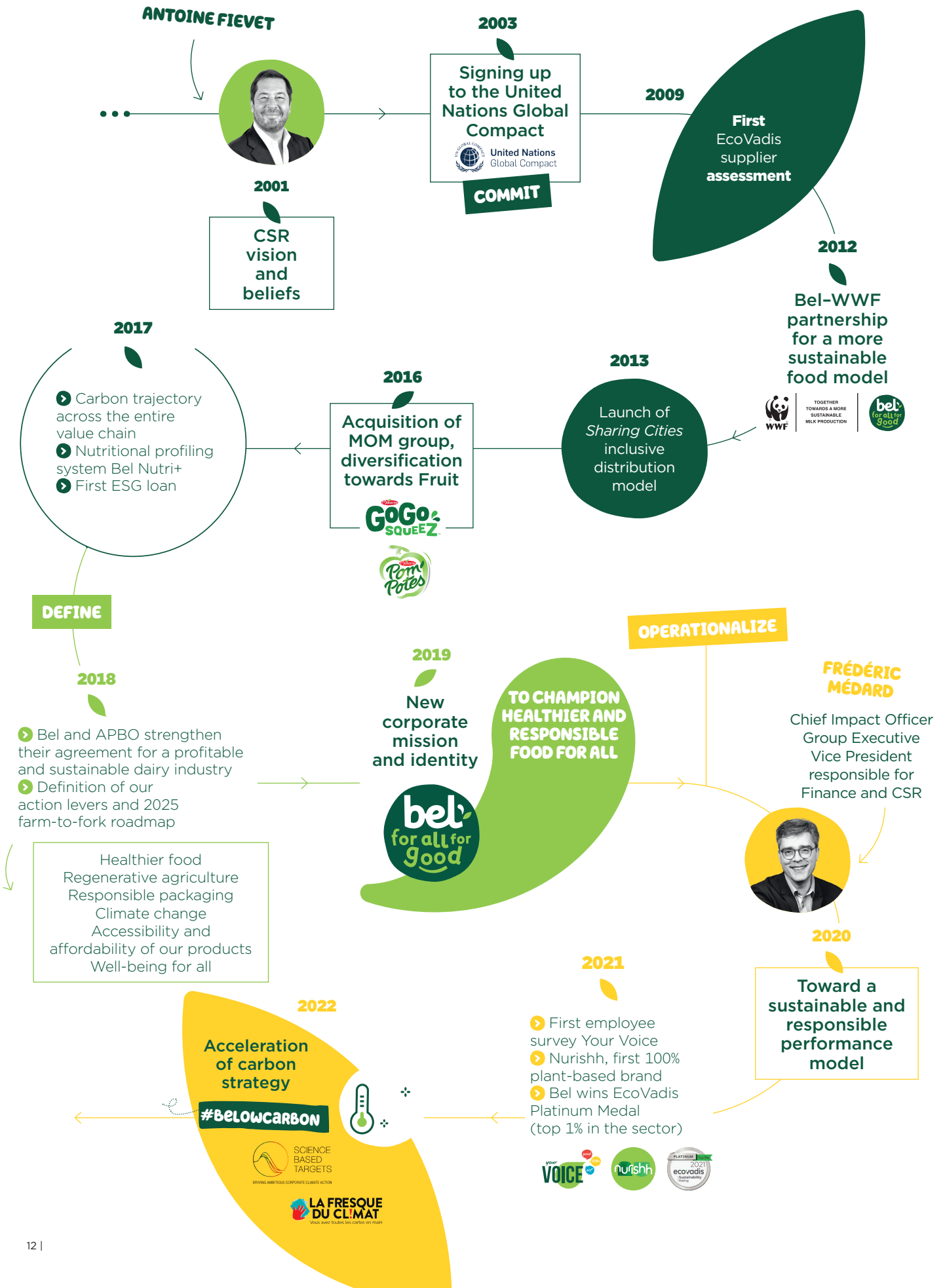
(b) Excluding CSR Scorecard.

* Contribution to the UN's Sustainable Development Goals (SDGs)

The following issues, although not identified in the materiality analysis, have been addressed in this report:

- promoting physical activity and sports (see section 3.3 "Promoting better eating habits and encouraging healthier lifestyles");
- establishing collective bargaining agreements within the Company (see section 2.1.5 "Promoting a positive dialog").

Responsibility at the heart of our business model for over 20 years





BEL: A GROWTH MODEL TO CHAMPION HEALTHIER AND RESPONSIBLE FOOD FOR ALL

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1.1 | GOVERNANCE OF CSR ISSUES AT EVERY LEVELS OF THE COMPANY

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’s structure facilitates the consideration of CSR challenges at all levels, from management bodies to operational employees.

The Group has chosen to combine responsibility and performance and to measure the overall performance of financial and non-financial indicators, based on the conviction that these two aspects are mutually reinforcing. In 2020, the Group created a department that brings together Finance and CSR, headed by the Chief Impact Officer (see page 8 “A positive business model”). This action underlines its determination to build on these two equally important pillars and thus ensure the sustainability of its activities and ecosystems.

In addition to managing the financial and non-financial aspects of performance, this governance embodies the responsibility to act for a more sustainable model that respects people and the planet.

THE BOARD OF DIRECTORS AS THE COMMITMENT WATCHDOG

The Group’s Board of Directors makes all decisions about the Group’s strategic, economic, social, environmental, financial and industrial objectives, and ensures that they are implemented by Executive management. Two one-day sessions dedicated to CSR were organized for the Board of Directors in 2021, followed up by regular meetings on the subject in 2022.

THE EXECUTIVE COMMITTEE

The Executive Committee, headed up by the Chief Executive Officer and comprising all the key corporate functions, promotes the Group’s sustainable growth model. In 2022, the Executive Committee met regularly to define and validate the major strategic orientations to which the Group is committed over the long-term.

THE ETHICS AND COMPLIANCE COMMITTEE

The Ethics and Compliance Committee is responsible for assessing and overseeing compliance policies. It receives assistance from an Ethics Coordinator and reports on its work to the Group Audit Committee.

THE CSR OPERATIONAL COMMITTEE AS THE PROMOTER OF STRATEGIC CSR PRIORITIES

To support the roll-out of this ambitious plan, Bel also has a CSR Operational Committee that includes several members of the Executive Committee, as well as the heads of the main business lines. This committee meets five times per year. The objectives of this committee’s meetings are to validate the CSR policies in line with the Group’s strategic decisions and commitments and to monitor the CSR scorecard and changes in the performance indicators.

THE INVESTMENT COMMITTEE AS THE GUARANTOR OF SUSTAINABLE GROWTH

The Investment Committee, which reports to the Chief Executive Officer, is responsible for managing and signing off on all of the Group’s investment projects. It meets eight to nine times a year.

The committee ensures that any new Bel industrial investments of more than €300,000 complies with its CSR commitments. Such plans are reviewed not only on the basis of economic and financial performance criteria, but also according to an assessment grid of non-financial criteria that reflect the Group’s priority environmental, social and employee-related issues. In 2022, the Investment Committee also approved the update of the Internal Carbon Price measurement to 2030.

SPECIFIC COMMITTEES TO GUIDE PRIORITY ISSUES

The CSR Operational Committee is supplemented by specific steering committees dedicated to priority levers of action for the Group’s sustainable growth model. Their purpose is to define a roadmap and to track its operational deployment and progress. These dedicated committees meet five times a year and convene multi-disciplinary teams.

CORE BRAND STEERING COMMITTEES

The CSR teams participate in all brand committees, which are entities in charge of managing the portfolios for innovation and renovation projects. Since 2020, a CSR assessment matrix has been used to measure the impact that innovation and renovation projects have on the Group’s major CSR issues (e.g., carbon impact, nutritional profile, packaging).



EMPLOYEE NETWORKS TO SUPPORT OPERATIONAL DEPLOYMENT

Three complementary networks supplement the structure described above. Their role is both to support the deployment of the Group's commitments at every level of the Company and to initiate new approaches to enhance the positive innovation policy:

- 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 "Champion" employees, in particular from the Marketing and Regulatory Departments, deployed to all the Group's subsidiaries to further strengthen this system. The role of this network is to speed up the deployment of the CSR initiative to all the Group's functions and regions; and
- a network of "Actors for Good" employees who are involved in initiatives with a positive impact and thus participate in implementing the CSR strategy at local level (see section 2.1 "Building a sustainable future with its employees").

1.2 | ETHICS: A COMMON FOUNDATION FOR CONDUCTING BUSINESS

DEFINITION OF THE CHALLENGE AND RISKS

The Group has always placed ethics at the heart of its business activities. It is firmly committed to combating the risks of unethical practices such as corruption, human rights violations and environmental damage.

Moreover, by adopting the "Sapin II" and "Duty of Vigilance" laws, the French government has further increased the need to give business ethics a central place in the Group's activities around the world. Rather than approaching it as an isolated issue, the Group must establish an everyday ethics culture and practice at all levels. Thus, in response to this need, in January 2023, the office of the Secretary-General became the Trust and Ethics department.

POLICIES

In 2012, the Group adopted a Code of Good Business Practices establishing the general framework for the professional conduct of every Group employee. The seven principles of this Code are the following:

- 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 protect the confidentiality of professional and financial information.

The Code also stipulates that the principles laid out do not stand in place of applicable national laws and regulations. The teams are still required to comply with these, and in cases where a country's regulations are stricter than an ethical rule stipulated in the Code, the national regulations prevail.

To help all employees understand and buy into the Code, it has been translated and distributed in the languages spoken at the Group. It is available in French and English on the Group's website and is presented during special trainings on business ethics.

In order to adapt and clarify certain principles, the Code of Good Business Practices has been supplemented by

policies dedicated to fighting corruption and to Group rules regarding gifts.

Finally, "business" policies or charters systematically include the principles of the Code of Good Business Practices and translate them for specific areas of activity. These are shared with the relevant stakeholders (see section 2.2 "Promoting responsible practices with its suppliers").

ACTION PLAN

| Establishing strong governance

To ensure ethical behavior along its entire value chain, several years ago the Group put in place strong governance bodies, whose respective roles were determined by the Executive Committee, to ensure adherence to Bel's values and principles at all levels within the Company. This governance was revised in 2021 with the creation of a Risk and Compliance Department.

The Group's Ethics and Compliance Committee - created in 2012 - is now supported by the Trust and Ethics Department. The functional departments (Legal, Finance, and Industrial Operations) and the network of ethics and compliance officers are tasked with overseeing the implementation of the commitments and their operational application. The ethics and compliance officers, present in each country, are responsible for taking the necessary steps to raise awareness and train local employees in the Code of Good Business Practices and the related policies. They are the local liaisons for all the business ethics initiatives introduced at the Group level. Since 2019, a total of 1,459 employees have been trained on corruption risk.

The Trust and Ethics Department interacts with the Risk Committee and reports on its work to the Group Audit Committee.

The Ethics and Compliance Committee assesses and oversees compliance policies - especially those pertaining to human rights. It also ensures their effective deployment and monitors the corresponding training mechanisms. It may be tasked with addressing any unresolved ethics alerts locally and may be asked to issue an opinion on any compliance matters, including on entering or maintaining relationships with strategic partners.

| 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 section 1.3 “Vigilance plan”), the Group has historically participated in several voluntary ethics initiatives. Indeed, the Bel group signed on to the United Nations Global Compact in 2003, well before it adopted its Code of Good Business Practices. Since then, the Group has reaffirmed its commitments each year and reports on its progress regarding four fundamental principles: respect for human rights, respect for 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 Bel’s reference framework and are fully incorporated within its Code of Good Business Practices.

| Alert system

In addition to the conventional alert 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 an alert system that they can use to report any infringements of the principles enshrined in the Code of Good Business Practices. This alert system 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 alerts are processed in accordance with legal provisions, especially in terms of whistleblower protections. The procedures for handling alerts are described in a special guide written for this purpose. All alerts are handled by the local ethics officer, who has a strict requirement to inform the Group ethics coordinator of the investigation results and the proposed response measures. When the alert cannot be handled locally (due to the type of alert or the identity of the individuals involved), the alert is handled directly by the Group’s Ethics and Compliance Committee. In 2022, seven alerts were submitted, four 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 2022 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 was 33.4%, an increase compared to 2021. (see Chapter 5 “Financial and Accounting Information” of the Universal Registration Document).

Alerts received and processed	2020	2021	2021 pro forma ^(a)	2022
Number of alerts received	4	4	3	7
Of which the number of alerts received concerning a violation of human rights	n.a. ^(b)	2	2	4

Number of employees trained	2020	2021	2021 pro forma ^(a)	2022
Number of employees trained on corruption risks (in-person training and e-learning)	1,078	1,450	1,450	1,459

(a) Values on a like-for-like basis.
(b) New indicator in 2022.



1.3 | VIGILANCE PLAN

The adoption in 2016 of the anti-corruption component of the “Sapin II” law and in 2017 of the “Duty of Vigilance” law has led the Group to strengthen its monitoring in the fight against corruption, 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 the policies and checklists already in place to construct and to continuously improve the vigilance plans required by these two laws.

1.3.1 – A SYSTEM FOUNDED ON RISK IDENTIFICATION

Corruption risks and the risk of violations of human rights and individual health and safety and environmental damage are monitored within the framework of the Group’s Enterprise Risk Management (ERM) system (see section 2.1 “Risk management policy” of the Universal Registration Document).

Nevertheless, since the adoption of the “Sapin II” and “Duty of Vigilance” laws, the Group has chosen to conduct a dedicated risk mapping exercise for all relevant topics to supplement the Group’s risk management system (ERM). A common methodology was adopted to identify such risks.

| Relating to the Group’s own activities

In order to identify and rank gross risks of corruption, violations of human rights and individual health and safety, and environmental risks, the Group carried out its first risk mapping in 2017, which was updated in 2019. Risks were evaluated according to three criteria:

- 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).

The mapping exercise was completed for all the Group’s subsidiaries and covers all export areas, in accordance with legal requirements.

This first study phase was supplemented by a thorough analysis of the Group’s applicable policies and checklists that limit these risks, in order to adopt appropriate action plans. In connection with the roll-out of these initial action plans, the Group also strengthened the mechanisms governing ethics and compliance (see section 1.2 “Ethics: a common foundation for conducting business”) to put in place a model organization commensurate with the importance of the issues.

This methodology was deployed locally, firstly through trainings arranged for all the Management Committees of the Group’s subsidiaries, with the objective of raising awareness among employees.

Participants completed self-assessment questionnaires about risks relating to corruption, violations of human rights, individual health and safety, and the environment. The questionnaires were then analyzed to measure the actual risk in light of the applicable policies and control points at the subsidiaries.

In 2018, action plans were developed based on analysis of these self-assessment questionnaires, then deployed to the Group’s subsidiaries.

The gross risk mapping and the analysis of the compliance and effectiveness of Group policies and control points have been updated to measure progress made. The implementation of additional policies and reinforced control points led to a marked improvement in the management of these risks.

Finally, in 2019 the Group rolled out a digital risk mapping tool that enables it to update the corruption component of the risk map. Bel opted for a qualitative approach that essentially consisted in formalizing corruption scenarios specific to each of the Bel group’s subsidiaries and taking into account aggravating exogenous factors, where applicable (see section 1.3.2 “Actions implemented”). The local Management Committees played an active role in determining the corruption risk scenarios, identifying aggravating factors and assessing the degree of control over those risks. Their involvement allowed local operational staff to become more confident and proficient in addressing these issues as they are responsible for defending the Group’s ethical standards in their daily activities.

| Relating to the activities of its business partners

Bel has always been particularly vigilant regarding risks related to its supply chain. In late 2017, the Group supplemented the evaluations performed by EcoVadis in 2009 with a mapping of suppliers focused on CSR risks related to the environment, labor law, human rights and business ethics and with a mapping focused on corruption risks.

The results of this initial 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 2021, the Group acquired a digital tool enabling it to perform a mass analysis of its portfolio, which pinpoints suppliers for whom greater diligence is required, based on a theoretical risk level. The digital resource can then 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 in question. These reports and the content of due diligence work performed are stored and can be viewed on a dedicated digital platform. In this respect, subcontractors, intermediaries and other consultants are considered to be suppliers.

The supplier risk mapping will be updated in 2023 and will cover those suppliers with whom we reached a minimum expenditure threshold in the previous year. In addition, a specific upgrade of the digital tool for validating the listing of suppliers was implemented in 2021, enabling the integration of the “compliance profile” of the supplier whose listing is being considered in order to permanently secure the entry of suppliers in the panel.

1.3.2 – ACTIONS IMPLEMENTED

| To fight corruption

The Group has supplemented its Code of Good Business Practices with a gift policy and an anti-corruption policy. They were incorporated within the French sites’ internal regulations following consultation of the staff representative bodies and were conveyed to all the Group’s subsidiaries.

Relating to its internal stakeholders

At the corporate level, the Bel group has defined corruption risk types according to transaction and at-risk activity with all the relevant functional departments.

As part of the risk mapping exercise in 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 conducted again in 2020 for all subsidiaries and is updated on a regular basis in accordance with legal requirements.

Moreover, in addition to the in-person trainings that have benefited more than 500 employees since 2015, an e-learning module on fighting corruption was launched in late 2018 and offered again in different waves thereafter. The module 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.

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

Relating to its external stakeholders

As regards its suppliers, and as indicated above, beyond the CSR risk mapping exercise, the Group further refined its risk identification process with a mapping focused on corruption risks. Its conclusions made it possible to base

the degree of vigilance on the risk level identified by the “purchasing category/country” combination (see section 2.2 “Promoting responsible practices with its suppliers”).

As regards its other external stakeholders, the Group has put in place measures to be notified if any of its retailers, customers or agents is found guilty of a crime, politically exposed or added to a blacklist or embargo. This continuous monitoring system was supplemented with in-depth assessments of the most exposed stakeholders. Digitization of the process is planned for 2023 (see section 1.3.1 “A system founded on risk identification”).

In addition to these specific action plans, since 2014 the Group has participated in the Supply Chain Initiative in 16 European countries⁽¹⁾ 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.

Finally, as part of its anti-corruption action plan, the Group once again sent its most significant partners its anti-corruption policy and inserted an anti-corruption 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. Moreover, the Group’s alert system was opened to external stakeholders through the Group’s website, with a redesigned user interface to give them more intuitive access to the system. This alert processing system is similar to the one used for alerts sent by internal stakeholders (see section 1.2 “Ethics: a common foundation for conducting business”).

| To fight violations of human rights and individual health and safety

In 2012, the Group launched a proactive human rights program with the adoption of its Code of Good Business Practices. Respect for 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 officers who report to the subsidiary directors is responsible for implementation and compliance at each of the sites (see section 1.2 “Ethics: a common foundation for conducting business”).

Relating to its internal stakeholders

Protecting employees’ essential rights is a constant concern. The Group has introduced very strict human resources policies on compliance with labor standards employee safety standards, especially for employees based in countries with a high risk of violations of human rights and individual health and safety.

(1) In 2018, Bel signed the Supply Chain Initiative in the following countries: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Portugal, Slovakia, Spain, Sweden and the United Kingdom.



In 2017, the Group ran 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 work also raised the awareness of the local Management Committees about these issues. In 2018, like the work carried out to fight corruption (see 1.3 “Vigilance plan”), self-assessment questionnaires covering the risks listed above were completed by the Group’s subsidiaries. Dedicated action plans were drawn up after analyzing these self-assessments.

In 2019, the Group updated its mapping of human rights violation risks, which showed an improvement in the management of those risks, thanks to the addition of new control points focused on compliance with the Group’s policies in this area.

All mapping is scheduled to be updated in 2023 (see section 1.3.1 “A system founded on risk identification”).

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.

The Group also continued its long-standing labor initiatives and, at the end of 2020, adopted a new, innovative and ambitious people policy known as “Nurture,” which sets out the strong commitments that the Company wishes to make toward its employees. This model is built on six key pillars: a sense of belonging, personal fulfillment, development, recognition, safety and well-being in the workplace, and support for employees’ families (see 2.1 “Building a sustainable future with its employees”).

Lastly, the Group further strengthened its continuous improvement approach aimed at ensuring the health and safety of its employees by adopting an ambitious Zero Accident Vision 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 in order to ensure the proper implementation of such policies and to encourage the achievement of the Group’s objectives in this area (see section 2.1.1 “Guaranteeing safety and well-being at work”).

Relating to its external stakeholders

Bel is especially attentive to the human rights practices of its suppliers. This topic is addressed in a dedicated assessment with “social” and “ethics” criteria under the EcoVadis evaluation framework.

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 2.2 “Promoting responsible practices with its suppliers”).

Adherence to these principles was reaffirmed specifically in the Sustainable Purchasing Charter, which was revised in 2019.

Lastly, in 2021, the Group selected 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 2.2 “Promoting responsible practices with its suppliers”).

| To ensure respect for the environment

Bel is aware that its environmental responsibilities extend from upstream agricultural activities to the consumption of its products by the end consumer and packaging waste recycling.

In its operations

On top of the risk mapping exercise, in 2017 the Bel Group performed an environmental risk mapping focused on its own activities, during which it assessed its risks related to greenhouse gas emissions, climate change, water scarcity, biodiversity, deforestation and waste management.

To address these risks, the Group adopted highly ambitious objectives and is implementing continuous improvement plans designed to mitigate all the risks identified (see section 6 “Fighting against climate change and reducing its environmental footprint”).

For example, the Group adopted a strict environmental policy a long time ago, which sets out the Group’s goals and the guidelines for achieving them, and aims to ensure sustainable management of natural resources by reducing the Group’s impacts along 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, and selecting suppliers that are aligned with Bel’s sustainable commitments (see section 6 “Fighting against climate change and reducing its environmental footprint”).

Furthermore, since 2017 the Group has participated in the Science-Based Targets (SBT) initiative started by the Carbon Disclosure Project (CDP), the World Resources Institute (WRI), the World Wildlife Fund (WWF) 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 6 “Fighting against climate change and reducing the environmental footprint”).

All the policies adopted are accompanied by targets, and the related action plans are rigorously monitored (for more details, see section 6 “Fighting against climate change and reducing its environmental footprint”).

Along its entire value chain

In light of the significant impact of agricultural raw materials on the Group’s overall carbon footprint (66.3%), Bel has made its commitment to a sustainable dairy sector a priority within its corporate social responsibility strategy, especially to achieve objectives set in connection with the Science-Based Targets initiative. 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 4.1. “Taking action for a sustainable dairy upstream”).

The acceleration of the Group’s strategic penetration into the plant-based segment also helps further its GHG emissions reduction goals.

Bel is fully mobilized to reduce the direct and indirect emissions generated by its operations all along its value chain.

In addition to its direct actions to reduce its environmental impact, and aware of the full breadth of this impact (from upstream agriculture to the consumption of its products by the end consumer), the Group has rolled out policies enabling

it to indirectly contribute to the reduction of GHG emissions at all levels of its value chain (see section 4.1. “Taking action for a sustainable dairy upstream,” section 5 “Designing responsible packaging and fighting food waste,” and section 6 “Fighting against climate change and reducing the environmental footprint”).

1.3.3 – DEDICATED CONTROLS

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; these will be updated on an annual basis and as needed.

Under the responsibility of their general managers, the Group’s subsidiaries conduct an annual self-assessment against a control protocol. 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, the Ethics Coordinator and the departments concerned so they can take actions and adjust corrective plans where applicable.

CHAPTER SUMMARY

HIGHLIGHTS OF 2022

- Creation of a Trust and Ethics department.
- Creation of the Chief Impact Officer role within the Executive Committee to oversee both finance and CSR.
- Selection of strategic CSR indicators intended to be driven and to inform strategic decisions in the same way as financial indicators.
- Operationalization of the first strategic indicator, carbon, at all levels of the organization.

PRIORITIES FOR 2023

- Continue to roll out strategic indicators at all levels of the organization.
- Launch projects to ensure convergence with the requirements of the future sustainability reporting (CSRD).
- Raise awareness of ethical issues among all employees.

2.

A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS



2.1	Building a sustainable future with its employees	21
2.2	Promoting responsible practices with its suppliers	30
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2.5	Promoting responsible financing practices among investors	36

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:

- its employees;
- its suppliers;
- its customers;
- its consumers.
- its investors;
- the planet (see section 6 “Fighting against climate change and reducing its environmental footprint”).

WITH ITS STAKEHOLDERS

Moving forward together in a positive innovation approach that creates value for all



2.1 | BUILDING A SUSTAINABLE FUTURE WITH ITS EMPLOYEES

DEFINITION OF THE CHALLENGE AND RISKS

Bel's mission to "Champion healthier and responsible food for all" guides the Group's 10,738 employees in rolling out a sustainable and profitable business model that places the consumer and shared valued creation at the heart of its decisions.

Bel's human capital is the indispensable foundation which enables it to fulfill its corporate mission. As with any business, Bel may face risks and opportunities related to discrimination, talent retention and development, as well as occupational health and safety risks. The Group therefore strives to offer its employees working conditions that promote well-being and safety and to enhance their employability by providing fair and appealing career opportunities.

POLICIES

Programs have already been in place for several years to advance the topics of people development, health, safety and well-being in the workplace. These actions are described in dedicated sections within this Non-Financial Performance Declaration. Given the important issues at stake in the Group's transformation, Bel decided at the end of 2020 to go further by defining a new, innovative and ambitious people policy to support the employees in these changes. This ambitious, innovative program, called "Nurture," defines the Company's commitments toward its employees and the Group's strategic vision in this regard, as well as the expected behaviors and new management model that will be implemented to meet its goal. The vision is built upon the Group's three longstanding key values - Dare, Care and Commit - and expresses the fundamental value that Bel wants to create for its employees.

The commitments of the "Nurture" program were defined in 2021 and are organized around the six following 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, enabling each employee to receive training and engage in social responsibility projects, and strengthening employee satisfaction;
- promoting personal development by assessing and developing employee skills, managing career paths and fostering internal mobility;
- improving individual recognition by ensuring a common base of benefits and a fair wage for all employees, by valuing know-how, and by celebrating success;

- providing safety and well-being in the workplace by ensuring compliance with health and safety rules, but also by improving the quality of life at work and the work/life balance;
- supporting families by making various Group programs accessible to employees' families.

To operationalize the "Nurture" vision, the Group has launched an extensive cultural transformation program called We@Bel. In an increasingly volatile and uncertain environment, this program aims to strengthen the Group's ability to adapt and compete more effectively so that it can achieve its ambitious strategic objectives.

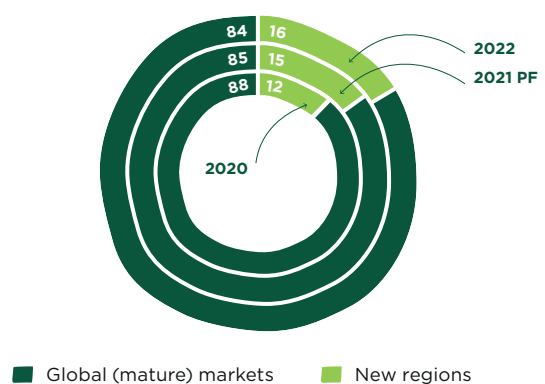
The program is structured in three phases:

- aligning all teams with the major changes in the business environment, the Group's mission and its strategic pillars;
- communicating about the seven winning behaviors, their meaning and how to adopt them individually and as a team. These seven behaviors will be integrated into the employee experience (hiring, onboarding, annual evaluation, training, etc.);
- training all managers in new practices aligned with the winning behaviors through the "Management Excellence" management development program.

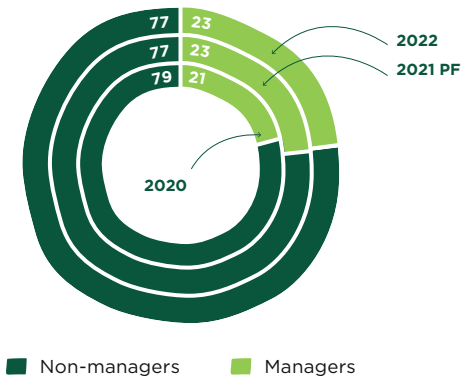
| Workforce

As of December 31, 2022, the Group employed 10,747 people, including 9 Unibel employees, in over 30 countries. Bel's workforce (permanent and fixed-term contracts present at December 31, 2022) grew by five people on a like-for-like basis compared to the previous year.

WORKFORCE BY MARKET TYPE (in %)



WORKFORCE BY STATUS (in %)

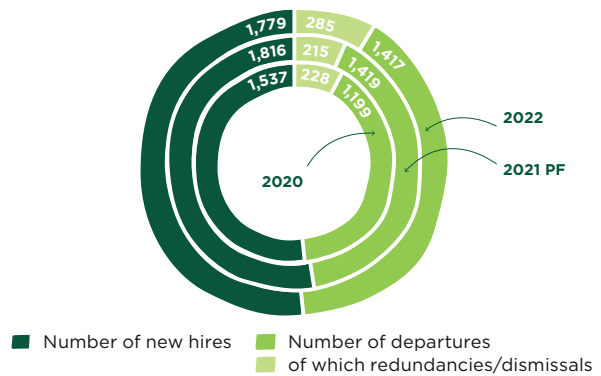


New hires and departures (excluding changes in the consolidation scope)

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 1,779 people in 2022. The majority of the 1,702 departures in 2022 were voluntary (resignations and retirements).

The Group’s average rate of job insecurity is 10% (calculated excluding temporary staff). This rate represents the number of fixed-term positions compared to the total number of staff (fixed-term + permanent + temporary staff). This average 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 ^(b)	2020	2021	2021 pro forma ^(a)	2022
Global Markets	12%	11%	12%	11%
New regions ^(c)	37%	5%	5%	5%
TOTAL GROUP	12%	11%	13%	10%

(a) Values on a like-for-like basis.
(b) Proportion of fixed-term contracts to all contracts (in full-time equivalent jobs).
(c) China, Mexico, Ivory Coast, India, South Africa, Fruit segment.

Involving employees in positive impact initiatives

In 2022, Bel’s roadmap includes the implementation of the Actors for Good program, which was launched in 2021 and aims to raise employees’ awareness of social responsibility issues and involve them in initiatives with a positive impact. To this end, in response to the challenge of raising awareness, the Group has committed to training as many of its employees as possible in climate change over three years, 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. A total of 1,253 employees were trained in 2022, and about 40 of them had the opportunity to go further by becoming workshop leaders themselves. In 2022, Bel obtained the “Certified” label from La Fresque du Climat following an audit. This certification validates the plan’s structure and ambitious roll-out as well as the quality of the Group’s workshops.

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

- “Days for Good,” which are the first social solidarity days organized by the Group, in partnership with the Bel Foundation. Employees can volunteer their time to a partner association with the aim of having a positive impact on their ecosystem and helping an association in a concrete way. In 2022, over 1,000 employees in 15 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. In 2022, the Banques Alimentaires association became the third association to benefit from these donations, helping to support its actions in Ukraine;

- 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.

In addition, the Bel Foundation regularly calls on the Group's employees to take part in choosing and implementing the projects it supports. In 2022, for example, in collaboration with the participatory financing platform Ulule, a voting campaign was launched among Group employees and the general public to choose the winner of the Foundation's "Coup de Cœur" award. The Group's employees were presented the actions of four associations (l'Étage, the Centre Social La Provence, Intermèdes Robinson and the Halte du Cœur) and they voted for their favorite: the Centre Social La Provence, which was awarded the prize and received an additional €5,000 donation from the Foundation.

2.1.1 – GUARANTEEING SAFETY AND WELL-BEING AT WORK

POLICIES

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.

This policy, which is reviewed regularly and validated by the Executive Committee, calls for the commitment and active participation of all employees. An incentive system encourages them to set a good example and to take actions to prevent and eliminate any dangerous behaviors or processes. It is disseminated Group-wide through a safety manual, which is available at all sites.

To ensure that these policies are applied and to 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 section 3.1. "Offering high quality, safe and healthy products").

Well-being at work

In parallel, two Group charters, created in 2021, were deployed in 2022 on the topic of well-being at work:

- 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.

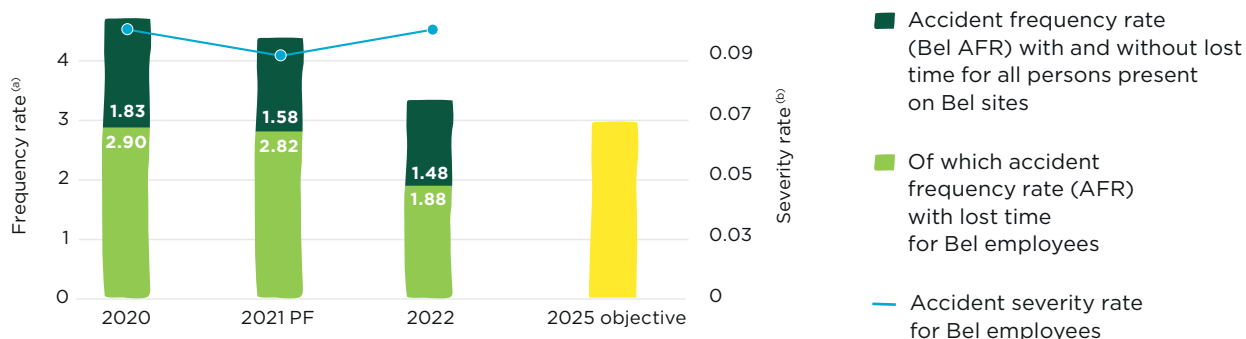
ACTION PLAN

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.

While the accident frequency rate (AFR) has been in constant decline since 2013, it fell significantly faster in 2021 and 2022. The AFR was 3.36 in 2022, i.e. a drop of almost 30% compared to 2020 and almost 25% compared to 2021. This encouraging result, in view of the 2025 target of 3.0, was helped in particular by six plants that declared no accidents over the entire 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. In 2022, more than 1,300 people were trained in the Behavior Safety Program to conduct behavioral safety visits. This resulting in more than 32,260 BSVs being conducted in 2022.

In addition to monitoring workplace accidents, sites are also required to report and investigate near-misses to prevent the recurrence of risky situations. In a further step, the Group also uses biannual audits of all sites to check that the principles of its health and safety policy are applied properly. These audits may be internal (conducted by certified auditors) or external (conducted by an auditing firm).

Finally, a Group-wide roadmap is communicated to all subsidiaries and sites, setting out a number of actions to be taken. This roadmap was updated for the 2021-2025 period. For example, in 2022:

- an *Intelex*⁽¹⁾ IT tool has been deployed to manage behavioral safety visits and to report incidents or near misses. It enables the Group to be very responsive and to monitor reports in real time in order to adapt procedures and defuse risky situations;

- a Road Safety training campaign was launched to address the risk of road accidents, which mainly affects 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. In 2022, the teams were supported by a full-time ergonomist who visits all sites to identify priority ergonomic actions and define action plans to be implemented. Each site focuses on three priority actions per year. As a result, the entire engineering team responsible for new plants and equipment has been trained to put this issue at the heart of every Group project. Improving workstation ergonomics is included as a criterion when assessing all Group investment projects.

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 absenteeism rate is closely monitored. The rate increased slightly in 2022 from 2.86% in 2021 to 2.97% on a like-for-like basis.

(1) Intelex has been rolled out globally to all offices and industrial sites in the Cheese segment.

In the context of the “Nurture” program, the Group launched the “Your Voice” employee commitment program, which includes an annual survey of all Bel employees. In 2022, the results of the survey showed a very high level of employee commitment, with a participation rate of 84% and more than 12,000 qualitative comments collected. The employee commitment rate was 76% in 2022, up 2 points from 2021. The results highlight several strengths of the

Group, such as the feeling of safety at work, employees’ buy-in to the Company’s mission, and work-life balance, which is improving thanks to the introduction of hybrid working (see section 2.1.5 “Promoting a positive dialog”).


The results of this survey are directly accessible on the Your Voice platform to all managers and Human Resources staff and are analyzed at both local and Group level, resulting in concrete actions.

Annual leave	2020	2021	2021 pro forma ^(a)	2022
% of employees receiving at least three weeks of leave per year	96%	97%	97%	96%

Absenteeism rate	2020	2021	2021 pro forma ^(a)	2022
Hours of absence due to illness/theoretical working hours	2.78%	2.70%	2.86%	2.97%

(a) Values on a like-for-like basis.

SELECTED KEY PERFORMANCE INDICATOR

Bel’s objectives	KPI	2020	2021	2021 pro forma ^(a)	2022	2025 objective	Progress
Work toward zero accidents at sites	AFR (Accident Frequency Rate)	4.73	3.78	4.40	3.36	3.0	

(a) Values on a like-for-like basis.

2.1.2 – PROMOTING DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY

POLICIES

The Bel group is committed to fighting against all forms of discrimination. Bel fosters diversity and promotes equal opportunity when hiring and throughout the careers of its employees. To support these commitments, the Group introduced a “Diversity and Inclusion” program in 2016 that laid out gender diversity and multi-culturalism targets for the Company for 2025. It is built on three pillars:

- creating an inclusive corporate culture by publishing a Diversity & Inclusion Charter, which allows for the expression of individual differences within a framework that ensures collective performance, and by training and raising employees’ awareness of the issue;
- attracting, retaining and developing diverse talents by adapting all its HR policies and processes to foster diversity and ensure equal opportunity (diversification of recruitment channels, career management for all, transfer opportunities between business lines, increased representation of women in management, etc.);

- effectively monitoring the Group’s performance in these areas by organizing a mechanism to track employee perception through the Group’s commitment survey and by giving local leaders (country general managers, plant directors, business line managers, etc.) the necessary management tracking and reporting tools to help them identify local issues and implement appropriate actions.

In 2022, a Diversity & Inclusion Charter⁽¹⁾ was published and translated into all Group languages. It reflects the Bel group’s desire to create a model open to diversity and inclusion, both internally and externally, for greater social cohesion, well-being and performance. To support its launch, eight training modules dedicated to diversity and inclusion, adapted to local cultures, have been created. Implementing this charter, deploying these training programs, and organizing a decentralized governance through ambassadors in the Group’s countries are among the Group’s priorities in 2023. This charter will also be signed by the countries’ management committees and the countries’ teams will be educated about unconscious bias and stereotypes.

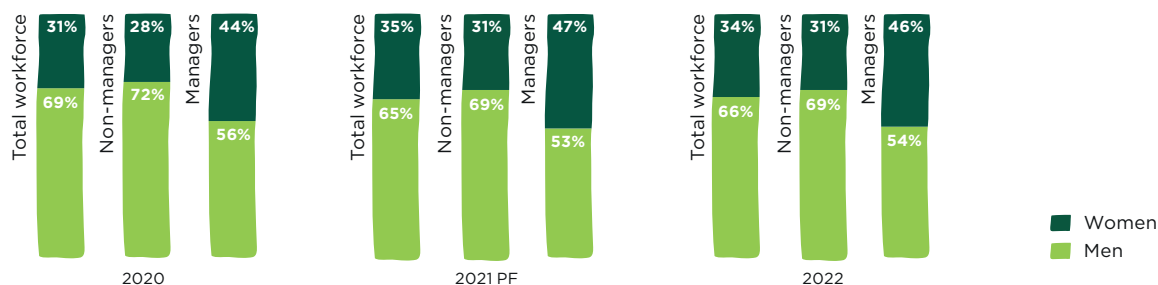
(1) bel-di-charte-fr.pdf (groupe-bel.com)

ACTION PLAN

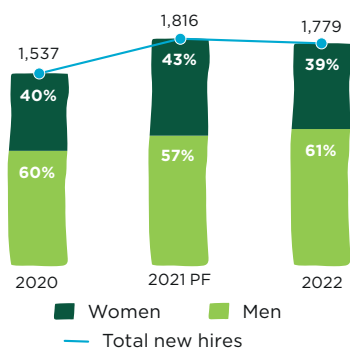
Gender equality

For non-managers, the low proportion of women can be explained by the cultural contexts of the Group's sites, the organization of shifts, or even local regulations (e.g. night shifts).

BREAKDOWN BY GENDER



BREAKDOWN OF NEW HIRES BY GENDER



Women represent on average 46% of middle management. However, this percentage is lower in the highest ranks. To remedy this situation, the Group set a goal in 2021 to have 35% women in the highest ranks (grades 1, 2 and Executive Committee) by 2025. Among the actions implemented to further increase the number of women in its management bodies, the Group continues to roll out training courses around the theme of "Leadership for Women" to encourage the upskilling of women employees and their access to management positions. Thanks to the Group's efforts, the threshold of 30% women in top management positions was reached in 2021.

Gender breakdown by grade	2020	2021	2021 pro forma ^(a)	2022
Board of Directors ^(b)	2/5	2/5	2/5	5/2
Executive Committee ^(b)	3/3	3/3	3/3	5/3
Grade 1	75%/25%	69%/31%	68%/32%	66%/34%
Grade 2	77%/23%	73%/27%	72%/28%	73%/27%
Grade 3	57%/43%	56%/44%	56%/44%	57%/43%
Grade 4	54%/46%	56%/44%	56%/44%	55%/45%
Grade 5	55%/45%	51%/49%	50%/50%	52%/48%
Grade 6	50%/50%	50%/50%	49%/51%	52%/48%
Grade 7	53%/47%	59%/41%	55%/45%	53%/47%

(a) Values on a like-for-like basis.

(b) Absolute values.

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. Under the new agreement, processes have been revised to avoid all forms of discrimination and to ensure inclusion and diversity in the recruitment of candidates. Several pilot plants have also received awareness training on gender-based misconduct.

- Lastly, as a company with more than 1,000 employees, Bel met its obligation in France to publish its gender equality index. In 2022 in France, the Bel group obtained a score of 99/100 for its cheese business, an improvement on previous years. The Materne and Mont-Blanc brands also obtained scores that were higher than the French average of 86/100. Materne scored 91/100, relatively unchanged from 2021, while Mont-Blanc scored 92/100, which was a marked improvement. This index takes into account five indicators:
 - the pay gap between men and women in the Company;
 - the gap between individual rates of wage increase;
 - the gap in promotions;
 - the rate of female employees who receive a wage increase in the year following their return from maternity leave; and
 - the number of employees of the under-represented gender among the 10 highest-paid positions in the Company.

Although only applied to the Company's France scope (including the Group's head office), this result is an indicator of the efforts made by the Bel group to fight gender discrimination.

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, of May 1, 2022.

Multi-culturalism as a means of promoting diversity and inclusion

Bel sells products in more than 30 countries and pays close attention to the diversity of the world in which it operates. The Group believes that diversity is a driving force for innovation and team agility and a source of wealth creation essential to achieving the ambitious goals it has set for itself. In 2022, the Group published cultural diversity training modules and provided a support platform for employees working in multi-cultural contexts. This helps create a better understanding of cultural differences and

encourages dialog between teams on this topic. Finally, there is a greater focus internally on the languages used by multi-cultural teams and their working hours.

Disability

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

In 2011, the Group signed a partnership agreement in France with AGEFIPH (an association providing funding and assistance to integrate people with disabilities into the workplace) and, since 2014, it has signed three-year Disability Agreements with social partners. In 2020, 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 likely to become disabled to work in an environment conducive to their professional and personal development. This agreement is driven by four main areas of action:


- the involvement and education of all employees;
- participation in or creation of actions to show that the Group is disability-friendly;
- the hiring of disabled employees; and
- prevention and job retention efforts.

In France, the rate of employment of people with disabilities was 5.02% in 2022. Negotiations are underway with the social partners to update the current agreement.

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.

In addition, when necessary and feasible, workstations are modified for employees who have been recognized as disabled workers. Awareness campaigns are directed to employees, and "Disability Ambassadors" are trained each year to promote the Group's actions within the various entities. In 2022, 34 employees were trained or received refresher training on becoming "Disability Ambassadors" and playing an active role in promoting the inclusion of employees with disabilities.

SELECTED KEY PERFORMANCE INDICATOR

Bel's objectives	KPI	2020	2021	2021 pro forma ^(a)	2022	2025 objective	Progress
Promote gender diversity and inclusion ^(b)	Share of women in Top management	25% ^(c)	30% ^(c)	31% ^(c)	30%	35%	

(a) Values on a like-for-like basis.

(b) As part of the Nurture program, a study is under way to define a new indicator that takes into account other diversity-related issues.

(c) Group scope excluding Fruit.

2.1.3 – DEVELOP ITS EMPLOYEES' TALENT

ACTION PLAN

Training programs

Bel is striving to lay the groundwork for a learning organization that enables its employees to hone their skills and advance their careers. Each year, *Bel University* defines a framework in collaboration with the businesses and countries. This note explains the priorities in terms of training, taking into account both the needs of employees and the key skills and professions to be developed for the Group.

The Group aims to facilitate access to training for every employee and, more generally, to help all employees develop their skills.

In 2022, 73% of employees completed at least one training course during the year. The slight decrease compared to 2021 is explained not only by changes in scope, but also by a reduction in the number of courses in certain countries due to the local economic environment. The Group's training plan focused on the following priorities:


- supporting cultural and managerial transformations;

- supporting business transformations;
- simplifying and enhancing the learner experience;
- strengthening data management and culture.

Since 2018, the Group has made use of the SMILE Learning Management System (LMS) training platform, which hosts a large number of training courses. The *Bel University* training catalog offers a comprehensive range of training courses and is updated every year in line with the Group's skills development strategy and with input from the various business lines.

In addition to the training courses in the catalog, Bel University offers online training with unlimited access on the topics of personal development, general culture and social responsibility issues. The *Pick & Learn* platform can be accessed via PC, tablets and cell phones at any time by all connected Bel employees⁽¹⁾. In 2022, Bel University enriched its offering by adding a wider variety of learning modes (in-person, remote and hybrid) as well as multi-lingual content. Several certifications were created in 2022, including two on CSR themes and one on road safety.

SELECTED KEY PERFORMANCE INDICATOR

Bel's objectives	KPI	2020	2021	2021 pro forma ^(a)	2022	2025 objective	Progress
Develop our employees' talent	Percentage of employees who attended at least one training course during the year ^(b)	76%	81%	76%	73%	100%	

(a) Values on a like-for-like basis.

(b) The calculation methodology changed between 2020 and 2021.

Highlights for the year in building employee skills

In order to best support the development of its employees and enhance their employability, Bel has put various programs in place to guide them throughout their careers.

In 2022, the onboarding experience was updated with the *Bel'come* program, which covers all new employees (excluding interns) from the moment their employment contract is signed until the end of their first year of employment at the Company. This program helps new employees to learn more about Group, and it is customized to suit the business needs and particularities of each country.

Each year, the annual performance review⁽²⁾ is an ideal occasion for employees to share the year's achievements

and challenges with their line manager and to assess leadership, technical and soft skills. This meeting also affords an opportunity to discuss the employee's professional goals and to co-design a suitable individual development plan that can include training, mentoring and work placements. In this context, Bel is committed to supporting the "1 young person, 1 mentor" program launched by the French Ministry of Labor and the Haut-Commissariat à l'Emploi et l'Engagement des Entreprises to promote youth employment.

In 2022, the in-house mentoring program was also revived, enabling volunteers to coach another employee who has requested it.

(1) Concerns employees who have access via a Bel email address or a personal email address.

(2) The annual review is mandatory for all salaried employees and managers. A paper form is also provided to workers.

Individual performance reviews	2020	2021	2021 pro forma ^(a)	2022
Eligible managers ^(b) receiving an individual performance review (annual basis) (%)	86%	91%	89%	88%

(a) Values on a like-for-like basis.

(b) Eligible managers are those with permanent contracts who are on the payroll and worked for the Group for the entire year N or who joined before July 1 in year N-1 and left after July 1 in year N.

In addition, in order to encourage mobility, job vacancies are posted on the Group's internal career site (Intranet, job boards, etc.) unless there are confidentiality requirements or the required skills do not exist in-house.

2.1.4 – ENSURING A FAIR COMPENSATION SYSTEM

POLICIES

Bel is persuaded that offering fair, motivating and non-discriminatory compensation is the key to combining appeal with competitiveness. The Group's wage policy is determined by the Human Resources Department and the local teams are then responsible for its implementation.

ACTION PLAN

Internal equality and external competitiveness

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 ensures that it offers them competitive salaries and benefits. Accordingly, the Group's subsidiaries undertake regular salary surveys with specialized firms to identify the best market practices.

Employee benefits

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 practices.

Health, death and disability coverage	2020	2021	2021 pro forma ^(a)	2022
Employees ^(b) with health coverage (%)	92%	93%	92%	91%
Employees ^(b) with death and disability coverage (%)	91%	93%	92%	99.9%

(a) Values on a like-for-like basis.

(b) Permanent or fixed-term employees.

Recognition of individual and group performance

Individual performance is recognized based on merit. Many of the Group's managers are eligible for individual variable compensation. At least 20% of this variable compensation is contingent on meeting non-financial objectives in connection with its CSR strategy, 10% to the achievement of CO₂ emission reduction targets for scopes 1 and 2, and 10% to health and

safety criteria, particularly the accident frequency rate and the completion of behavioral safety visits.

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.

Variable compensation	2020	2021	2021 pro forma ^(a)	2022
Employees who have a compensation system based on the overall performance of the subsidiary or Group (%)	59%	59%	64%	66%

(a) Values on a like-for-like basis.

2.1.5 – PROMOTING A POSITIVE DIALOG

POLICIES

Bel has implemented a global Social Dialogue Charter since 2016. This Charter organizes the Group's approach around essential principles to be implemented or enhanced in each of its regions. The principles enshrined in the charter underscore the importance of compliance with legislation

and of open, informed 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 2.1.2 "Promoting diversity, inclusion and equal opportunity").

ACTION PLAN

Labor relations

A healthy, ongoing social dialog improves the workplace experience. The Group therefore encourages continuous exchanges between all the Company's stakeholders: employees, managers, personnel 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. A study is under way to map the professional bodies present at the Group's various sites. According to the initial mapping, the rate of employee representation achieved in our plants is 89%. In addition to local representative bodies,


a European-level works council has been in place since 2019 to enable transnational dialog. It comprises 21 employee representatives from 11 countries.

Employee commitment survey

To obtain a clearer picture and assessment of its employees' level of commitment, Bel conducts satisfaction surveys. "Your Voice," the employee commitment 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 2022, the Your Voice survey posted a very high participation rate of 84%. The survey was based on 18 pillars and measured an employee commitment level of 76%, up two points compared to 2021, with 12,000 comments (see section 2.1 "Building a sustainable future with its employees").

SELECTED KEY PERFORMANCE INDICATOR

Bel's objectives	KPI	2020	2021	2021 pro forma ^(a)	2022	2025 objective	Progress
Promoting a positive dialog	Employee commitment (Your Voice)	n.a. ^(b)	74/100 ^(c)	74/100 ^(c)	76/100	77/100	

(a) Values on a like-for-like basis.

(b) New indicator defined in 2021.

(c) Excluding Fruit.

2.2 | PROMOTING RESPONSIBLE PRACTICES WITH ITS SUPPLIERS

DEFINITION OF THE CHALLENGE AND RISKS

As the standard bearer for a responsible business model, Bel strongly believes that it is possible to combine rigorous management with exemplary practices, profitability with integrity, and growth with ethics. Aware of the risks of labor and environmental abuses and accordingly the risks of unsustainable procurement that its various partnerships may represent, the Group fosters lasting, trust-based relationships with all its business partners (suppliers, subcontractors and retailers) and works to promote exemplary environmental, social and ethical practices all along its value chain by taking a sustainable approach to purchasing.

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 was revised in 2019 to strengthen the process for selecting suppliers and monitoring their performance and to reinforce requirements related to suppliers' vigilance plans.

Since 2020, this practice has also been applied to the Fruit segment, with the adoption of a dedicated charter⁽²⁾ that outlines the Group's requirements in terms of environmental, social and human rights issues, business ethics, management and purchasing.

(1) For more information, the Bel Sustainable Purchasing Charter is available on the corporate website: (<https://www.groupe-bel.com/wp-content/uploads/2019/11/sustainable-purchasing-charter.pdf> [groupe-bel.com]).

(2) More information can be found in the Fruit Sustainable Purchasing Charter, available online at <https://www.momgroup.com/wp-content/uploads/2021/03/group-sustainable-purchasing-charter.pdf>.

With the Cheese and Fruit purchasing teams now combined, the Group is working to identify the best sustainable purchasing practices of each company so as to harmonize the policies and procedures that are used.

In parallel, The Group has established a Code of Good Business Practices⁽¹⁾ that sets out basic common rules for all its employees to follow, all around the world and in all circumstances.

ACTION PLAN

Bel's Purchasing Director monitors the Group's overall policy, which is tailored to the specific characteristics of the various purchasing categories. The Group's buyers are responsible for the effective deployment of the sustainable purchasing approach and their variable compensation is indexed to an objective of improving the CSR performance of suppliers.

In light of the specific nature of the issues related to the upstream dairy sector and their strategic importance for Bel, the measures taken to promote responsible practices among dairy producers are presented in a dedicated chapter (see section 4 "Promoting sustainable and regenerative agriculture").

Identification of risks in the supply chain

In the context of the Duty of Vigilance and "Sapin II" laws, the Group has mapped out its CSR risks and its risks of corruption linked to its supply chain, based on outside data. These exercises performed in 2017-2018 helped fine-tune the identification of purchasing categories and geographic areas requiring special vigilance (see section 1.3 "Vigilance plan"). A process to update these risk maps was launched in 2022.

The level of CSR or corruption risk associated with these purchases is evaluated on the basis of the "purchasing category/supplier country" combination. The risk levels represent:

- high CSR risk, less than 4% of the amount of purchases made;
- high risk of corruption, less than 2%;
- high CSR and corruption risk, less than 5%.

A dedicated tool that uses the results of these mapping exercises has been deployed since 2019 to the Group's community of buyers. This tool enables them to determine the risk levels in their portfolio of current and potential suppliers and to define a priority plan for evaluating the CSR performance of those suppliers.

Roll-out of a supplier evaluation and control system

From the start of the tendering process, suppliers receive a copy of the Group's Sustainable Purchasing Charter. To motivate suppliers to comply with this Charter and with the Code of Good Business Practices, a "CSR and ethics" clause is inserted in calls for tenders, contracts signed with suppliers and the Group's general terms and conditions of purchase. This clause was revised in 2019 to strengthen suppliers' compliance with ethical rules, their duty of

vigilance within their own supply chain, and to set out the consequences in the event of a breach on their part. The criteria used by Bel when selecting suppliers and scoring their performance include the supplier's willingness to make a commitment and its ability to translate its commitments into suitable practices over time. Category-specific CSR requirements can also be added to the specifications defined in calls for tender and contracts depending on the main risks or challenges identified.

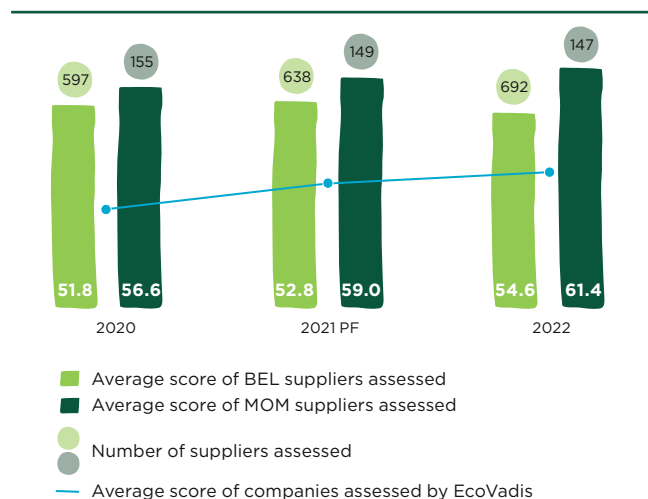
Furthermore, since 2009, the Group has been assessing the CSR performance of the suppliers and subcontractors that it deems key given their business volumes, the risks associated with the products/services supplied or their location. These assessments, carried out in cooperation with EcoVadis, a sustainable purchasing specialist, are based on 21 criteria grouped into four themes: environment, labor law and human rights, ethics and sustainable purchasing. Bel suppliers must be re-assessed every two years. In some cases, the Group may require a corrective action plan and an early re-assessment.

In 2022, the Group monitored the CSR performance of its suppliers via two EcoVadis platforms (Cheese and Fruit). Across the entire scope, the CSR performance of the Group's suppliers has always been above that of the panel evaluated by EcoVadis (over 40,000 companies evaluated in 2022 with an average score of 49.3/100):

- on the EcoVadis Fromage platform, the average score for suppliers was 54.6/100, a clear improvement that brings Bel closer to the target of 55/100 set for 2025;
- on the EcoVadis Fruit platform, the average score for suppliers was 61.4.

In 2023, the EcoVadis platforms for the Cheese and Fruit segments will converge into a common tool allowing results to be consolidated.

ASSESSMENT OF CHEESE AND FRUIT SUPPLIERS BY ECOVADIS (score out of 100) (excluding collected milk)



(1) 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>).

2

A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

Promoting responsible practices with its suppliers

In 2021, with the aim of continuing to improve supplier CSR performance, the Purchasing teams selected five relevant indicators to be monitored in addition to the EcoVadis score. These indicators were selected because they are at the intersection of Bel's key CSR issues and 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.

The challenge for the Purchasing teams is to make their suppliers aware of these key issues, and to be able to monitor the improvement of these indicators from one assessment to the next. Between 2021 and 2022, all five indicators for both segments (Cheese and Fruit) showed clear improvement. The most notable developments among suppliers are the acceleration of reporting on CO₂ emissions and on the CSR assessment of suppliers, as well as the implementation of an anti-corruption policy.

In addition, Bel has been a member of the EcoVadis AIM-Progress sector initiative since 2017, in which members work jointly to improve CSR performance in the FMCG sector supply chain and 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 2022, nearly 10,000 assessments had been shared within this initiative.

Finally, as a proponent of a responsible business model, Bel also completes the EcoVadis questionnaire every two years. In 2021, it received the EcoVadis Platinum Medal, corresponding to the highest level of recognition for CSR

performance, with a score of 79/100. The Group is thus ranked in the top 1% of the world's best-rated companies in its business sector.

Roll-out of a co-manufacturing assessment and control system

The co-manufacturing of finished products, or the use of service providers for all or part of the production process, enables the Group's brands to develop their presence in new regions. These partners manufacture approximately 7.8% of the volume of cheese marketed by the Group, with seven companies accounting for 83% of the volume of co-manufactured products.

Bel requires that all its co-manufacturing partners be assessed by EcoVadis with the same management rules as for other suppliers. In 2022, their average score was 48.5/100, relatively stable compared to the previous year, with no assessed company presenting a high risk (EcoVadis score below 25/100).

In addition, Bel works with its main co-manufacturing partners to implement projects aligned with the Group's nutritional, packaging and climate strategies.

Buyer training

Bel offers a training program in collaboration with EcoVadis for all of the Group's buyers. New buyers must complete this training within their first three months on the job. The goal is to teach buyers how to incorporate CSR and EcoVadis assessments throughout the buying process and thereby improve the performance of their sourcing chain.

Bel also provides its buyers with an EcoVadis handbook, updated annually, that summarizes the essential details on how the assessments and corresponding platform work to help them make the most of CSR data in their practices.

SELECTED KEY PERFORMANCE INDICATOR

Bel's objectives	KPI		2020 ^(a)	2021 ^(b)	2021 pro forma ^(c)	2022 ^(d)	2025 objective	Progress
Promote sound social and environmental practices among its suppliers	Average EcoVadis supplier score (/100)	EcoVadis Cheese platform	51.8	52.8	52.8	54.6	55	😊
		EcoVadis Fruit platform	56.6	59	59	61.4		

(a) Suppliers assessed between 2017 and 2020.

(b) Suppliers assessed between 2018 and 2021.

(c) Values on a like-for-like basis.

(d) Suppliers assessed between 2019 and 2022.

2.3 | BEING A KEY AND COMMITTED PARTNER FOR ITS CUSTOMERS

DEFINITION OF THE CHALLENGE AND RISKS

Present in 32 countries, the Group markets its products to nearly 401 million consumers. It is committed to increasing the accessibility of its products in new distribution channels and new regions (see section 7 “Improving the accessibility and affordability of its products”). Grocery stores and mass retailers are the first point of contact between Bel products and consumers. They are therefore a privileged space to share and raise awareness of the environmental and social commitments made by the Group and to ensure that Bel’s commitments and products reach consumers. In this way, the teams are working to reduce the risk that customers will misunderstand or misrepresent the commitments made by the Group. In addition, the Group is also aware of the risks of unethical conduct – such as labor and environmental abuses – that its various partnerships may represent across the value chain and fosters lasting, trust-based relationships with all business partners. In order to mitigate climate-related risks, Bel also needs to involve its customers who are part of its value chain, and vice versa. This is why Bel considers the relationship with its customers to be essential in order to bring its *For All. For Good* commitment 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* reflects this committed ambition. It is distributed to sales teams around the world and signed by all sales managers.

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. For now, the Group is focusing its efforts on customers in the most at-risk regions, and intends to extend this system to all such customers.

| Developing partner relationships with its customers

Bel is committed to developing and maintaining 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.

In order to remain aligned with its customers’ expectations, Bel is committed to increasing its score each year and has defined step-by-step objectives: to be ranked in the top five suppliers by 2025, then in the top three by 2030 and to maintain this ranking thereafter in all the Group’s countries.

In order to achieve these objectives, action plans have been defined for each of the Group’s countries to meet customer needs as closely as possible.

In 2022, Bel was among the top five preferred suppliers to the retail industry in 10 out of 12 surveys (up one from the previous year), conducted in particular in the following markets: France, United States, Portugal, Canada, Spain, Slovakia, Belgium, Netherlands.

| 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 is currently working on setting up a CSR training program with a particular focus on climate change, dedicated and specifically adapted to sales teams. This training will be provided in all Group countries via a digital platform, with the aim of training 100% of the sales teams by the end of 2023.

In addition, Bel has set up a Junior Sales Activist Board. This committee, made up of eight junior sales people from different Sales professions (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. These commitments were then signed by all Sales Directors at Bel, and will be rolled out to all countries and subsidiaries. The Sales Activist Board meets at least once a year to share best practices and to provide follow-up on the sustainability indicators by the sales teams.

| Engaging in joint projects with its customers

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 2022, Bel was involved in the following partnerships:

- the Gigaton project initiated by Walmart, to which Bel has responded by committing to a trajectory of CO₂ emissions reduction (see section 6 “Fighting against climate change and reducing its environmental footprint”);
- Carrefour’s Food Transition Pact, by participating in the 20 Megatons Platform on Scope 3 indirect emissions;

2

A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

Developing positive products and responsible communication with consumers

- the “10x20x30” program in partnership with the Consumer Goods Forum to reduce food waste (see section 5.1 “Fighting food waste”);
- the launch of a bulk Babybel Original® offering in partnership with Intermarché (see section 5 “Designing responsible packaging and fighting food waste”);
- the “On s’y met” initiative in Lyon with Carrefour, to encourage consumers to have more balanced diets (see section 3 “Contributing to healthier food”). This project included the promotion of the initiative, “Le lundi c’est veggie” (“Veggie Monday”), which won the Sirius Prize in France.

SELECTED KEY PERFORMANCE INDICATOR

Bel’s objectives	KPI	2020	2021	2021 pro forma ^(a)	2022	2025 objective	Progress
Become a key and committed partner for its customers	Number of customer surveys in which the Group is identified among the top 5 partners (Advantage Survey) ^(b)	n.a.	9/12	9/12	10/12	12/12	

(a) Values on a like-for-like basis.

(b) 12 Advantage Surveys, conducted in the following markets: France, United States, Portugal, Canada, Spain, Slovakia, Belgium, Netherlands.

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 seeks to mitigate the risks associated with misinformation and thus protect itself from image and reputation risks. Bel is therefore committed to sharing sustainable visions on food, and to promoting diversity and inclusion in its corporate communications, in order to better protect the planet and society.

POLICIES

At the heart of its corporate mission, Bel strives to “champion healthier and responsible food for all.” The Group drives this strategy using a “positive” products indicator, which measures the share of revenue that addresses issues of nutrition and the environmental footprint.

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, corporate 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. In parallel, the Group is also working on new recommendations on how best to communicate environmental and social information.

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. The indicator is designed to measure the share of sales generated by “positive” products. In 2022, in order to align performance monitoring with the Group’s mission to champion healthier and responsible food for all, the definition of “positive” products was refined to include the issues of CO₂ emissions and packaging recyclability and biodegradability.

A “positive” product is now 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 or organically grown feed, packaged in recyclable and/or home-compostable containers or whose carbon intensity in kg CO₂ eq./ton of finished product is in line with our 2035 commitments).

In 2022, “positive” products will represent nearly 50% of Group sales. Progress on this share of “positive” products may be monitored in 2023, but it will not be measurable against previous years due to the change in recording methodology.

“Positive” products are included in the strategic indicators that the Group has defined (see page 8 “A positive business model”). This indicator will be managed and monitored on a more regular basis. The targets for this indicator will be set at a later stage.

| Communicating responsibly

Integration of CSR issues from the advertisement design stage

The various departments at the Group (Marketing, Nutrition, Sustainable Development, Legal, Communications) work actively from the brand communication design stage to ensure the truthfulness of the information imparted and its compliance with Group principles. 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.

At the same time, in 2022, marketing teams put forward a list of best practices to be implemented at each stage of a communication campaign according to three main focuses:

- limiting the environmental impact and carbon footprint of campaigns;
- attention to messaging aimed at children to promote healthier and more sustainable eating habits (see section 3 “Contributing to healthier food”);
- integration of the Group’s diversity and inclusion commitments.

Positive brands to convey the new identity: *For All. For Good*

The brands are the ambassadors of the Group’s identity: *For All. For Good*. Because of their proximity to consumers, brands are the best communication channels for the Group on sustainability issues. The Group’s CSR commitments feed into the brands’ messaging and enhance their credibility. In return, the brands, through their name recognition, shine a spotlight on the Bel group’s mission. With this in mind, each of the Group’s core brands has defined its three-year CSR roadmap, identifying their priorities in the five main CSR action areas which they will communicate to their consumers. Thus, in addition to meeting consumers’ needs and addressing their concerns, the brands aim to play a real social role by leveraging the trust they have established with them to also turn them into actors of this positive transformation.

In 2022, Bel was the first agri-food company to obtain the “Responsible Influence Certificate” awarded by the French advertising self-regulation agency (ARPP). For example, the Kiri®, The Laughing Cow®, Boursin® and Babybel® brands have deployed the “Small Portions, Big Actions” campaign in France, through 13 million packs carrying key messages, and 20,000 in-store ads. This campaign made it possible not only to highlight the commitments made by the Group and its dairy industry in terms of more sustainable agriculture, but also to raise €100,000 to support young farmers in setting up their businesses.

As part of a campaign against food waste, the Boursin® brand in the UK partnered with MasterChef winner Kenny

Tutt to create seasonal recipes with products that are commonly wasted. The brand also partnered with the FoodCycle association: Bel employees in the UK prepared menus with food that was going to be wasted, and the association’s volunteers then delivered these meals to people in need. Moreover, Boursin® created the #YouCreateWeDonate initiative as part of this campaign, encouraging consumers to share their ideas for anti-waste recipes with Boursin® cheese. For every recipe shared, the Group pledged a £5 donation to FoodCycle.

Communication about environmental issues to consumers

The Group also uses its packaging to communicate in a transparent and educational way about CSR issues by:

- providing clear guidance to consumers on how to sort their packaging. In France, for example, the Group follows the mandatory Citeo® guidelines. But Bel goes further, having adapted its sorting instructions at the local level based on the different waste processing channels. The teams will then need to take these guidelines into account for any future packaging redesigns. (See section 5 “Designing responsible packaging and fighting food waste”);
- by raising consumer awareness of use-by dates, in order to limit food waste (see section 5.1 “Fighting food waste”);
- by communicating the Group’s CSR commitments via a link directing consumers to the CSR commitments section of the website.

Bel is also working to draft Group recommendations to provide operational support to teams on how to communicate environmental information on packaging, by ensuring that the information is as factual and transparent as possible.

Bel also published its GHG emissions data in 2022 on the platform OpenClimat⁽¹⁾, which is the reference platform for corporate climate action, as well as on the Nota Climat application, which also offers a view of companies’ climate commitments. This gives consumers quick and easy access to the Group’s performance and action plan.

Communicating responsibly to children

Bel is particularly careful when it comes to messaging aimed at children (see section 3 “Contributing to healthier food”). That is why, in addition to the Internal Nutrition Communication Charter, the Group has joined the voluntary European movement, EU Pledge, in respect of its Cheese and Fruit activities. 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⁽²⁾) to children under the age of 12 via television, the press or digital channels.

(1) OpenClimat: data, approach and climate actions.

(2) https://eu-pledge.eu/wp-content/uploads/EU_Pledge_Nutrition_White_Paper.pdf

SELECTED KEY PERFORMANCE INDICATOR

Bel's objectives	KPI	2020	2021	2022	2025 objective	Progress
Offer "positive" products to consumers	Share of revenue generated by the sale of "positive" products ^(a)	(b)	(b)	49.5%	(b)	(b)

(a) For a product to be considered "positive" for this calculation, it must meet one of the nutrition criteria AND one of the environmental criteria listed below:

- Nutrition:
 - "Bel Nutri+" compliant;
 - Contains no more than one additive.
- Environment:
 - Made from organic milk;
 - Made from milk from pasture grazed cows;
 - Made from milk from cows fed without GMOs;
 - Packaging is recyclable and/or home compostable;
 - Carbon intensity at the 1.5° target for 2035.

(b) Calculation method updated in 2022; a target will eventually be set.

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.

POLICIES AND 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 three objectives stemming from its CSR strategy for 2025:

- reduction of its GHG emissions;
- development of nutritional education programs in the Group's key countries;
- deployment of an effective action plan for a sustainable dairy upstream sector.

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 2029.

RESULTS IN 2022 FOR THE FINANCING TRANSACTION WITH ENVIRONMENTAL AND SOCIAL IMPACT CRITERIA (EURO PP)

	Definitions	Goal for December 31, 2022	Results as of December 31, 2022	Goal met
Dairy upstream^(a)	<i>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 section 4.1 "Taking action for a sustainable dairy upstream")</i>	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: <i>Pro-forma indicator calculated on December 31, 2017 using the new indicator format (with a denominator in metric tons produced) (see section 6.2 "Fighting against climate change")</i>	- 20%	- 28%	

(a) Indicators considered in the Statutory Auditors' reasonable assurance report on selected social and environmental indicators, presented in Appendix 3.17 of the Universal Registration Document (URD).

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 has been arranged by a consortium of 11 banks or groups of banks, which have once again confirmed their confidence in the Group's commitments.

The environmental and social impact credit facility, granted to the Group for a five-year term, with up to a two-year extension (5 years + 1 year + 1 year), is based on the achievement of three objectives:

- reduce Scopes 1 and 2 GHG emissions as part of its overall Science Based Targets +1.5°C commitment;
- develop carbon diagnostics and action plans for milk producers;
- contribute to healthier food in its core brands for children and families.

In October 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;
- reduce Scope 3 GHG emissions;
- develop carbon diagnostics and action plans for milk producers;
- contribute to healthier food in its core brands for children and families.

In January 2023, Bel announced the success of its multi-currency, multi-tranche "Sustainability-Linked Schuldschein Loan" for an amount of €195 million and US\$120 million with major European and international institutions. The transaction was based on non-financial criteria in line with its Sustainability-Linked Financing Framework.

CHAPTER SUMMARY**HIGHLIGHTS OF 2022**

- Launch of the “We@Bel” cultural transformation program.
- Publication of a Diversity & Inclusion Charter at Group level.
- Implementation of the Hybrid Work Charter to encourage employee autonomy.
- Deployment of the Fresque du Climat, with more than 1,200 employees trained during the year.
- Integration of a bonus linked to the Group’s carbon goals for all employees eligible for variable compensation.
- Promotion of flexitarian diets to consumers in partnership with Carrefour’s “On s’y met” initiative.
- Validation by Moody’s ESG solutions of the framework’s compliance with the SLBP and SLLP.
- Redefinition of the “positive” products indicator and alignment with the Group’s mission.

PRIORITIES FOR 2023

- Continuation of the We@Bel cultural transformation program with the integration of winning behaviors in HR processes and manager training.
- Definition of the Group’s strategy on the labor/social pillar.
- Deployment of CSR training plans dedicated to the Sales professions.
- Launch of the Sustainable Diets theme, which raises employee awareness about responsible consumption, as part of the “Healthy Smiles” program (see section 3.3 “Promoting better eating habits and encouraging healthier lifestyles”).



CONTRIBUTING TO HEALTHIER FOOD



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3.2 Improving the nutritional quality of products	42
3.3 Promoting better eating habits and encouraging healthier lifestyles	44

Bel's mission to "Champion healthier and responsible food for all" is the linchpin of its business strategy. As an agri-food Company, Bel is serious about its responsibilities to:

- support 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;
- offer safe, healthy products and encourage better eating habits. To this end, the Bel group continues to guarantee the quality and food safety of its products for its

consumers; it continues to transform its brand portfolio by strengthening its strategy in three complementary areas: dairy, fruit and plant-based; it also continues to use the portion model to encourage consumption of its products in reasonable quantities;

- meet the needs of its consumers, who, in addition to demanding products that satisfy organoleptic and safety requirements, are increasingly attentive to the quality, origin and naturalness of the ingredients used.

3.1 | OFFERING HIGH QUALITY, SAFE AND HEALTHY PRODUCTS

DEFINITION OF THE CHALLENGE AND RISKS

Bel makes sure to offer safe and healthy food products in order to limit risks related to product quality that could have an adverse impact on consumer health, and is thereby addressing a major public health issue. The Food and Agriculture Organization of the United Nations (FAO) lists access to healthy food as a basic right. Bel therefore takes the measures necessary to ensure a strict standard of food safety and quality in line with regulatory requirements and has made this a prerequisite for its business. To this end, the Group works in close collaboration with all participants in the food chain, from sourcing raw materials to processing, distributing and marketing its products.

POLICIES

The year 2022 marked a turning point in Bel's approach to food safety. 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. This ambition is supported by the Executive Committee and by ambassadors from each department, business unit, cluster and industrial platform. In 2022, more than 100 ambassadors were trained to support the Group's commitment to its Food Safety Culture policy. They have raised awareness among nearly 1,500 employees from all parts of the Group.

This vision is supported by several foundational policies to guarantee optimal food quality and safety and guard against the risks identified at all stages of its value chain. These include:

- the Industrial Operations Management policy, which is applied at all plants and reaffirms Bel's strict commitment to ensuring the food safety and quality of all its products;
- the Food Fraud policy, whose purpose is to prevent all attempts at food fraud involving the raw materials and ingredients used by the Group, as well as its subcontracted processes and – since 2019 – packaging. This policy was reinforced in 2021 following the vulnerability assessment of materials and packaging in 2020. The policy is overseen by the Group Quality and Regulation Department and implemented locally in conjunction with the quality and purchasing departments;
- the new Security policy intended to protect the Group and its products from material or immaterial malicious acts. It lays out eight commitments pertaining to prevention measures and includes the Food Defense policy, which aims to protect the food chain against malicious, criminal or terrorist acts aiming to cause adverse health effects to consumers through product contamination. This policy was reinforced in 2021 to include new measures related to IT risks and customs requirements. It is overseen by the Group Quality and Regulations Department and implemented locally by each site manager.

Building on these policies, in 2021 Bel revised and improved a set of standards to harmonize the quality procedures in place within the Group to ensure food safety (contaminants, allergens, certifications, air and flow processing, etc.).

ACTION PLAN

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, including:

- a farm audit;
- proposed action plans to improve milk quality; and
- action plan monitoring to help the producer improve.

The milk is not used if the quality is considered to be inadequate. However, this is a very rare occurrence.

Moreover, to preserve the milk's qualities, Bel collects it within 72 hours of milking. Bel also supplies refrigerated tanks to some of its producers.

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.

Each year, Bel revises its supplier auditing system to reflect newly identified and emerging risks. In 2022, the risk of fraud was particularly high due to rising inflation and the supply crisis related to the war in Ukraine. Bel has

reinforced the controls already performed on goods with questionnaires, requests for supplier controls and analyses of imported raw materials.

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.

All packaging - especially packaging in direct contact with products - undergoes a similar inspection upon arrival at the Group's plants.

Bel aims to prepare for tomorrow's safety challenges today. In 2023, contaminant control plans will take into account the impact of climate change on animal feed and the rise of new microbiological risks of zoonotic pathogens.

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 2020, Bel obtained the customs status of Authorized Economic Operator (AEO FULL) for all its French sites 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 all the Group's industrial sites and should cover all of them by 2025. Beyond certification, Bel has strict procedures that define everyone's roles and responsibilities and a department devoted exclusively to managing customs operations and monitoring regulatory changes. This department also audits the Group's customs and export partners, transportation providers and brokers.

Certification of production sites	2020	2021	2021 pro forma ^(a)	2022
Percentage of plants certified as "security and safety" authorized economic operators (FULL AEO)	n.a.	36.67%	36.67%	36.67%

(a) Values on a like-for-like basis.

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. This standard is updated each year to reflect regulatory changes and emerging risks identified by the Group, such as those relating to plant-based raw materials, which were incorporated into the standard in 2022.

In addition, 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 elaboration 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. Following this analysis, a monitoring plan was drawn up for packaging in 2021 in order to ensure product quality and durability while preventing the migration of contaminants.

Strict safety controls

Bel adheres to product inspection plans along the entire production chain to guarantee its products comply with regulatory requirements for many variables, including foreign bodies, allergens and microbiological, chemical and nutritional criteria.

These food safety and quality control plans concern raw materials and ingredients, semi-finished products (work in progress) and finished products, as well as the production environment (air, water, machines, manufacturing premises, staff, etc.). They are carried out by the plant's testing laboratory or by accredited independent external laboratories, where necessary. The HACCP assessment determines the frequency of these inspections, which are tailored to the raw material or ingredient in question. The sites maintain records of these inspections.

In addition, subject-specific monitoring plans are implemented each year at all plants for all products. In 2022, 35 contaminants were studied.

Appropriate preservation conditions

The heat treatment processes used at Bel sites ensure that the products manufactured are properly preserved. Good preservation is also enhanced by the protective packaging of the individual portions and controlled storage conditions.

Similar requirements for products that are subcontracted and/or co-branded with partner products

The Group's quality, food safety and product traceability requirements are applied without exception to all

subcontracted and co-branded products. The Group is especially vigilant when it comes to co-branded products; this ensures that whenever a Bel product is paired with another brand's product, the result always meets the expectations of the Group's consumers.

In addition, quality audits are conducted of subcontractors whose products bear Bel brand names and if any minor non-compliance is identified that poses no food safety risk, the suppliers pledge to the Group that corrective actions will be taken within a specific time frame.

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. Furthermore, pursuant to its certification as an authorized economic operator, the Group carries out numerous controls on its logistics chain (carrier audits, vehicle integrity inspections upon arrival and departure from the plant, etc.).

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.

... 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.

3

CONTRIBUTING TO HEALTHIER FOOD

Improving the nutritional quality of products

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 section 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 Fruit).

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. At the same time, the trend toward more natural products is strong and growing among Bel’s consumers around the world as they seek out products with shorter, simpler ingredient lists, perceived as a guarantee of quality.

In order to limit the risks related to product quality and consumer health, the Bel group continues to pursue the strategic transformation of its brand portfolio to offer its consumers products that combine taste, nutrition and quality ingredients.

POLICIES

To accelerate the transformation of its brands in line with its new identity *For All. For Good*, Bel has adopted a structuring policy called “*Healthier*,”⁽²⁾ that is founded on two pillars:

- nutritional quality, to guide the development of new products and continuously improve the nutritional quality of existing products; and
- naturalness, in order to shorten the list of ingredients and limit the use of additives.

ACTION PLAN

Improving the nutritional quality of its products

A program for in-depth understanding of nutritional issues

Bel systematically studies local nutritional recommendations and epidemiological data from the publications of national and international public health authorities to assess the

contribution of our products to the overall diet. This program is called “Bel Nutri-Watch,” and it contributes to the in-depth understanding of local nutritional issues in order to propose appropriate solutions.

A first filter to ensure that products are compatible with a balanced diet

The products distributed by Bel are an important source of calcium, protein and vitamins, nutrients that are essential for growth and compatible with the dietary needs of all. 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 for fat, added sugar and salt, established jointly with an international committee of experts, are respected.

In addition, as a major player in the food industry, Bel is well aware of its responsibility to avoid encouraging snacking, and has developed a good practices guide on “mindful snacking” in order to guide marketing teams when it comes to responsible communication.

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. Values are defined by product category (cheese, savory snacks, and sweet snacks) and by target (adults and children) for six nutrients:

- nutrients to promote: calcium, proteins; and
- nutrients to limit: fat, saturated fatty acids, added sugars, salt.

(1) According to the World Health Organization, overweight or obesity affected: 42% of adults over 18 in 2016 (i.e. 1.9 billion adults), 340 million children and adolescents aged 5 to 19, and 9 million children under 5.

(2) More information is available on the Group’s website (<https://www.groupe-bel.com/wp-content/uploads/2020/08/200629-brochure-bel-nutrition.pdf>).

This nutrient profiling system was extended at the end of 2020 to include the plant-based category, setting out the thresholds for nutrients to be limited and those to be promoted depending on the role the product will have in the meal. Indeed, the plant-based segment is very broad, featuring a wide range of nutritional features (fruits, vegetables, legumes, cereals) and different uses (product consumed as a cheese substitute or a plant-based spread).

Bel teams are working so that 80% of the volumes in its portfolio of products for children and families meet the *Nutri+* promise by 2025. At the end of 2022, 72% of volume met this target.

The Group's main advancements cover the following areas:

- reduction of fat and salt content in all its core brands;
- compliance of recipes with the EU Pledge;
- launch of ranges fortified with essential nutrients "The Laughing Cow" (iron, iodine, zinc, vitamins A and D, vitamin B12);
- launch of specific ranges, such as lactose-free products, or hybrids, combining cheese and legumes (e.g.: *The Laughing Cow Blends*® in the United Kingdom and Canada).

For example, Bel is well aware that vitamin and mineral deficiencies exist in certain regions. According to the WHO, iodine, vitamin A and iron are the most important nutrients for public health worldwide. Deficiencies in this area pose a major threat to the health and development of people around the world, especially children. The Laughing Cow® "4 Essentials" is enriched in iron, vitamin A, iodine and zinc for many countries in Africa, Middle East and Asia, to help fight against deficiencies.

In 2022, in order to ensure the relevance of the product fortification policy, a pilot study was launched in Morocco to study the impact of fortifying The Laughing Cow® on the nutritional status of children (6-12 years). This modeling study was conducted in partnership with the University of Zaragoza and a public health expert in Morocco. The results will be published in 2023.

In addition, certain diets can generate deficiencies, such as a diet that excludes the consumption of animal products. This is why Nurishh® products, plant-based alternatives to cheese, are enriched with calcium and vitamin B12, the main nutrient at risk of deficiency when animal products are not consumed.

Moreover, to improve the nutritional quality of its products, the Group now offers an additional line of products with no added sugar for most of its ranges. By the end of 2022, 73% of products sold ⁽¹⁾ under the *Materne*® and *Pom'Potes*® brands contained no added sugar. The Group's goal is to increase this percentage to 100% by 2025.

Committing to constantly improving naturalness

Bel's mission is to champion healthier and responsible products for all. The Bel's Group "Healthier" policy features an entire pillar on naturalness designed to guide the Group's developments, renovations and innovations. The goal is to offer simpler products, with shorter ingredient lists, while continuing to ensure optimal health safety and the great taste of its products that are so well liked by millions of children and families every day.

Accordingly, since the end of 2021, Bel has decided that products from its core brands (Babybel®, Boursin®, Kiri®, The Laughing Cow®, and Nurishh®) would no longer contain artificial colors or flavors. This commitment was made in 2018 and required three years of research and development. We are proud of this achievement and will continue to uphold this commitment over the long-term.

The recipes for many of the Group's products, including Babybel Original®, are historically quite simple, containing just four ingredients (milk, salt, cultures and rennet) and no added preservatives or other additives. 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.

The Group is also working with external nutrition experts to adapt its products to the needs of emerging countries. In some parts of the world, where climate and storage conditions present real challenges, Bel is committed to using only those additives which are strictly necessary for shelf life and optimal product quality (see section 7.1 "Adapting its products to the needs of everyone").

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 of positive recipes in the children and families portfolio. A "positive" recipe is defined as either conforming to the Bel Nutri+ nutritional profiling system or containing no more than one additive.

As of 2022, "positive" recipes make up 78.8% of children and family products.

"Positive" recipes are one of the strategic indicators that the Group has defined (see page 8 "A positive business model"). This indicator will be managed and monitored on a more regular basis at all levels of the organization. It will be rolled out in 2023 during the strategic planning and budgeting exercise. Targets for this indicator will be set in a projection exercise in 2023.


(1) In number of references.

3

CONTRIBUTING TO HEALTHIER FOOD

Promoting better eating habits and encouraging healthier lifestyles

SELECTED KEY PERFORMANCE INDICATOR

Bel's objectives	KPI	2020	2021	2021 pro forma ^(a)	2022	2025 objective	Progress
Continuously improve the nutritional quality of products	"Positive" recipes (portfolio of children and family products meeting Bel Nutri+ criteria or with 0 or 1 additive) ^{(b) (c)}	n.a.	n.a.	n.a.	78.8%	^(d)	^(d)
	Children's and family product portfolio meeting the Bel Nutri+ criteria ^(b)	72%	72%	72%	72%	80%	
	Portfolio of children and family products with 0 or 1 additive ^{(b) (c)}	n.a.	n.a.	n.a.	48.4%	^(d)	^(d)

(a) Values on a like-for-like basis.

(b) Excluding Fruit.

(c) New indicator defined in 2022 enabling the monitoring of the Group's naturalness objectives.

(d) It will be rolled out in 2023 during the strategic planning and budgeting exercise. The target for this indicator will be set in these projection exercises.

3.3 | PROMOTING BETTER EATING HABITS AND ENCOURAGING HEALTHIER LIFESTYLES

DEFINITION OF THE CHALLENGE AND RISKS

Bel feels a strong sense of responsibility to help feed the world's population in a healthier way, and knows that families and their children must be educated to shift their eating habits. It is therefore committed to promoting healthier lifestyles among its employees and consumers through nutritional education programs, thereby reducing the risks related to food quality and consumer health.

POLICIES

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

- the "Healthy Smiles" program for employees; and
- the "Educanut" project for consumers.

In 2022, the Group's nutrition strategy received a score of 9.3/10, positioning it among the best companies in the ranking carried out by INRAE⁽¹⁾ and Sciensano. This result recognizes the relevance of the resources and means deployed by the Group, and the ambition of its objectives.

ACTION PLAN

Encouraging its employees to adopt better eating habits

The Group is continuing the roll out of the "Healthy Smiles"⁽²⁾ nutritional education program. By 2022, 80% of subsidiaries had launched the program. This program is organized around three fundamental principles: promoting a balanced diet and healthy lifestyle, encouraging physical activity and improving the food offering. All subsidiaries are committed to providing the Group's employees with healthier food on a daily basis in their workplace.

As part of this program, several outreach activities were organized in 2022 in each country:

- in France, during "Health & Safety" week, in partnership with the "Vivons en forme" association, an educational cooking workshop on balanced snacks was held during shifts at two sites. Tips were also offered on how to reduce salt and sugar consumption, and fun physical activities were proposed such as the "Smoothie Bike";
- in Algeria, an information workshop was held on sleep quality;

(1) French National Research Institute for Agriculture, Food and the Environment.

(2) In number of references.

- in Portugal, Algeria and Morocco, stretching sessions were held before the start of work;
- in Egypt and Japan, balanced breakfasts were promoted and distributed;
- at Bel’s headquarters in Suresnes, *Veggie Day* was launched in partnership with Sodexo, which offers vegetarian meals in the staff cafeteria one Wednesday a month.

In 2023, the “Healthy Smiles” program will continue to offer activities on the topic of “Sustainable Diets.” Each local contact will be able to choose from a catalog of actions to set up and offer to employees.

Encouraging consumers and children to adopt better eating habits

Bel supports nutritional education programs for its consumers and in particular for children through the “Educanut” project.

These programs are designed to help children and their parents better understand that nutrition 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. For example, in 2022, Bel:

- continued its “Eat well, smile bigger” program in South Africa, offering nutritional education programs in 31 new schools;
- continued its project in Ivory Coast, ongoing since 2020 with Action contre la Faim (“Action against Hunger”) and since 2022 with the country’s Ministry of Education. The goal of this program is to provide a balanced breakfast to children at schools. By 2022, more than 10,000 children had benefited from this program;

- launched a program with the Food and Agriculture Organization (FAO) in Egypt that raises awareness about better nutrition for children by promoting all food categories through flyers and comics.

A total of eight such projects were carried out in 2022.


In the coming years, the Group aims to continue rolling out nutrition programs worldwide, particularly in countries where Bel has a significant presence.

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. School children also receive educational booklets on nutrition. In France, the Bel Foundation is committed to the issue of food insecurity for young children. For example, it supports projects led by associations such as MaMaMa, which helps single mothers and their children. The Foundation’s funding has made it possible to assess the nutritional status of children and to draft educational materials on nutrition.

The Group also works in partnership with its retail partners, using the stores as a platform to encourage better eating habits. In 2022, Bel participated in the “On s’y met” coalition, along with the *Consumer Good Forum*, Carrefour, Danone and six other companies in the French agri-food industry. Through this coalition, we are committed to encouraging the consumption of healthier, sustainable, flexitarian recipes. This initiative was rolled-out in two phases through multiple channels: digitally on the Carrefour e-commerce site, and directly in stores. In November 2022, Bel and all the partners in this initiative received the Sirius Prize, rewarding the collaboration of industry and commerce in meeting the needs of society and consumers.

SELECTED KEY PERFORMANCE INDICATORS

Bel’s objectives	KPI	2020	2021	2021 pro forma ^(a)	2022	2025 objective	Progress
Foster healthy consumption habits and lifestyle.	Countries where a program is implemented for consumers (“Educanut”)	6	7	7	8	10	

(a) Values on a like-for-like basis.

CHAPTER SUMMARY

HIGHLIGHTS OF 2022

- Group-wide roll-out of the Food Safety Culture policy.
- Against a backdrop of inflation, we maintained the quality of our portfolio, with 72% of our children and family products complying with our Bel Nutri+ nutritional profiling system.
- Signing of the partnership between Bel Egypt and the FAO, to raise awareness on nutrition and food.
- Recognition via the Sirius Award for sustainable collaboration between industry and retailers to promote healthier and more sustainable flexitarian recipes for consumers.
- Launch of a scientific study with the University of Zaragoza on the impact that fortifying The Laughing Cow® is having on the nutritional status of children in Morocco.

PRIORITIES FOR 2023

- Pursuing scientific research on sustainable food, with modeling of impacts on the nutritional and environmental quality of diets.
- Continuing the roll-out of GFSI certifications and the Food Safety Culture within the Group and measuring its initial effectiveness
- Continuing to improve the nutritional quality of the Group's products in accordance with the Bel Nutri+ promise and continuing to simplify ingredient lists while ensuring optimal product quality.
- Continuing to develop nutritional education programs in new countries.



PROMOTING SUSTAINABLE AND REGENERATIVE AGRICULTURE



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The use of regenerative agricultural practices restores the natural capacity of soils and improves their fertility, ensures farm resilience and succession, and makes it possible to continue offering high quality products. Healthy soils have many positive impacts on the water cycle, carbon capture and biodiversity, contributing to the regeneration of natural cycles and the preservation of biodiversity (see section 6 “Fighting against climate change and reducing its environmental footprint”).

By naming sustainable and regenerative agriculture as one of the five priority challenges behind its new *For All. For Good* identity, Bel affirms its ongoing commitment to the transition of agricultural and food models.

Building on the foundation of actions taken over many years, in 2022 the Group decided to ramp up its efforts. It has chosen to focus on regenerative agriculture, in collaboration with various stakeholders such as NGOs Earthworm Foundation and WWF, as well as the Group’s customers and suppliers. Bel’s teams have worked to define a shared aim for its three main areas: dairy, fruit and plant-based products.

The Group has set ambitious goals and budgeted resources, with an initial target of sourcing 100% of its milk and apples based on the principles of regenerative agriculture by 2030, followed by all its other key raw materials by 2035. The teams built a global reference framework to identify good practices on six key themes:

- soil life;
- biodiversity;
- autonomy of farms for animal feed;
- water management;
- reduction of inputs; and
- the socio-economic health of the farm.

The goal is to demonstrate all the positive impacts that a regenerative agriculture model can have, in order to initiate a collective and collaborative approach to the subject. This ecosystem framework will be adapted to local cultures and contexts and will be based on expert reports. The first more precise indicators will be defined in 2023 through pilot projects in various countries, such as Portugal and the Azores for milk and France and the United States for apples.

4.1 | TAKING ACTION FOR A SUSTAINABLE DAIRY UPSTREAM

DEFINITION OF THE CHALLENGE AND RISKS

Milk is the basic ingredient for cheese making: Bel collects over one billion liters of milk from approximately 1,191 producers or collection centers in its 9 dairy supply basins worldwide each year. In order to avoid the risks of poor livestock or crop practices, and to contribute to sustainable production, the Group must continue to encourage dairy production that preserves the planet’s resources and maintain lasting relationships with its partner producers.

POLICIES

To put this commitment into writing, Bel adopted a Sustainable Upstream Dairy Charter⁽¹⁾ that was co-developed with WWF France. The charter integrates economic, social

and environmental aspects and covers all the Group’s dairy supply basins throughout the world⁽²⁾. It addresses six strategic focuses:

- Reducing the environmental footprint;
- Contributing to a sustainable production model;
- Ensuring animal welfare;
- Promoting access to pasture grazing;
- Choosing sustainable and local animal feed;
- Guaranteeing nutritional quality and food safety.

Each of these themes has been converted to actions and ambitious goals to be met by 2025.

Based on the lessons learned in five years of implementation in the field, a process of updating this charter was initiated in 2022 with WWF France, and will be finalized and shared in 2023.

(1) For more information, the Sustainable Upstream Dairy Charter can be viewed on the Bel group’s website (<https://www.groupe-bel.com/wp-content/uploads/2018/04/bel-global-sustainable-upstream-dairy-charter.pdf>).
 (2) Excluding Fruit.

In addition, since 2019, the topic of animal welfare has been formalized in an Animal Welfare Charter⁽¹⁾ developed with the expertise of CIWF⁽²⁾ and standards issued by associations such as Welfarm, the World Organization for Animal Health (OIE) and the CNIEL (the French national dairy industry council). It encompasses five themes:

- guaranteeing the animals' freedom of movement;
- ensuring good living conditions;
- providing care and keeping track of the herd's good health and welfare for continuous improvement;
- ensuring the well-being of calves;
- accompanying the herds' end-of-life.

Bel's goal is to roll out the Animal Welfare Charter in all of its dairy supply basins by 2025 and to have all partner farms assessed by a local external stakeholder trained in the subject, or by Bel technicians when local partners do not have the expertise, as is the case in Iran for example.

ACTION PLAN

Each of the Group's dairy supply basins is defining its own roadmap to meet the 2025 objectives of the Sustainable Upstream Dairy and Animal Welfare Charters. These roadmaps are reviewed throughout the year by the Sustainable Agriculture Committee, which meets quarterly, and their progress is presented once a year to the partners, the WWF and the CIWF.

Reducing the environmental footprint

At a time when fossil fuel resources are increasingly scarce and water resources are deteriorating, the Group is working with milk producers to develop animal husbandry practices that reduce the impact of production on the environment and GHG emissions and increase resilience to climate change and water scarcity.

Bel therefore set a goal to reduce emissions from upstream agricultural activities by 50% by 2035, compared to 2017 levels. 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 section 6.2 "Fighting against climate change").

In total, 904 diagnostics⁽³⁾ were completed in the last three years, covering the Group's 1,202 farms (75%), and follow-up action plans are currently being defined. In France, 100% of APBO⁽⁴⁾ producers have signed the agreement. This consists of a CAP'2ER diagnostic, followed by two days of training to define the action levers that will then be put into practice. Tools have also been deployed to carry out carbon diagnostics in the Group's other dairy supply basins. This is the case for the Smart Tool in the United States and the Cool Farm Tool in the Group's other countries. The exception is Canada, where the carbon strategy is still being defined.

These carbon diagnostics have allowed Bel and its partner producers to identify the greatest emissions contributors – namely, effluent management, crop fertilization and animal feed, which account for 40% – and to use fairer emission factors in calculating the carbon footprint. Workshops were organized with each country at the end of 2021 to share these advances and determine the carbon trajectory for each dairy supply basin. External partners were selected to carry out actions on the ground in 2022.

These carbon diagnostics at the farm level are key to the Group's decarbonization roadmap (see section 6 "Fighting against climate change and reducing its environmental footprint"), and as such their successful deployment has been added as a key indicator in the Sustainability-Linked Financing Framework (see section 2.5 "Promoting responsible financing practices with its investors").

Enteric fermentation, the cause of methane emitted by cows, accounts for the rest of the GHG emissions on a dairy farm. Aware of the importance of methane emissions in climate change, Bel has, for example, launched a pilot project in France and Slovakia with DSM, in which Bovaer®, a feed supplement, is distributed to cows in order to reduce their methane emissions linked to enteric fermentation.

Between 2017 and 2021, the Group reduced its milk-related carbon footprint by 8.3%, bringing the Bel carbon intensity of milk from 1.54 kg eq. CO₂/kg of produced milk to 1.42 kg eq. CO₂/kg of milk. This reduction was made possible in particular by the deployment of GMO-free feed in some of the Group's supply basins, the use of more local feed sources, and better management of effluents and herds in general.

Moreover, the Group also has the objective for all its dairy supply basins to set up action plans to increase resilience to climate change and water scarcity by 2025.

Contributing to a sustainable production model

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 the long-lasting relations and trust of its partners.

Bel's objective is that by 2025, 100% of dairy producers will have access to innovative social measures that will provide them with financial security and improve their farm management. For example, these measures include training courses dedicated to responsible farming practices and site visits to determine ways of improving milk quality. As of 2022, 79% of the Group's dairy producers had access to innovative social measures versus (100% of dairy producers in France⁽⁵⁾, the United States, Iran and Portugal; 55% of dairy producers in the Azores; and 19% in Slovakia).

(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) Several tools were used: Cap'2ER in France, SMART in the United States and Cool Farm Tool for the other supply basins. Not in Canada.

(4) Excluding derogated farms, "Young Farmers" who require one year of accounting and farms where all partners are over 58 years old.

(5) Excluding producers from the Chef-du-Pont plant's dairy supply basin.

In France, Bel renewed its partnership with the APBO in the form of an agreement for better milk prices⁽¹⁾. Among other things, the new 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. Also as part of this partnership, in 2022, Bel set up a fundraising campaign in France to help young farmers starting their businesses, and also provided financial aid and a list of recommendations to encourage the development of agroforestry systems, in collaboration with the Pays de la Loire Chamber of Agriculture.

In the United States, Bel has deployed a key pioneering initiative with partner pilot farms to promote the use of new regenerative farming practices to reduce the carbon impact of farms, by contributing to the deployment of the Truterra® program in partnership with the Land O'Lakes cooperative.

In the other basins, different support programs have been pursued based on local needs. For example, in the Azores, Bel continued its Happy Cow program in 2022, providing loans to farmers to encourage them to set up dynamic rotational pasture grazing.

| 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 good practices, with the ambitious goal of seeing that 100% of its partner dairy farms assessed by 2025, based on a monitoring audit conducted by an external stakeholder (if a local national framework aligned with the Charter requirements exists⁽²⁾) or an internal stakeholder (using an audit grid developed by Bel with CIWF). By 2022, the Group had already completed audits on 29% of its farms (100% of farms in the United States and in Portugal, 80% in Iran). If any non-compliance is identified or if the existing national framework is less rigorous than its own commitments, Bel will require a corrective action plan and early re-assessment. In addition, Bel is working with cooperatives and local authorities in Canada and Poland to define standards aligned with the Group's commitments in terms of animal welfare, which are stricter than those already applicable in these countries.

| Promoting access to pasture grazing

Bel encourages pasture grazing whenever conditions allow, because it is a regenerative agriculture practice that improves the soil's health, fertility and carbon-storage capacity, biodiversity, along with 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.

However, some essential criteria need to be considered in order to benefit from pasture grazing, such as the climate of the various regions where Bel collects milk, the availability of pasture, and local grazing traditions.

The Group's commitment is therefore two-fold:

- wherever possible in regions with a pasturing tradition, Bel sets targets for access to pasture grazing, depending on local weather conditions. In practice, Bel's partner producers must commit to a minimum of 150 days of pasture grazing per year in France and the whole year in the Azores, as long as weather conditions permit. In 2022, 99% of milk volume collected by Bel in these supply basins complied with this commitment;
- if pasture grazing is not possible due to climate, geographic or structural limitations, the Group encourages partner producers to create housing conditions that are respectful of animal welfare, such as good air quality and well-ventilated buildings, with at least one stall per cow offering enough space to lie down and rest at the same time, and so on.

| Choosing sustainable and local animal feed

Feed varies according to the farm's geographic location. As much as possible, wherever possible, the Group encourages the use of sustainable and local food. However, because of the geopolitical context, it proved more difficult in 2022 to ensure a predominantly European feed for cows from European dairy supply basins.

Since 2012, Bel and WWF France have been working together to evaluate and reduce the environmental impact of dairy cow feed. A joint study of the environmental risks related to each raw material in this feed showed that, although they account for less than 5% of a cow's diet, two ingredients have particularly high environmental impacts: imported soy meal and PKE (palm kernel expeller, a by-product of palm oil extraction). It is now acknowledged that uncontrolled soybean and palm cultivation is a major cause of deforestation, which the Group is committed to fighting (see section 6.2.2 "Avoiding greenhouse gas emissions through biodiversity policy and preservation of natural ecosystems").

(1) <https://www.groupe-bel.com/fr/newsroom/news/partenaires-pionniers-dun-modele-remunérateur-et-durable-pour-la-filière-laitière-et-lapbo-sont-fiers-de-perenniser-leur-accord-pour-2020-qui-incarne-pleinement-les-etats-gen/>.

(2) Bovivell framework in France, Farm in the United States, ProAction in Canada.

4

PROMOTING SUSTAINABLE AND REGENERATIVE AGRICULTURE
Using plant-based raw materials within strict limits

For several years Bel has supported the creation of responsible supply chains for soy meal and PKE by participating in different initiatives (Round Table on Responsible Soy, RTRS, and on Sustainable Palm Oil, RSPO, Responsible Soy Initiative). To support the creation of sustainable supply chains which are as yet unbuilt, the Group has been purchasing RTRS and RSPO certificates since 2016 covering the full volumes of at-risk soy meal and PKE. The Group has set a goal of 100% sourcing from traceable supply chains by 2025. That said, in light of the current difficulty sourcing traceable soy meal and PKE, Bel is also working on reducing quantities of purchased soy and fostering the protein self-sufficiency of farms to reduce the risk of deforestation.

The Group’s commitment to sourcing milk from cows whose feed contains no GMOs has significantly reduced the consumption of soy export for the French dairy supply basin⁽¹⁾ and replaced it with other more local sources of GMO-free protein. In 2022, 100% of the milk purchased in France⁽²⁾ and Slovakia came from cows whose feed is free of GMOs. The transition to GMO-free feed is also progressing in the Poland (28%). In the United States, the Group has chosen to give priority to food that allows it to use short, local supply circuits, reducing the carbon impact of its operations. At the Group level, 54% of milk comes from cows fed with non-GMO feed.

SELECTED KEY PERFORMANCE INDICATORS

Bel’s objectives	KPI	2020	2021	2021 pro forma ^(a)	2022	2025 objective	Progress
Contribute to better quality of life and working conditions for partner producers	Share of farmers that have access to innovative social models	63%	77%	82%	79%	100%	☹️
Encourage good practices to promote animal welfare	Share of farms abiding by the Animal Welfare Charter certified by a third party	8%	14%	15%	29%	100%	😊
Farms carrying out a carbon diagnostic^(b)	Percentage of farms having carried out an initial carbon diagnostic	n.a.	n.a.	64%	75%	100%	😊
	Percentage of farms having carried out a second carbon diagnostic ^(c)	n.a.	n.a.	n.a.	0%	^(c)	^(c)

(a) Values on a like-for-like basis.

(b) New indicator defined in 2022.

(c) A second diagnostic should be completed three to five years after the first, to measure progress.

4.2 | USING PLANT-BASED RAW MATERIALS WITHIN STRICT LIMITS

DEFINITION OF THE CHALLENGE AND RISKS

With a constantly growing world population that will hit 10 billion people by 2050, Bel is aware of the need to diversify and balance animal- and plant-based foods while preserving our planet’s resources, as recommended by the IPCC Report⁽³⁾. Thus, the Group chose to go beyond cheese with the 2016 acquisition of MOM, a fruit compote specialist, followed by the 2020 acquisition of All In Foods, a start-up developing a broad range of plant-based cheese alternatives, such as plant-based slices and spreads. The year 2021 was marked

by the launch of Nurishh®, the Group’s first 100% plant-based brand, thereby positioning Bel as a key player in plant-based products.

This project aligns with the transformation process of the Group, which is positioning itself in three complementary areas of dairy, fruit and plant-based products, with the mission to “champion healthier and responsible food for all.” It also responds to the changing needs and tastes of consumers, who in many countries are increasingly moving toward a flexitarian diet⁽⁴⁾.

(1) According to a study ordered by the APBO in 2020, soy meal quantities purchased per farm fell by 29% on average across dairy cattle production farms between 2017–2018 and 2019–2020.

(2) Excluding producers from the Chef-du-Pont plant’s dairy supply basin.

(3) Intergovernmental Panel on Climate Change.

(4) This diet consists in restoring balance to one’s diet by eating more plant-based products without eliminating animal products.

POLICIES

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.

The Group's incorporation of vegetable fats in its hybrid products has been governed since 2019 by a dedicated policy. The policy formalizes strict commitments to taste, nutritional value and responsible sourcing to meet superior standards in three areas.

The development of 100% plant-based products is an important axis to provide a plant-based alternative to consumers interested in flexitarian or vegan diets (see section 7 "Improving the accessibility and affordability of its products") and to promote a low-carbon diet for all (see section 6.2.3 "Reducing greenhouse gas emissions along its entire value chain").

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.

ACTION PLAN

Using responsible plant-based ingredients

Bel has defined a common set of commitments to be honored for the sourcing of all plant-based ingredients used by the Group: first of all, plant-based ingredients must be of non-GMO origin, not linked to deforestation, and must comply with a set of ethical practices and come from channels/suppliers that abide by ethical business 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, for example, is encouraged whenever possible.

Starting at the end of 2020, Bel set the goal of using 100% responsible vegetable fats, i.e., those sourced from

responsible, 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 sources non-GMO materials that pose no risk of deforestation and comply with a baseline of ethical practices.

In 2022, total vegetable fat procurements amounted to 8,700 tons (excluding Algeria), of which 100% was RSPO segregated palm oil. In Algeria, a key country for the Bel group, the health crisis led to a major economic crisis, with severe repercussions on the purchasing power of local populations. Given this unprecedented local situation, and in order to find the right balance between responsible sourcing and accessibility and affordability of our products for consumers, Bel has decided to work on identifying locally sourced vegetable fats and to use a 2,600 tons of Mass Balanced certified palm oil.

Develop a range of plant-based products


In keeping with the Group's goal of rebalancing the share of animal and plant-based protein, 2022 saw the launch of several innovations in our product portfolio in the dairy, fruit and plant-based areas, for example:

- launch of Babybel® Plant-Based in the United States, certified plant-based, GMO-free and "Vegan Society";
- launch of Boursin® Plant-Based in Europe;
- launch of the Nurishh® spreadable range in Europe and Canada;
- launch of Gran Vegiano Nurishh®, a plant-based alternative to Parmesan cheese.

In 2022, the Group was identified in a Mintel study as the most innovative operator in terms of the number of product launches and commercial rotation, including plant-based products. In total, Bel has launched 19 new plant-based products since 2019, including eight in 2022. Within its core brands, the Group has continued to offer fully plant-based products as a complement to its dairy products.

The Group also aims to develop the most natural products possible with an attractive nutritional profile. To this end, it has developed an internal classification tool for its plant-based foods in order to promote continuous improvement of the various products.

SELECTED KEY PERFORMANCE INDICATOR

Bel's objectives	KPI	2020	2021	2021 pro forma ^(a)	2022	2025 objective	Progress
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)	94.5%	90% ^(b)	90% ^(b)	100% ^(b)	100% ^(b)	

(a) Values on a like-for-like basis.

(b) Excluding Algeria.

4.3 | DELIVERING THE GOODNESS OF FRUITS

DEFINITION OF THE CHALLENGE

Bel strives to make healthy portions of dairy, fruit and plant-based foods accessible to all families by offering more nutritious, responsibly designed products. As part of this goal, the Materne®, Pom’Potes®, and GoGo squeeZ® brands offer a range of fruit desserts, alongside jams from the Confipote® brand. In the area of fruit, the sourcing of raw materials is a crucial step in its value chain to ensure the purchase of good and healthy fruit, to build strong relationships of trust with its suppliers, and to contribute to the development of regenerative farming methods that limit the impact on biodiversity.

POLICIES

Convinced that the sourcing of raw materials is key to product quality, the Group has for several years launched increasingly responsible and sustainable sourcing initiatives.

In 2022, the elaboration of an ambitious plan defining the main principles of regenerative agriculture within the Group included the fruit area, with an initial objective of sourcing 100% of its apples according to the principles of regenerative agriculture by 2030 (see section 4 “Promoting sustainable and regenerative agriculture”).

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 its 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 origin of the apples, the Group strives to source them near production plants in France and the United States.

In France, since 2012, the Group has committed to sourcing 100% of its Pom’Potes® and Materne® brands from traditional apples from France. As of 2019, 100% of the traditional apples used in the recipes come from orchards certified as Vergers Écoresponsables (eco-friendly orchards)⁽¹⁾. In 2021 the Group extended its French sourcing

to certified organic apples. Recipes in the Pom’Potes® and Materne® organic ranges are made with French organic apples.

It should be noted that in 2021, given the low apple harvest in France due to frost in the orchards (qualified as an agricultural disaster), the Group was forced to expand its supply sources to several European orchards. In 2021, 17.9% of the apples came from Global GAP-certified European orchards. Only since April 2022 has the supply of traditional and organic apples been of 100% French origin. In 2022, 89% of apples came from orchards certified as Vergers écoresponsables (eco-friendly orchards).

Conventionally grown apples purchased for the U.S. market come either from the United States or Canada.

Since 2021, in addition to apples, the Group has also aimed to source other raw fruits locally whenever possible. Through these ranges, the brands select high quality fruits from several regions of France, thus promoting French agriculture. In 2022, this commitment to local sourcing was extended to new fruits (organic peaches and nectarines).

When local sourcing is not possible, the Group favors responsible sourcing through certification in particular. Such is the case, for example, for bananas and vanilla, some of which are certified fair trade by Max Havelaar.

Maintaining trusting relationships with partner farmers and ensuring the supply of certified apples

For several years, the Group has been committed to sourcing traditional apples from orchards with sustainable agriculture practices. Pursuing its commitment to more responsible and sustainable agriculture, in 2019 the Group joined forces with Vergers Écoresponsables certified apple growers to offer apples supplied 100% from orchards that comply with the Vergers Écoresponsables charter on all its ranges.

Currently, close to 15% of the French fresh apple supply comes from dedicated orchards, under long-term contracts (3 to 15 years) signed with partner farmers. This type of contractual arrangement allows the Group to support the apple producers’ sector by committing to an indexed price and a set period of time, in order to guarantee compensation in line with changes in production costs according to the “EGalim” law.

(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.

In the United States and Canada, the Group uses almost exclusively apples certified USDA GAP⁽¹⁾, Primus⁽²⁾ or Canada GAP⁽³⁾. These certifications are focused mainly on food safety. In addition, 25% of the apples purchases are certified “Organic.”

| Accelerating toward regenerative agriculture

Delivering the goodness of fruits requires a thorough understanding of how they are grown.

The Group has been committed for many years to becoming a key player in the French apple production chain and contributing to the development of more responsible agricultural practices.

The Group encourages agroecological practices in its dedicated orchards, including the use of biological control methods that protect plants using natural mechanisms (e.g.

mating disruption, use of nesting boxes for chickadees that feed on insect pests, etc.), rational management of soils, water resources and biodiversity, and ensuring the health, safety and working conditions of farm employees. These agricultural practices are part of a larger trajectory of the Group toward regenerative agriculture. (see section 4 “Promoting sustainable and regenerative agriculture”).

Beginning in 2010, the Group decided to help several farmers located near Materne’s historic site in Picardie in selecting apple varieties suited to the region’s growing conditions and ideal for making fruit compotes.

Finally, since the end of 2020, GoGo squeeZ® has begun to partner with West Michigan Research Station to assist the research and development of sustainable agricultural practices. This initiative could provide Michigan’s apple growers with a local testing station to try out sustainable agriculture and soil-preservation programs as early as 2023.

CHAPTER SUMMARY

HIGHLIGHTS OF 2022

- Revision of the Upstream Dairy Charter in collaboration with WWF France.
- Definition of the Group’s ambition around regenerative agriculture in collaboration with WWF France and Earthworm Foundation.
- Trial of the Bovaer® feed supplement for enteric methane reduction in Slovakia and France.
- Acceleration of carbon diagnostics carried out on the Group’s partner farms.
- Use of agroecological practices, including biological control tests in the Group’s dedicated orchards.

PRIORITIES FOR 2023

- Launch of the first regenerative agriculture pilot programs in Portugal and the Azores for milk, and in France and the United States for apples.
- Continue the deployment of organic and French origin fruits.
- Launch of regenerative agriculture experimentation programs for apples in partnership with the *West Michigan Research Station*, and for milk in Portugal.

(1) 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.
(2) PrimusGFS is a certification program recognized by the Global Food Safety Initiative (GFSI) that covers agricultural practices, manufacturing practices, and food-safety management systems.
(3) Canada GAP® is a food hygiene program for businesses that produce, handle and sell fruits and vegetables.



DESIGNING RESPONSIBLE PACKAGING AND FIGHTING FOOD WASTE



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DEFINITION OF THE CHALLENGE AND RISKS

According to the FAO and WWF, nearly 40% of the food produced in the world for human consumption is never consumed⁽¹⁾. 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 amount of food waste per capita worldwide.

This issue has always been an integral part of Bel’s model. Moreover, deriving value from by-products is at the origin of some of the Group’s iconic brands.

The use of portions, the Group’s signature initiative, has many advantages:

- preserving food quality and safety over long shelf lives (see section 3.1 “Offering high quality, safe and healthy products”);
- limiting excess consumption and offering consumers the right nutritional intake for their needs (see section 3.3 “Promoting better eating habits and healthier lifestyles”);
- helping to reduce food waste, thereby allowing cheese to be consumed over a longer period of time compared to a family size package. This ensures that there is less leftover cheese from an opened family size package that could spoil;
- enabling as many consumers as possible to be able to enjoy its products, offered in a practical format that can be easily transported (see section 7 “Improving the accessibility and affordability of its products”).

Nevertheless, Bel is aware of the environmental challenges posed by the use of individual packaging and, more generally, of the risks of the packaging’s environmental impact. Although these products account for only 5% of the Group’s carbon footprint, their production, use and end-of-life have an impact on biodiversity preservation. That is why the Group is striving to limit the environmental impact of its packaging by taking an eco-design approach throughout the life cycle of its products.

POLICIES

In 2021, Bel joined the 10x20x30 initiative through the Consumer Goods Forum, committing to halve food waste by 2030 compared to 2021.

To manage the Group’s commitments, a Food Waste Committee was created and meets quarterly. This Committee brings together the Group’s various functions with a view to covering the entire value chain and the issues surrounding waste.

In 2022, the Group translated its commitments into its Charter for fighting food waste⁽²⁾ in order to consolidate good practices and commitments across the entire value chain and to continue to reduce our food losses.

Bel has had a “Responsible Packaging” policy⁽³⁾ since 2018. It defines guidelines for reducing the environmental impact of packaging, from their design to their end-of-life, through its eco-design approach. This approach enabled the Group to refine its strategy and set its five objectives for 2025:

- refuse, reduce and develop bulk sales and reuse;
- systematically prioritize plant-based, renewable and bio-based raw materials;
- use only paper and cardboard materials made from recycled fibers or certified or sustainably grown virgin fibers to protect the environment and fight deforestation, guarantee the respect of social & ethical norms and protect human health;
- aim for 100% eco-designed packaging to be recyclable-ready and/or home compostable, depending on the processing channels that exist in the countries where the products are sold; and
- facilitate and encourage sorting and recycling by communicating clearly to consumers and by forging partnerships to develop packaging waste collection and recovery chains in the key countries where the Group operates.

Drawing on the lessons learned from the last five years of since the implementation of the “Responsible Packaging” policy, the teams started updating it in 2022 to ensure that the commitments made were as responsible and ambitious as possible. This update will be finalized and deployed in 2023.

In addition to its “Responsible Packaging” policy, the Group has put in place a dedicated team since 2020 to develop new, groundbreaking packaging with a lower environmental impact and to deploy these new solutions by 2035.

(1) [wwf_uk__driven_to_waste___the_global_impact_of_food_loss_and_waste_on_farms.pdf](https://www.wwf.org.uk/press-releases/2019/04/wwf-driven-to-waste-the-global-impact-of-food-loss-and-waste-on-farms.pdf) (panda.org)

(2) <https://www.groupe-bel.com/wp-content/uploads/2023/02/food-waste-en.pdf>

(3) <https://www.groupe-bel.com/wp-content/uploads/2019/11/emballages-responsable-en.pdf>

5.1 | FIGHTING FOOD WASTE

ACTION PLAN

| Acting collectively for sustainable food

With the understanding that positive change can only come from collective action, Bel works with its entire ecosystem, both internally and externally, from farm to fork. The Group therefore strives to reduce food waste across its entire value chain, in collaboration with partner farmers, as well as by counting on individuals, whether they are consumers, employees or partners.

The Group is committed to fighting food waste through two external coalitions that bring together different food stakeholders. Bel is an active participant in the Food Waste Coalition of the Consumer Goods Forum with a focus on the target-measure-action approach. Starting in 2022, the Group will publish the harmonized food loss and waste report on the Food Waste Atlas⁽¹⁾ once a year.

Since 2019, Bel has also been a member of the Too Good To Go pact on use-by dates, together with 65 manufacturers, retailers and associations who are upholding 10 concrete commitments to profoundly change the stages of food distribution and consumption.

| Initiatives across the entire value chain

In 2022, the Group provided the teams with new tools, such as a new digital platform to track data and identify relevant action plans, or a decision support tool to recognize all opportunities to donate food, not only in the form of finished products, but also raw materials, industrial samples or other intermediate products generated during the production phase. While the reuse of by-products is already a well-developed subject within the Group, Bel is committed to adding value wherever it can, through a process of constant innovation.



(1) <https://thefoodwasteatlas.org/>

| Upstream and collection

Bel minimizes the loss of raw materials during agricultural production, especially milk because it is a fragile, perishable ingredient. Thus, the Group collects milk locally and regularly (at least every three days) from partner producers to reduce the time elapsed between milking and processing. Bel also contributes to ensuring that farmers produce the right amount of milk by committing to purchase specific volumes. All milk is either used on the farm or collected by Bel year-round, even during peak production periods. The Group also supports partner producers by identifying and sharing best practices to avoid milk loss on the farm and to ensure that the maximum amount of milk can be used for food. On the Fruit side of the business, it is through its activity as a processor that Bel actively contributes to avoiding post-harvest losses. In fact, the Group's products are for the most part prepared with quality fruits that are excluded from direct consumer purchase due to their size, appearance, or because of a gap between demand and production (see section 4.3 "Delivering the goodness of fruits"). Recovering these fruits not only limits waste, but also provides additional income to producers.

| Production

In order to reduce food waste generated during product processing, Bel has prioritized certain actions when products or ingredients cannot be marketed:

- avoid as much as possible producing downgraded (unmarketable) ingredients or products;
- prioritize reuse in the production process;
- encourage donations to feed people or animals;
- recover energy from waste that presents a risk for human consumption via animal feed, methanization, compost or incineration with energy recovery.

The Group's plants make every effort to reduce the generation of food waste to a minimum by assessing potential losses from the outset, carrying out appropriate technical tests, and designing action plans to reduce, reuse and recycle losses.

The development and manufacturing of products (formulation, heat treatment protocols, high-performance packaging design, etc.) are carried out in such a way as to preserve the taste and nutritional qualities of cheeses and plant-based products over relatively long shelf lives. The Group is working to put in place quality requirements to ensure the integrity of the product throughout its shelf life.

Finished product production runs are also adjusted to match sales estimates to avoid manufacturing surplus products without a sales outlet. The proper maintenance of the production tools and the rationalization of the portfolio ensure optimal performance and limit food losses.

Bel also strives 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.). All these by-products and production surpluses are recovered: they are reused in the Group's own plants, resold as raw ingredients in the manufacture of other products or, to a lesser extent, reused to generate energy (methanization).

| Distribution

Bel strives to achieve zero waste of finished products during transportation, storage and distribution to end consumers.

Cardboard boxes (logistic units) and pallet configurations are specifically designed to ensure that products stay intact until they are sold to consumers. Bel follows strict quality control guidelines regarding storage and transportation conditions (such as temperature, humidity, etc.) and ensures that these rules are respected throughout the distribution network.

Bel aims for excellence in the accuracy of sales forecasts to avoid excess stock and guarantee maximum freshness to consumers. Stock levels are closely monitored and the teams are quickly deployed when the risk of obsolescence is alerted (beyond the shelf life guaranteed to the customer).

The vast majority of products are sold in traditional distribution channels. Nevertheless, when the Group must deal with excess stock, it makes every effort not to destroy any production. The overages are sold via other channels, including anti-waste and social-solidarity grocery stores, or donated to non-profit associations such as food banks.

| Consumption

Food wasted by consumers accounts for a large share of overall food waste. Twenty-two percent (22%) of food waste worldwide occurs at home⁽¹⁾, with a greater share of food waste in developed countries.

The individual portion format is a strong start to fighting food waste, both at home and in food service settings. Indeed, it allows for the optimum preservation of products even when a pack has been opened, and provides just the right amount to avoid leftovers.

One of the main drivers of household food waste is a lack of understanding about consumption dates. As of 2021, 20% of French consumers still did not differentiate between use-by dates and best-before dates (compared to 52% in 2015)⁽²⁾. Bel believes that education, information and awareness efforts aimed at individuals are powerful ways to prompt actions to reduce food waste.

(1) <https://www.bcg.com/fr-fr/publications/2018/tackling-1.6-billion-ton-food-loss-and-waste-crisis>.

(2) Too Good To Go pact, Ipsos study, May 2021.

This is why the Group, as part of its collaboration with Too Good To Go, worked to include informational and explanatory messages about the difference between use-by and best-before dates. This initiative was launched in France with The Laughing Cow® brand and has been extended to the Apéricube®, Kiri®, GoGo squeeZ®, Pom’Potes®, and Mont Blanc® ranges 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, Greece and the Netherlands, and may

be rolled out to other countries on a voluntary basis. In addition, the Group shares anti-waste tips and recipes for consumers through its brands.

Bel also makes its employees aware of the various economic, social and environmental issues related to food waste through regular information campaigns and events to help them adopt good practices to fight waste. In September 2022, for example, employees at the company’s headquarters benefited from awareness-raising workshops on the occasion of the international day against food waste.

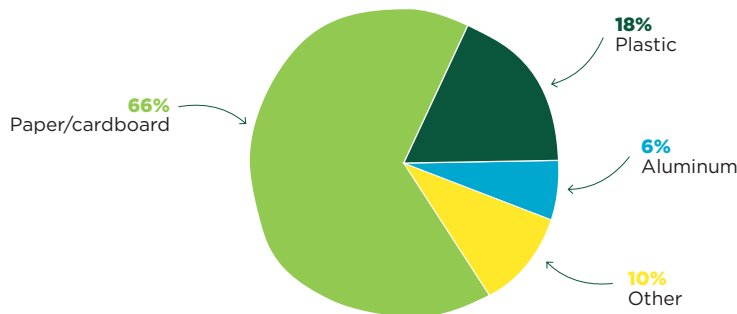
Reduce the rate of food loss and waste by 50% in our operations in 2030 vs. 2021^(a)	2020	2021	2022
Rate of food loss and waste, including wastewater	n.a.	4.5%	4.4%
Rate of food loss and waste, excluding wastewater	n.a.	1.5%	1.5%

(a) New indicator defined in 2022.

5.2 | ECO-DESIGNING ITS PACKAGING AND USING MORE SUSTAINABLE MATERIALS

In 2022, the Group’s packaging was primarily comprised of paper- or cardboard-based materials – including cartons (66%), followed by plastic (18%), wax (10%) and aluminum (6%).

BREAKDOWN OF PACKAGING WEIGHT BY TYPE OF MATERIAL



ACTION PLAN

Refuse, reduce and develop bulk sales solutions and reuse

Eco-designed packaging is a fundamental pillar of Bel’s strategy, which is why the eco-design principles apply to all stages in the packaging life cycle, from design to end-of-life.

Given the best packaging is that which does not exist, the Group’s first action is to “refuse” all unnecessary packaging. This is indeed one of the commitments the Group made within the “Consumer Goods Forum” (CGF) coalition, which the Group joined in 2020, with the goal of having no secondary plastic packaging that does not serve to conserve the product by 2025.

With its eco-design approach, once all unnecessary packaging has been removed, the Group acts on two key levers: reducing the amount of materials as much as possible and simplifying the packaging by prioritizing mono-materials, which are easier to recycle and limit the number of small secondary materials. In addition, through the CGF coalition, the Group made a commitment in 2022 to limit the amount of headspace in its flexible plastic packaging to 30% by 2025.

The Group offers training modules on good eco-design practices for development, marketing and purchasing teams, and workshops are held annually to share know-how and innovations.

Since 2021, R&D teams have incorporated the following two factors into their decision-making process:

- An assessment grid has been systematically applied to all packaging put on the market in order to provide a score according to the degree of compliance with the Group's recyclability and compostability targets;
- a life cycle assessment (LCA) tool through eQoPack, a pioneering tool to measure the impact of packaging, co-created with Quantis, a consulting firm with LCA expertise. 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, 145 projects and 510 scenarios have been evaluated using eQoPack.

Bel continues to pursue its efforts to reduce the packaging of its products and tests breakthrough solutions such as bulk packaging and reuse in order to go beyond the logic of single-use packaging. In 2020, Bel tested Babybel Original® in bulk in Day by Day stores. In 2022, the Group conducted an identical pilot project, this time in around 20 Intermarché stores.

Prioritizing plant-based, renewable and bio-based materials

As part of this eco-design approach, Bel systematically prioritizes plant-based, renewable and bio-based materials, sourced locally whenever possible. These materials have several advantages: they reduce pressure on the environment, are very often recyclable (in the case of paper/cardboard) and have a smaller impact than plastic if they do end up in the environment. In 2022, the Plant-Based Mini Babybel® was launched in 97% paper packaging. Nevertheless, when plastic must be used, for example, for technical reasons or to maintain optimal conservation, Bel strives to limit the quantities of plastic used to the absolute minimum. Thus, in 2022, the strings used to wrap the Food Service's Laughing Cow® micro-trays were eliminated, saving 630 kg of plastic per year. In addition, the plastic bag used for the Babybel® mini-wheels was eliminated in March 2022 and replaced with a recyclable bag made of 97% paper, saving 18 tons of plastic.

Finally, although wax is not considered as packaging in regulatory terms, Bel's goal is to identify and develop bio-based and home-compostable alternatives. Bel is exploring several possibilities (wax made from bio-based materials) in conjunction with its suppliers, using an open-innovation process.

Using recycled materials from certified sustainable sources

Using paper and cardboard materials made from recycled or certified virgin fibers

The Group is working so that 100% of the paper and cardboard materials used in its packaging come from recycled fibers (with a minimum of 50% recycled fiber) or certified virgin fibers from sustainably managed forests (FSC, PEFC, SFI, CSA, etc.) to preserve natural ecosystems and fight deforestation (see section 6.2.2 "Avoiding greenhouse gas emissions through biodiversity policy and preservation of natural ecosystems").

For example, the cardboard used to package Kiri® and The Laughing Cow® cheeses is 100% FSC-certified.

Overall, 76% of paper/cardboard packaging is of certified origin or incorporates mostly recycled fibers, with:

- 47% of paper/cardboard packaging is from certified origin;
- 55% of paper/cardboard packaging contains mostly recycled fibers.

In 2022, these results take into account:

- a single consolidated figure for the cheese and fruit segments;
- the improvement of the robustness of field data collection (mainly Iran) and taking into account the certification of suppliers' production sites;
- the reduction in some countries of the recycled/certified supply due to shortages of raw materials.

Promoting the use of recycled plastic

When it does not compromise product quality and safety requirements and is technically feasible, sourcing of recycled plastic is preferred to reduce the need for extracting the fossil fuels required to produce virgin plastic. In Portugal, the Group's Limiano® brand earned kudos for incorporating 50% post-consumer recycled (PCR) plastic from recycled PET bottles, i.e. 8 tons, in the packaging for its products.

A specific approach for aluminum

Aluminum accounts for only 6% of the Group's packaging tonnage, but holds a symbolic place in the Bel brand portfolio. The Sablé-sur-Sarthe plant, where the Kiri® aluminum portions are produced, has been certified with the *ASI performance standard* and *ASI chain of custody standard* since June 2022. It is the first Bel plant and the second agri-food plant in the world to receive both certifications, highlighting the strength of Bel's aluminum management and traceability practices. More generally, the Group is playing an active role in its sustainable management and has been engaged in the Aluminum Stewardship Initiative (ASI) since 2017. ASI helps to improve business management practices in the aluminum industry related to social, environmental and traceability challenges.

5.3 | ENCOURAGING AND FACILITATING THE RECYCLING OF ITS PRODUCTS

ACTION PLAN

Developing recyclable-ready and/or home-compostable packaging

To build momentum behind the circular economy and to optimize its products' end-of-life, the Group is working toward eco-designing 100% of its packaging so it is recyclable-ready and/or home compostable by 2025. In 2022, 83% of the Group's product packaging will be recyclable-ready and/or home compostable⁽¹⁾, a slightly lower performance than in 2021 due in particular to the drop in recyclable-ready plastic volumes, from 23% in 2021 to 11% on a comparable basis.

As of 2022, CSR performance indicators include cheese and fruit activities, addressing the needs of convergence and new challenges, in particular with regard to fruit pouches, for which a solution has been identified and is beginning to be implemented, but needs time to be rolled out. Moreover, beyond achieving packaging recyclability, the Group's objective is to develop the best solution in regard to the environment, consumer expectations and regulations, all of which requires time, agility and flexibility.

As a result, the goal of reaching 100% of packaging that is recycling-ready and/or home compostable by 2025 has been shifted to 2030, with an intermediate goal of 90% by 2025 to take these challenges into account.

Thus, from the packaging design phase, Bel is studying the existing channels in the countries where its products are sold to choose solutions that are the most environmentally sound and best suited to the country's realities (recyclability). The Group is therefore prioritizing paper- and cardboard-based materials that are easy to recycle.

Nevertheless, the use of plastic is sometimes necessary, such as for technical reasons. In this case, Bel favors single-material packaging to guarantee recyclability. As such, 100% of the plastic used should be recyclable-ready in order to promote its integration in the circular economy: To do this, in 2022, the Group launched a campaign to renew its machine fleet to move toward single-material, recyclable compote pouches. This pouch is the most representative packaging in the Fruits product line. Seven machines have already been modified, allowing the removal of the aluminum initially present in the packaging and resulting in a 30% reduction in GHG emissions arising from the pouch production compared to the 2018 model.

Encouraging and facilitating recycling

By communicating clearly to consumers

Bel wants to help its consumers adopt good waste sorting habits by adapting to the applicable rules in each country through the development of appropriate recycling instructions. Therefore, sorting instructions are visible on the Group's packaging and on its brands' websites. In

countries that do not currently have such disposal resources, the Group is gradually altering its packaging to explain how individuals can prevent litter. The Group has also made a commitment to the CGF to ensure that all of its packaging includes waste sorting instructions where such processing facilities exist by 2025.

In the United States in 2020, Bel joined the How2Recycle initiative, which aims to establish a standardized labeling system to give consumers clear instructions on recycling. Several of the Group's products are now printed with the logos developed by this initiative.

In 2021, an internal management tool was developed on the basis of the Suez Cirpack database to monitor sorting rules around the world and assess the recycling potential of Bel products in different countries. A guide and a *Com'pack* tool have been deployed internally for the Marketing teams to facilitate the identification of the instructions to be displayed on each package.

By forging partnerships to develop packaging waste collection and recovery chains

Bel is supporting the development of collection and recycling channels through various programs to take specific local circumstances into consideration.

For example, in France in 2020 the Group signed on to the "Pacte National sur les Emballages Plastiques" backed by the French Ministry of Ecological Transition, major retail players and manufacturers. The Pact's signatories pledge to work together to eliminate problematic and unnecessary plastic packaging, speed up the recycling of plastic packaging, develop reuse, incorporate recycled raw materials and promote eco-design. Participating businesses must publish financial statements to show their progress on 15 quantitative indicators defined by the Pact.

In 2020, the Group also joined the Consumer Goods Forum (CGF) to support the development of Extended Producer Responsibility (EPR) coalitions in the countries where the Group's products are sold, and pledged to comply with the commitments of the Plastic Waste Coalition. Since 2021, Bel has also been a signatory of the Ellen MacArthur Foundation Position Paper, helping to deploy EPR solutions.

Lastly, the Group is an active member of organizations working to improve the aluminum and steel waste processing in the countries where it operates, through the CELAA⁽²⁾ (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, COALI (Coalition pour le recyclage de l'aluminium et de l'acier léger – Coalition for Aluminum and Light Steel Recycling) and the "Alliance pour l'innovation et le recyclage des emballage" (Alliance for innovation and recycling of packaging) in Morocco.


(1) 74% including wax.

(2) By the end of 2022, 50% of the French population will have access to a waste sorting center equipped to process small amounts of aluminum waste.

5

DESIGNING RESPONSIBLE PACKAGING AND FIGHTING FOOD WASTE
Encouraging and facilitating the recycling of its products

SELECTED KEY PERFORMANCE INDICATOR

Bel's objectives	KPI		2020	2021	2021 pro forma ^(a)	2022	2025 objective	Progress
Work toward 100% recyclable-ready and/or home-compostable packaging	Recyclable-ready and/or home-compostable packaging	Excluding subcontractors, excluding wax	95% cheese	95% cheese	84%	83%	90%	
			53% fruit	62% fruit				
	Excluding subcontractors	83% cheese	82% cheese	75%	74%	n.a.		
			53% fruit	62% fruit				

(a) Values on a like-for-like basis.

CHAPTER SUMMARY

HIGHLIGHTS OF 2022

- Drafting of the Bel Charter to fight against food waste.
- Implementation of monitoring tools to manage food loss and waste and publication in the Food Waste Atlas.
- Continued roll-out of a label advising to “see, smell, taste, and only throw away if in doubt” on packaging in partnership with Too Good to Go.
- Development of the Mini Babybel® Plant-Based in a bag made of 97% paper.
- Launch of the project to transform the single-material and recyclable compote pouch.
- Obtained the ASI performance standard and ASI chain of custody standard at the Sablé-sur-Sarthe plant.

PRIORITIES FOR 2023

- Publication of the Bel Charter and its commitments to fight against food waste.
- Guarantee 100% of the Pom’Potes® offer packaged in recyclable materials by the end of 2023, and continue the deployment of the single-material, recyclable compote pouch.
- Updating of the Group’s packaging policy.



FIGHTING AGAINST CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT



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6.1 | THE GROUP'S ENVIRONMENTAL STRATEGY

ENVIRONMENTAL POLICY

The Group has an internal environmental policy, revised in 2021, which 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 in a cross-cutting way, from farm to plate, aware of how the various issues 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 this policy has several key focuses:

- reduction of GHG emissions at its production sites and across its entire value chain;
- reduction of water consumption at its production sites and across its entire value chain;
- adaptation to the consequences of climate change and in particular to the demand for natural resources;
- development and deployment of environmental best practices and standards;
- selection of suppliers aligned with Bel's sustainable commitments.

In addition, several other policies adopted by the Group contribute indirectly to reducing Bel's greenhouse gas emissions. Examples include policies on the dairy upstream

(see section 4.1. "Taking action for a sustainable dairy upstream"), "Responsible packaging" (see section 5 "Designing responsible packaging and fighting food waste") and "Preserving forests and natural ecosystems" (see section 6.2.2 "Avoiding greenhouse gas emissions through biodiversity policy and preservation of natural ecosystems").

GOVERNANCE

Environmental issues are managed at various levels of the organization by central CSR and environmental teams. Progress on the roadmaps is steered by the Environment Committee, which meets quarterly, and topics are systematically discussed by the CSR Operational Committee.

In 2022, the operationalization of the strategic carbon indicator made it possible to raise awareness among a larger number of employees about environmental issues (Fresque du Climat, CSR e-learning courses) and to deploy the action plans beyond the plants to each level of the organization (strategic carbon plan for the brands and certain key functions, the carbon commitments of individual countries)

At the same time, Bel has appointed environmental managers at each of its three production platforms to ensure a better link between the Group's teams and the environmental managers at each plant, and to facilitate steering of the environmental strategy for Scopes 1 and 2.

6.2 | 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 4.4 million tons of greenhouse gases emitted by the Group per year, Bel is aware of the risks related to the impact of its activities on climate change, and to the adaptation to the consequences of climate change for the Group.

A member of the Science Based Targets initiative (SBTi)⁽¹⁾ since 2017, the Group committed in 2019 to a GHG emissions reduction trajectory in line with the Paris Agreement's ambitions to keep global warming below +2°C. Aware of the urgent need to accelerate efforts, in 2021 Bel defined a new, even more ambitious trajectory, in line with experts' recommendations to limit the rise in temperatures to below +1.5°C. This trajectory for 2035 was

validated by the SBTi in March 2022, and makes the Bel group a pioneer in its sector.

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 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 below).

(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.

RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE

RISKS

Category	Description of risks and opportunities	Time frame	Potential financial impact	Impact on the Group's strategy
PHYSICAL / TRANSITION				
Carbon tax	<p>The carbon tax is a policy instrument that takes into account the external costs of GHG emissions.</p> <p>This tax is calculated as a cost per ton of carbon emitted. An increase could have significant impacts on costs for Bel, affecting its entire value chain.</p>	2050	++	<p>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. At the same time, the Group is committed to contributing to 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:</p> <ul style="list-style-type: none"> • 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. It is factored into: the Bel Carbon Impact tool; the performance monitoring of changes in a Carbon current operating income [<i>Group result - (Tons of Scopes 1, 2, 3 CO₂ * Internal Carbon Price)</i>] 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	<p>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.</p> <p>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).</p>	2035	+	<p>Given how much our carbon footprint is affected by the choice of agricultural raw materials that go into our products, we are introducing initiatives to increase the climate-resilience of agricultural production. Such initiatives will:</p> <ul style="list-style-type: none"> • 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 at every point along the value chain in order to maximize the value of each input.
PHYSICAL				
Water scarcity	<p>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).</p> <p>These risks could lead to higher operating costs and production difficulties in its agricultural basins and at Bel production sites.</p>	2035	+ / ++	<p>Bel is implementing actions to make agricultural production more resilient in a context of water scarcity:</p> <ul style="list-style-type: none"> • the Wasabel improvement program allows each production site to monitor its water consumption and establish action plans to reduce water consumption; • WWF France's Water Risk Filter tool provides an indication of water availability in each 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); • Bel already has visibility on the impact of its packaging on water through the use of the eQoPack tool, and in 2022 Bel began studying ways to measure the water footprint of its entire value chain.

RED Opex/Capex
GREEN Revenue

OPPORTUNITIES

Category	Description of risks and opportunities	Time frame	Potential financial impact	Impact on the Group's strategy
TRANSITION				
Development of new products	<p>Today, 66% 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).</p> <p>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.</p>	2035	++	<p>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.</p> <p>The work undertaken by Bel mainly focuses on two areas:</p> <ul style="list-style-type: none"> 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 partnership with SuperBrewed, Standing Ovation, Perfect Day). <p>At the same time, the sustained growth of Pom'Potes® and GoGo squeeZ® fruit pouches is helping to reduce the average carbon intensity of the Group's portfolio.</p>
TRANSITION				
Carbon sequestration	<p>Carbon sequestration consists of increasing the capacities of carbon sinks through practices such as the preservation of ecosystems, forestation and/or reforestation, agroforestry, etc.</p> <p>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.</p> <p>Carbon sequestration should offer both environmental and social benefits (biodiversity, soil health, water quality, etc.).</p>	2050	++	<p>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:</p> <ul style="list-style-type: none"> Bel signed a partnership with the forestry cooperative Alliance Forêt Bois (AFB) to finance planting projects in France; Bel signed a five-year partnership with the NGO African Parks to support fauna and flora preservation projects in the natural parks of Central African Republic.
PHYSICAL				
Energy management	<p>Continuous improvement of our plants, distribution centers and administrative buildings is resulting in reduced energy consumption and CO₂ 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.</p>	2035	+ / ++	<p>Bel's goal 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:</p> <ul style="list-style-type: none"> 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.). <p>In 2022, 20.22% of energy and 89.25% of electricity comes from renewable sources.</p>

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 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 decided to accelerate the reduction of its carbon footprint and adopted an even more ambitious trajectory in line with the ambition to limit global warming to below +1.5°C. This commitment implies a net reduction of one-quarter of Bel's GHG emissions across its entire value chain, compared to 2017, and taking into account the Group's growth:

- Reduce Scope 1 and 2 emissions by 75%, versus 2017 levels, by 2035; and
- Reduce Scope 3 emissions by 25%, versus 2017 levels, by 2035.

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** to 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 combat food waste;
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 capture projects with a positive environmental, social and economic impact to offset incompressible CO₂ emissions and contribute carbon neutrality of production sites in 2025 and along the entire value chain by 2050.

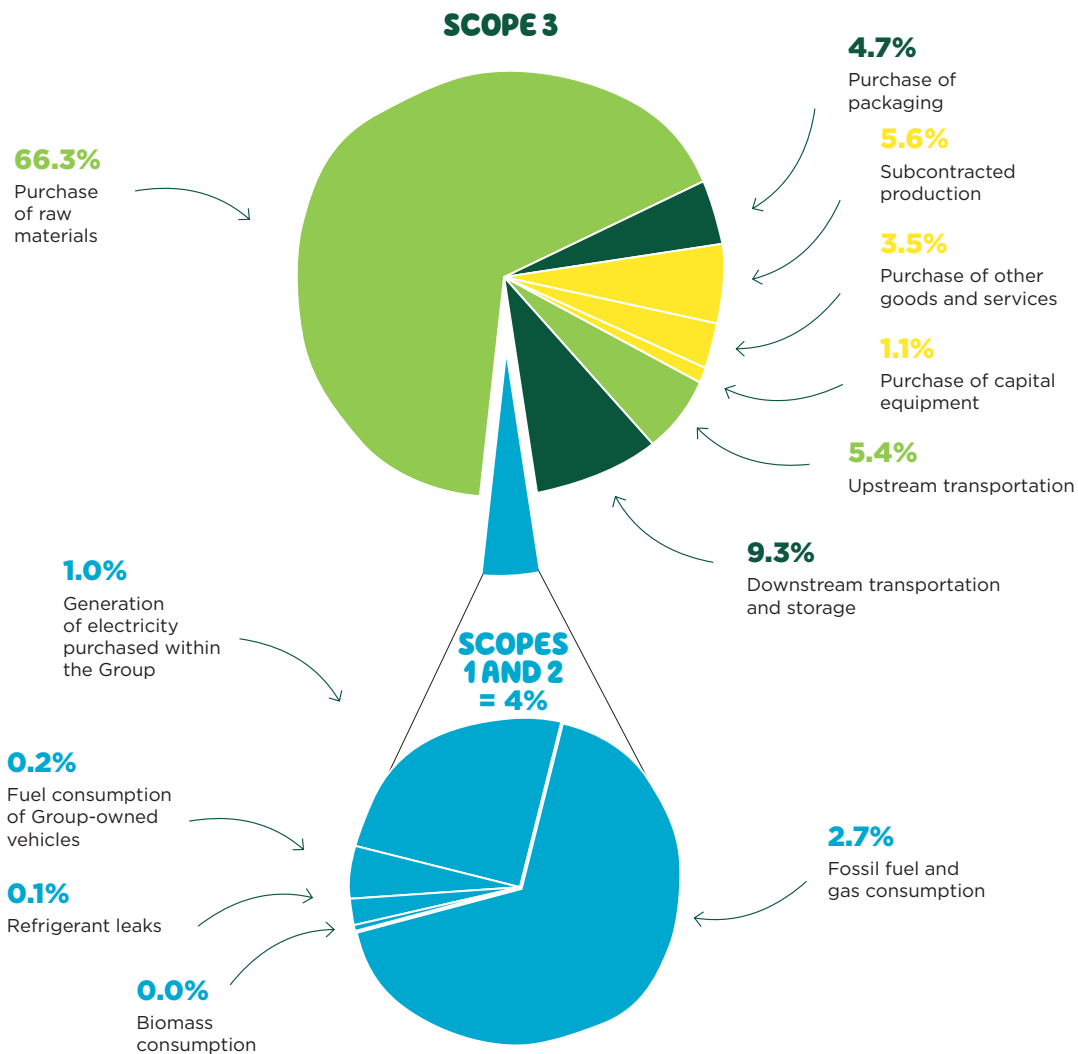
6.2.1 – MEASURE TO RAISE AWARENESS AND MANAGE PERFORMANCE

| Overview of Bel's total carbon footprint

The Group's global carbon audit was updated in 2022 in accordance with the Greenhouse Gas Protocol. It estimated the Group's total emissions in 2021⁽¹⁾ at 4.4 million metric tons of CO₂ equivalent, most of it generated by raw materials, transportation, packaging and subcontracting. The reduction of GHG emissions was brought about by the action plans deployed to more sustainable dairy upstream, the carbon diagnostics carried out at farms, and the accelerated development of products using plant-based raw materials.

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 first in absolute terms (in ktons CO₂) and then in terms of intensity (kg eq. CO₂/produced ton). This choice takes into account the Group's growth objectives and ensures a real reduction in GHG emissions over the long-term.

(1) Because there is a one-year lag in determining the Scope 3 carbon footprint, only the 2021 performance can be presented for 2022.

OVERVIEW OF THE GROUP'S TOTAL CARBON FOOTPRINT FOR 2021

Implementation of decision-making tools

In 2022, 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 page 8 “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 choose lower-carbon alternatives:

- 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 the carbon impact of recipes or different packaging via 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, in 2022 Bel carried out for the first time specific carbon plans for each of the brands and major links 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 carbon plan to be operationalized at each level of the Group.

| Outreach to external stakeholders

Bel is building its carbon strategy with the ambition of having a positive impact on its entire value chain. 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 for the past 10 years to reduce the environmental impact of the dairy industry (see section 4.1. “Taking action for a sustainable dairy upstream”);
- by exchanging with partner producers and suppliers to support them in their transition (see section 2.2 “Promoting responsible practices with our suppliers”);
- by creating joint GHG reduction strategies with its customers (see section 2.3 “Being a key and committed partner for its customers”);
- by transparently publishing its climate trajectory through this NFPD, and through publications produced at Group level such as the CSR Scorecard (see section 9 “CSR Scorecard”), or the Group Sustainability-Linked Financing Framework⁽¹⁾ (see section 2.5 “Promote responsible financing practices among investors”), as well as the OpenClimat⁽²⁾ platform, which is accessible to consumers (see section 2.4 “Develop 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. By the end of 2022, 1,253 employees had already been trained, and 44 employees had trained to become trainers (see section 2.1 “Building a sustainable future with its employees”). Employees were also made aware of Bel’s challenges in the face of climate change via webinars, with over 250 employees having been trained by the end of 2022. In addition, all Group employees are involved in monitoring their carbon performance through the deployment of a strategic indicator linked to the carbon goal (see page 8 “A positive business model”). Finally, Bel has included the reduction of the Scopes 1 and 2 carbon footprint in the bonus objectives of all eligible employees (see section 2.1.4 “Ensuring a fair compensation system”).

6.2.2 – AVOIDING GREENHOUSE GAS EMISSIONS THROUGH BIODIVERSITY POLICY AND PRESERVATION OF NATURAL ECOSYSTEMS

DEFINITION OF THE CHALLENGE AND RISKS

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. Indeed, the Group is fully aware of the essential links between biodiversity and climate. Climate-related changes can greatly affect biodiversity by shifting the natural habitats of species, for example. Biodiversity also plays a key role in the fight against climate change, as the loss of biodiversity can, for example, reduce the capacity of ecosystems to absorb carbon dioxide. The complexity and interdependence of ecosystem services demonstrate the need to act collectively to preserve biodiversity and natural ecosystems in order to ensure the sustainability of the Group’s activities.

This is why Bel is committed to:

- promoting a more plant-based diet, and thus offering alternatives that emit fewer GHG (see section 4.2 “Using plant-based raw materials within strict limits”);
- fighting against food waste to avoid not only the emissions linked to unnecessary production, but also those linked to the destruction of wasted products (see section 5.1 “Fighting food waste”);
- fighting against deforestation, and thereby avoiding the degradation of one of the main solutions for the absorption of GHG emissions on a global scale, and preserving the associated biodiversity.

POLICIES

In 2020, the Bel group published a policy, co-written with WWF France, to protect, enhance and restore biodiversity along its entire value chain, in particular in forest environments. The policy lays out the Group’s commitments in three areas:

- 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;
- third, the Group’s pledge to improve its biodiversity footprint by implementing projects that protect, restore and raise awareness about biodiversity, in close collaboration with its partners who work in the field every day (see section 6.2.4 “Capturing residual emissions”).

(1) The Group – Publications (groupe-bel.com).

(2) Bel | OpenClimat: data, approach and climate actions.

ACTION PLAN

At each stage in its value chain, the Group identifies levers for action and projects to promote biodiversity, and defines medium- and long-term objectives to address the challenges at hand.

Acting collectively to preserve biodiversity

The Group participates in a number of collective initiatives that enable the movement and synergy of all the players in its value chain. For example, the Group signed on to the Act4nature France and Act4nature International initiatives to take part in defining objectives around preserving biodiversity. As part of the Act4nature France initiative, Bel adheres to the ten common commitments⁽¹⁾ established and has drawn up a voluntary action plan for biodiversity, setting out a number of ambitious objectives throughout its value chain. In 2021, this action plan was approved by the French Office for Biodiversity (Office Français de la Biodiversité), allowing Bel to acquire the status of “Company Committed to Nature” (Entreprise engagée pour la nature).

In 2022, and ahead of the COP15 meeting on biodiversity, the Group also signed the “*make it mandatory*” campaign initiated by *Business For Nature*, to encourage public authorities to make it mandatory for all large companies and financial institutions to assess and report on the impact of their activities on biodiversity.

At the same time, through a sponsorship agreement with WWF France, the Group is helping put into effect various approaches to the development of agroforestry, in partnership with Nature Impact or in collaboration with the Chamber of Agriculture of the Pays de la Loire. A total of 40,000 trees will be planted as part of this initiative.

- In 2022, a campaign was conducted with WWF France and the Kiri® brand to raise awareness of the importance of preserving and protecting biodiversity. The Kiri® brand supports agroforestry programs with farmer partners in western France. The WWF logo was highlighted on the front of the packaging, and several awareness-raising campaigns were carried out in stores, offering fun activities to raise awareness of biodiversity among children who enjoy the products.

Preserve forests and natural ecosystems

The key commodities whose production could contribute, directly or indirectly, to deforestation and the conversion of natural ecosystems are:

- soy meal and palm oil cakes used by partner dairy farmers to feed their cows (see section 4.1 “Taking action for a sustainable dairy upstream”);

- plant-based raw materials, including vegetable fats (palm oil, soy, sunflower, rapeseed, etc.), which are included in some current or future recipes (see section 4.2 “Using plant-based raw materials within strict limits”);
- paper and cardboard used in packaging and marketing materials (see section 5 “Designing responsible packaging and fighting food waste”).

Bel has set the ambitious goal of eliminating the risks of contributing to the conversion of ecosystems for these three key raw materials.

The methodology for calculating the indicator was revised in 2021 and co-developed with the WWF to simplify the management of the indicator via the proportion of areas at risk. It was measured at 38% in 2022 versus 44% in 2021. This increase is mainly due to the rise in the share of non-certified and/or non-recycled packaging thanks to more granular information and a more robust methodology.

The Group employs data updated by WWF France to assess the impact of procurements in the countries where its raw materials are sourced.

Assessing its biodiversity footprint

Convinced not only of the key and cross-cutting role of biodiversity, but also of the intrinsic link between climate and biodiversity, Bel is one of the first companies to have joined from 2020 the *Science Based Targets Network* (SBTN) and the Corporate Engagement Program. The objective of this collaborative work is to design and test a new robust calculation methodology that will allow companies to define biodiversity objectives that respect the limits of the planet. This 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.

In 2021, Bel took a first step by conducting a materiality analysis related to the upstream part of its value chain. The Group shares its work with other stakeholders to encourage them to join the movement. Bel thus participated in the annual conference of the Natural Capital Lab in September 2022 to share its findings, which can be found on the Natural Capital Lab website⁽²⁾.

This pioneering work, shared with SBTN experts, will continue in the coming years to identify priority areas and actions.

(1) The ten common principles of Act4nature France: https://engagespourlanature.ofb.fr/sites/default/files/2021-10/EEN_Les%20_10_principes_communs_%C3%AO_signer.pdf

(2) <https://lab-capital-naturel.fr>

Improving our biodiversity footprint through field projects from farm to fork

PROMOTING PASTURE GRAZING

Bel encourages pasture grazing whenever conditions permit because pastures are rich in biodiversity (see section 4.1 “Taking action for a sustainable dairy upstream”). Encouraging the pasture grazing of dairy cows contributes to reducing the amount of fodder and concentrates needed.

In addition, cows that graze directly on pastures require less protein supplementation in their diets, such as soybean and palm cake meal, which can contribute to deforestation. Improving the feeding herds of cattle is therefore a good way of avoiding certain GHG emissions, and thus has a positive impact on the Group’s main emission factor through the dairy sector.

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. In particular, Bel is sponsoring a project with WWF France and the Pays de la Loire Chamber of Agriculture to raise awareness, train and support dairy producers in the use of agroforestry practices (planting of rural hedges, wooded strips, trees, and forest plantations to promote biodiversity and capture carbon). A total of 40,000 trees will be planted as part of this initiative.

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 6.3 “Using water sustainably”).

In 2021, a biodiversity diagnostic was carried out at the Pacy 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 fauna and flora present and recommendations consistent with the ecological issues identified. In 2022, in response to this diagnostic and the recommendations, Bel decided to make this site the hallmark of its commitment to biodiversity, by creating, for example, a pond on the site, or by offering its employees numerous opportunities such as taking part in biodiversity surveys intended to feed into the participatory science database of the French National Museum of Natural History.


Food waste

Bel is also committed to fighting food waste with the ambitious goal of reducing food waste by 50% by 2030. This makes it possible to fight against climate change and reduce the environmental impact of these issues (see section 5.1 “Fighting food waste”). Reducing food waste helps preserve the resources used to manufacture products (water, energy, agricultural land, etc.).

Optimizing product end-of-life

Bel is working to improve the future of its product packaging in order to participate in a circular economy and limit its adverse impacts on the climate and biodiversity (see section 5 “Designing responsible packaging and combating food waste”), but also by improving instructions on how to sort waste.

SELECTED KEY PERFORMANCE INDICATOR

Bel’s objectives	KPI	2020	2021	2021 pro forma ^(a)	2022	2025 objective	Progress
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).	39%	44%	34%	38%	0%	

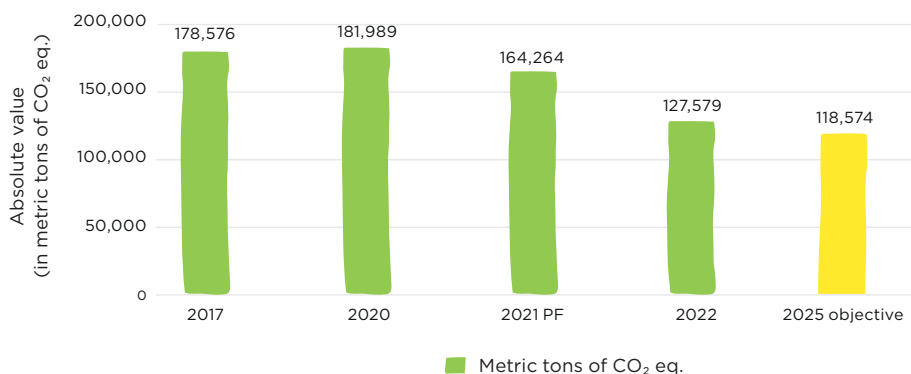
(a) Values on a like-for-like basis.

6.2.3 – REDUCING GHG EMISSIONS ACROSS ITS ENTIRE VALUE CHAIN

Compared to 2017, across its entire value chain, GHG emissions were down 12% in absolute terms and 20% in intensity, mainly brought about by the action plans deployed to more sustainable dairy upstream, the carbon diagnostics carried out at farms, and the accelerated development of products using plant-based raw materials.

| Reduce GHG emissions from Scopes 1 and 2

CHANGE IN GREENHOUSE GAS EMISSIONS FROM SCOPES 1 AND 2



Aware of the dual challenge of reducing its energy consumption while accelerating the transition to renewable energies, the Group has set ambitious targets for reducing the footprint of its sites and is making substantial investments in this area. Part of the €5.9 million invested in 2022 to reduce its environmental footprint in its production sites was dedicated to this reduction. In general terms, almost €80 million was invested between 2009 and 2022 to reduce the environmental footprint. For example, in 2022, Bel put into operation an energy recovery system using heat pumps at its Mayenne site, in addition to the system already in place at its Dole and Evron sites, to improve energy efficiency. The Group plans to progressively equip its other sites in the coming years.

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 different sources of emissions to reduce the carbon intensity of its production and contribute to the carbon neutrality of its Scopes 1 and 2

by 2025. To help meet its goals, the Group developed the EsaBel ("Energy Saving at Bel") program to enable each site to monitor its consumption levels and define action plans to reduce them. In addition, 17 of the Group's industrial sites have implemented an ISO 14001-certified environment management system.

In 2022, the Group's carbon footprint in Scopes 1 and 2 was an absolute value of 127,579 tons of CO₂ equivalent or 201 kilograms of CO₂ equivalent per metric ton produced in terms of carbon intensity.

Reducing energy consumption at industrial sites

The EsaBel (Energy Saving at Bel) continuous improvement program and the standards allows each site to access a compendium of good practices, monitor its consumption levels and define action plans to reduce them.

In addition, in May 2022, the Group set up an Energy Task Force to assist the Group's ten most energy-intensive sites to reduce their energy consumption.

In line with its climate ambitions, Bel has been deploying proactive plans to reduce its environmental footprint for over 20 years. As part of the energy sobriety plan adopted in France for the winter of 2022, Bel has shared with its sites at Group level a list of best practices and eco-actions to implement in order to reduce energy consumption.

Energy consumption of industrial sites	2020	2021	2021 pro forma ^(a)	2022
Electricity consumption (in MWh) ^(b)				
Electricity not from a renewable source	169,300	96,962	83,780	30,924
Electricity from a renewable source	112,616	195,270	195,648	256,857
TOTAL ELECTRICITY	282,345	292,912	279,428	287,781
Of which renewable electricity	40%	67%	70%	89%
Consumption of oil, gas and biomass products for heat generation and other purposes (in MWh LHV) ^(b)				
Oil and gas products	425,266	455,289	435,012	386,350
Biomass	65,846	74,469	74,469	97,939
Stationary combustion	491,112	529,758	509,482	484,289
Of which biomass	13%	14%	15%	20%
Energy consumption (in MWh/metric ton produced) all B-to-C and B-to-B products ^(b)				
Electricity	0.38	0.40	0.45	0.45
Oil and gas products	0.58	0.62	0.7	0.61
Biomass	0.09	0.10	0.12	0.15

(a) Values on a like-for-like basis.

(b) Total Group.

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, 20.22% of the energy used comes from renewable sources.

The Bel group has three biomass boilers that now account for 20% of its energy consumption for heating purposes, and two new projects are under plan in Morocco and the Azores for 2023. Two Bel sites have been equipped with solar panels in Vietnam and the Azores, and another project

is under study at the Pacy site. Similarly, the Group has established a roadmap to roll out other projects to other sites in the coming years.

Finally, a plan to convert plants to purchase renewable energy is underway. For example, the two Fruit sites in the United States, Morocco, Vietnam, Portugal and Turkey adopted a renewable electricity supply system in 2022. These new conversions, together with the sites already converted in previous years, bring the proportion of renewable electricity in the Group's total electricity consumption to 89%.

SELECTED KEY PERFORMANCE INDICATORS

Bel's objectives	KPI	2017 ^(a)	2020	2021	2022	Change 2017-2022	2025 objective	Progress
Reduce Scope 1 & 2 GHG emissions	GHG emissions Scopes 1 and 2 (absolute value in ktons CO ₂)	179	182	164	128	-28%	-34% ^(b)	
Contribute to Scope 1 and 2 carbon neutrality	Net GHG emissions Scopes 1 and 2 after sequestration (absolute value in ktons CO ₂)	179	182	164	128		0	

(a) Past Group emissions were recalculated in 2022 to reflect changes in scope in order to maintain a scope comparable with 2017, as required by SBTi.

(b) 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.

| Reduce Scope 3 GHG emissions

Bel's Scope 3 emissions account for 96% of the Group's overall GHG emissions.

Agricultural raw materials: 66.3%

Given the significant impact of agricultural raw materials on the Group's overall carbon footprint (66.3%), reducing GHG emissions from this source will be decisive in achieving the targets set in connection with 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 corporate social responsibility strategy:

- Bel and WWF France signed a partnership in 2012 with a common goal: reducing the environmental impacts of dairy production (see section 4.1 "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 75% of partner farms can help to reduce it. By fostering an privileged dialog with producers about their environmental impact, these tools also help support its suppliers with their transformation.
- Bel has set up a pilot program in France and Slovakia with DSM to reduce methane emissions from cows through their feed. (see section 4.1 "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 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 agricultural raw materials were down by -785,921 tCO₂ and -28.53% in intensity.

Transportation and distribution: 13.6%

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 service providers in all the countries where it operates to reduce the mileage of empty

trucks and optimize truck and container fill rates, as well as transportation flows. In 2022, the Group estimates a 4% improvement in the fill rate of its trucks in Western Europe, which means a reduction of 320 tons of CO₂ over the year. In addition, the Group carries out weekly follow-ups and promotes team awareness to continue to make progress.

The Group also studies alternatives to road transportation that produce fewer GHG emissions, including intermodal transportation. Several projects are being undertaken with transportation and logistics providers to optimize the fuel mix and find less polluting alternatives.

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 2022, approximately 320 trucks running on B100 (biodiesel) were introduced, resulting in a reduction of 60 tons of CO₂ over a full year. Bel is also a partner of the Lean & Green (GS1) program in France, which makes it possible to identify levers such as optimizing the distances traveled by its products as well as its transportation capacity, renewing the truck fleet, reducing electricity consumption in warehouses and installing solar panels.

In 2022, the Group set up a second depot in the north of Portugal in order to reduce the distances traveled. This resulted in a reduction of 432 tons of CO₂ emissions for the year.

Compared to 2017 levels, transportation-related greenhouse gas emissions have been reduced by -3.43% in terms of intensity, particularly thanks to action plans implemented on downstream transportation. This decrease does not cover the increase in production, and GHG emissions in absolute terms have increased by 36,467 tCO₂.

Packaging: 4.7%

The Group issued a "Responsible Packaging" policy to address these challenges and to reduce the environmental impact associated with their use (see section 5 "Designing responsible packaging and fighting food waste"). The Group is therefore committed to reducing and streamlining the composition of materials, which reduces the need for new raw materials and therefore the use of natural resources; prioritizing plant-based raw materials, which are renewable, unlike plastic, for example; using only paper/cardboard made from recycled fibers or certified sustainable fibers such as FSC/PEFC (90% in 2022) in order to avoid contributing to deforestation. From 2025 onwards, use only ASI-certified ⁽¹⁾ sustainable aluminum, which ensures traceability and responsible extraction of bauxite, notably by respecting biodiversity.

Compared to 2017, packaging-related GHG emissions were up by 37,010 tCO₂, representing a 10.6% increase in intensity.

(1) <https://aluminium-stewardship.org/>.

Reducing the Scope 3 footprint	2017	2019	2020	2021 ^(a)	Change 2017-2021
GHG emissions in Scope 3 (absolute value in ktons CO ₂)	4,833 ^(b)	4,225 ^(b)	4,507 ^(b)	4,246 ^(b)	-12%
GHG emissions in Scope 3 (T eq. CO ₂ /produced ton).	8.62 ^(b)	7.10 ^(b)	7.40 ^(b)	6.87 ^(b)	-20%

(a) 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 changes in scope in order to maintain a comparable scope between 2017 and 2021, as required by SBTi.

6.2.4 – CAPTURING RESIDUAL EMISSIONS

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 projects with multiple positive impacts, not only in terms of carbon sequestration but also in terms of biodiversity, economic value creation and local social dynamics. These actions will take place in different geographical areas, depending on the type of project (agroforestry, forest conservation or restoration, etc.). To ensure the transparency and credibility of these projects, the initiatives will be labeled and led with


the support of outside experts (NGOs, forestry cooperatives, etc.).

The Group first joined the third Livelihoods Carbon Fund (LCF3) launched by Livelihoods Venture in June 2021, alongside 13 other companies 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 addition, starting in 2022, Bel will support new carbon sequestration projects that are more in tune with the Group's activities:

- by signing a partnership with the forestry cooperative Alliance Forêt Bois (AFB) to finance planting projects in France, with the ambition of placing biodiversity at the center of the projects;
- by financing wildlife conservation projects in Africa's largest natural parks through the NGO African Park. These projects deliver carbon credits.

SELECTED KEY PERFORMANCE INDICATORS

Bel's objectives	KPI	2017	2018	2019	2020	2021 ^(a)	Change 2017-2021	2025 objective	Progress
Reduce the Group's overall carbon footprint to meet the goals of the Paris Agreement ^(b)	Global carbon footprint (absolute value in ktons CO ₂)	5,011 ^(c)	4,821 ^(c)	4,411 ^(c)	4,689 ^(c)	4,410 ^(c)	- 12%	- 12% ^(d)	
	Global carbon footprint (T eq. CO ₂ /produced ton).	8.94 ^(c)	8.16 ^(c)	7.42 ^(c)	7.70 ^(c)	7.14 ^(c)	- 20%		

(a) Because there is a one-year lag in determining the Scope 3 carbon footprint, the indicator can only reflect the 2021 result.

(b) Scopes 1, 2 and 3.

(c) Past Group emissions were recalculated in 2022 to reflect changes in scope in order to maintain a comparable scope between 2017 and 2021, as required by SBTi.

(d) 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.

6.3 | USING WATER SUSTAINABLY

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. Ensuring availability and sustainable management of water and sanitation for all by 2030 is one of the UN Sustainable Development Goals. To contribute to this essential collective effort, and to limit the risks of water scarcity and quality, Bel strives to constantly reduce the water consumption required for its activities and to improve the quality of its discharges by using 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 that has been brought on by climate change (see section 4.1. "Taking action for a sustainable dairy upstream").

POLICIES

The environment policy, which sets out the Group's ambitions and objectives on water and climate issues, was revised in 2021 as part of the Group's new operational policy (see section 6.1 "The Group's environmental strategy").

Water consumption	2020	2021	2021 pro forma ^(a)	2022
In m ³ per metric ton produced (all B-to-B and B-to-C products) ^(b)	6.39	6.61	7.15	6.96
In thousands of m ³ ^(b)	4,718	4,838	4,420	4,423

(a) Values on a like-for-like basis.

(b) Total Group.

Reducing the vulnerability of the industrial sites

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

ACTION PLAN

Reducing water consumption at production sites

The Wasabel ("Water Saving at Bel") continuous improvement program, for example, allows each site to access a compendium of good practices, monitor its consumption levels and define action plans to reduce them. Among the possible actions, the Group is seeking to optimize production lines by using less water to transform milk into cheese, for example, or to clean machines. In addition, some sites have developed measures to share best practices. This is the case at the Lons-le-Saunier site, which, during the period of drought in the summer of 2022, set up a competition for its employees to share ideas and engage with the company in an educational way.

Water consumption has fallen since 2008 (-44%), but increased the last few years to reach 6.96 cubic meters per ton produced in 2022.

much water is available in each water basin. 62% of Bel sites are in areas of vulnerability. Action plans are implemented in priority at sites located in areas of vulnerability, scarcity or shortage. In addition to the Wasabel program, water recovery and reuse projects are being studied. In France, the Group is studying options to recover the water extracted from milk during cheese production, and ways to reuse this water.

(1) Source: United Nations Sustainable Development Goals.

Increasing the resilience of the dairy supply basins

Although our dairy supply basins differ with regard to the effects of climate change, these are being felt more and more all around the world. 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 dairy farms: reduce water needs and introduce solutions to satisfy irreducible needs such as changing fodder, building water storage systems and planting hedges.

Bel is participating in the Climalait program, which aims to give the French dairy sector practical solutions. To extend this approach to all its production regions, the Group has set the goal of ensuring that 100% of its dairy supply basins

have defined action plans to increase their resilience to climate change and water scarcity by 2025 (see section 4.1 “Taking action for a sustainable dairy upstream”). Studies have already been initiated in priority dairy basins such as Iran.

Improvement of the quality of discharges from its production sites into the natural environment

By reducing their water consumption, the sites automatically reduce their discharges and improve their quality, since the lower the volume of water treated in treatment facilities, the lower the concentration of organic matter flowing out of these facilities. The Group is continuing its efforts to limit its adverse impacts on the natural environment and preserve biodiversity, as well as options to avoid accidental discharges into the natural environment.

Wastewater discharges	2020	2021	2021 pro forma ^(a)	2022
Total wastewater volume (in thousands of m ³) ^(b)	3,660	3,798	3,798	3,838
Treated internally	2,188	2,254	2,254	2,200
Treated by a third party with other effluents	1,472	1,544	1,544	1,638
Spread untreated	N.A.	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)	6.36	6.26	6.26	6.15
Quality of treated water (in metric tons) ^(b)				
Chemical oxygen demand (COD)	96.8	102	102	80.4
Suspended matter discharged	46	33	33	32
Total nitrogen discharged	24.6	14.4	14.4	12.7
Total phosphorous discharged	3.18	3.4	3.4	3.1
Cost of wastewater treatment (in thousands of euros) ^(a)	5,100	6,158	6,158	8,430
Spreading of sludge from wastewater treatment or untreated water ^(b)				
Total dry matter (in metric tons)	1,080	1,123	1,123	1,123
Nitrogen (in metric tons)	93	93	93	98
Phosphorous (in metric tons)	83	92	92	92

(a) Values on a like-for-like basis.

(b) Total Group.

(c) Data available for 27 sites, i.e. 74% of total production for this Reporting scope.

(d) Data available for 13 out of the 13 sites providing full treatment before discharge into the natural environment.


(e) Data available for five out of the seven sites that spread their waste.

Reducing water consumption across its entire value chain

In addition to the actions carried out in the dairy basins, Bel, as a responsible player, is seeking to improve the measurement of its water footprint across its entire value chain.

Bel already has visibility on the impact of its packaging on water through the use of the eQoPack tool (see section 5 “Designing responsible packaging and combating food waste”). In addition, in 2022, it has initiated a study to measure the water footprint of its entire value chain.

SELECTED KEY PERFORMANCE INDICATOR

Bel's objectives	KPI	2020	2021	2021 pro forma ^(a)	2022	2025 objective	Progress
Reduce the water footprint of its production sites ^(b)	Water consumption per ton of finished product vs 2008	- 49%	- 47%	- 43%	- 44%	- 55%	

(a) Values on a like-for-like basis.

(b) Revised target as presented above.

CHAPTER SUMMARY

HIGHLIGHTS OF 2022

- Validation of the 1.5°C trajectory by the SBTi and implementation of the *BeLowCarbon* strategy at all levels of the organization.
- Deployment of the *Fresque du Climat* training program to employees.
- Creation and deployment of the Bel Carbon Impact tool, an application that provides a regular analytical view of the Group's carbon footprint across all its markets, brands and products.
- Accelerating the reduction of energy consumption at the sites.
- Launch of the pilot project with DSM in France and Slovakia to reduce methane emissions from cows through their feed.
- Launch of the Babybel® brand plant-based product line and deployment of Boursin® Plant-Based in Europe.
- Development of carbon sequestration projects in collaboration with the Alliance Forêt Bois cooperative and the NGO *African Parks*.
- Assessment of the Group's biodiversity footprint using the SBTN pilot methodology.

PRIORITIES FOR 2023

- Implement action plans to decarbonize upstream agriculture with DSM in particular.
- Continue the reduction of energy consumption and the energy transition at production sites through the deployment of energy efficiency solutions and the use of renewable energy.
- Draft a biodiversity action plan using the SBTN.
- Continue implementing carbon sequestration projects.
- Continue to develop plant-based products for the Group's core brands, in particular Boursin®, Babybel® and Nurishh®.
- Define action plans to increase the resilience of dairy basins to climate change and water scarcity.



IMPROVING THE ACCESSIBILITY AND AFFORDABILITY OF ITS PRODUCTS



7.1 | Adapting its products to the needs of everyone

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7.2 | Improving the accessibility and affordability of its products and developing innovative and inclusive distribution models

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DEFINITION OF THE CHALLENGE AND RISKS

Bel has made product accessibility and affordability one of its key strategic commitments, with the aim of offering quality products to as many consumers as possible, all around the world. During a period marked by inflation, the accessibility and affordability of Bel's products represents a strong challenge, and Bel is working to limit the risk of loss of purchasing power for consumers. It is not just a matter of price adjustment, but also of being accessible to consumers in the appropriate distribution channels in order to fit in with their lifestyles.

Bel's ambition is to provide healthier and more responsible products to 600 million consumers by 2035. Bel also

defined in 2022 a steering indicator "For All Consumers," which determines 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 of all through affordability, portion size and the development of products that meet nutritional needs;
- geographic accessibility and availability of Bel products through several innovative and supportive distribution channels.

In 2022, the Group catered to 401 million consumers.

7.1 | ADAPTING ITS PRODUCTS TO THE NEEDS OF EVERYONE

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 responsible food products available to everyone. Each of its portioned products allows as many consumers as possible to enjoy healthy and nutritionally balanced snacks that are easy to transport and that can be consumed in the right amount.

The Group is continually working to make its products affordable, especially in places where purchasing power can make access to healthy food difficult, and even more so in the current economic context marked by inflation. For example, in Japan, the format of Kiri® has been slightly modified to allow the greatest number of people to continue to have access to healthy, quality products and to offer a better balance between format, price and added value for the consumer.

At the same time, the Group is developing partnerships in specific countries to improve the accessibility of these products:

- in France, Pom'Potes® participates in the MALIN program, in partnership with the Caisse d'allocations familiales, which consists in offering coupons for people with low incomes and thereby making more accessible mass market products;

- In the United States, GoGo squeeZ® pouches are now available in a specific format in dollar stores, where all products are priced at one dollar, making it possible to address customers at lower income levels.

Adaptation to changing eating habits and nutritional needs of consumers

The Group is committed to offering products and recipes adapted to the tastes and needs of everyone, by developing the traditional dairy product market, while exploring at the same time new frontiers, such as fruit and plant-based products.

The Group is accelerating the development of its plant-based offer by developing plant-based recipes for its core brands, such as Babybel® Plant-Based, or by launching Nurishh®, its first 100% plant-based brand, in 2021, and by working with innovative start-ups to imagine the food of the future (see section 4.2 "Using plant-based raw materials within strict limits").

In addition, in response to strong consumer demand, Bel is helping to democratize organic products – above all for children, for whom the Group has launched Organic Mini Babybel®, Organic Laughing Cow® and, in 2022, Organic Kiri®.

Some populations with less purchasing power often find themselves in complex positions of undernutrition or malnutrition. In keeping with its mission to offer healthier and responsible products for all, including consumers with lower incomes, Bel has consulted with external nutrition experts to develop products with special nutritional properties. The priority is to enrich the vitamin and mineral content of these products to help better cover the nutritional needs of populations, such as those in sub-Saharan Africa and Asia, and to adapt ingredients to guarantee optimal food safety and quality. In this way, Bel can deliver nutritional value

added (specifically researched nutrients, competitive edge) while remaining attainable to as many consumers as possible (see section 3.2 “Improving the nutritional quality of products”).

Finally, in response to public health issues and in order to address new consumers, Bel expanded its line aimed at adults in 2022 with the launch of *Materne® Fruits & Fibers Prebiotics*, a bottled snack drink that helps improve intestinal well-being, available in France, the United States and Canada.

7.2 | IMPROVING THE ACCESSIBILITY AND AFFORDABILITY OF ITS PRODUCTS AND DEVELOPING INNOVATIVE AND INCLUSIVE DISTRIBUTION MODELS

ACTION PLAN

Adaptation to consumption habits and new regions

Bel provides healthy food portions that can be consumed in different settings: at home, on the road, outside the home, wherever the consumer might be.

The Group is committed to strengthening its presence by focusing on distribution channels that meet consumer needs. E-commerce also continued to develop well in 2022, notably in China, the United States, the United Kingdom and Ireland. Out of Home (OOH) also showed a positive development trend, mainly in France, China and the United States.

Making our products more accessible involves adapting to all types of consumption habits, which in turn requires us to change our distribution models in order to be present at new points of sale. That is why, in 2022:

- Bel partnered with Subway by adding a GoGo squeeZ® pouch option to the children’s menu to offer healthy desserts in the United States and Canada;
- in France, Pom’Potes® pouches are now available on Amazon to respond to new ways of purchasing products and the rise in online sales;
- The Laughing Cow® and Babybel® have partnered with Relay to offer healthy alternatives to the millions of travelers and consumers who visit the store.

The Group also wants to 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.

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.

As such, Bel has developed two innovative and inclusive distribution models: *Sharing Cities* and *Inaya*.

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 four major cities in emerging countries. 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 order to best guide the support program, Bel conducted a series of interviews with street vendors in each of the cities where the program is deployed.

The roll out of this program was strongly impacted by the consequences of Covid-19 in emerging countries, however, as many street vendors were forced to leave the cities during the lockdown periods, notably in Madagascar and Vietnam. Moreover, the current inflationary environment adds to the consequences of Covid and makes the reconstruction of the *Sharing Cities* networks even more complex. This backdrop explains the sharp decline in the number of participants in an *Inclusive Business* program in 2022. However, the Group is maintaining its ambition to develop this type of program, and is working to adapt its action plans to achieve this.

By the end of 2022, the *Sharing Cities* program had 1,444 partners, a 50% decrease from 2021. In addition, the program’s professional training courses were discontinued in 2022 due to Covid-related impacts. Nevertheless, the Group succeeded in ensuring that the number of partners with access to health services remained stable, with nearly 1,185 retailers covered (more than 3,590 people including family members).

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, such as health insurance in Morocco or micro-credit in Egypt. Thanks to the Inaya program:

- 654 Moroccan retailers can take out health insurance for themselves and their families;

- 200 Egyptian retailers can trial a micro-credit service for their inventory purchases in 2023 through a partnership with a company offering digital banking services.

Although the initial objective appears very ambitious in the current socio-economic context, these inclusive programs remain a strategic priority for the Group, which is reaffirmed its commitments in this area in 2022.

SELECTED KEY PERFORMANCE INDICATORS

Bel’s objectives	KPI	2020	2021	2021 pro forma ^(a)	2022	2025 objective	Progress
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)	n.a.	414	414	401 ^(b)	440	
Improving the accessibility and affordability of its products	Number of people participating in an <i>Inclusive Business</i> program	7,450	4,027	4,027	2,298	40,000	
	<i>Sharing cities</i>	6,487	2,892	2,892	1,444		
	<i>Inaya</i>	963	1,135	1,135	854		

(a) Values on a like-for-like basis.

(b) Data to October 2022 for Saudi Arabia and to the end of 2021 for small countries where the data are not renewed every year: Iran, Iraq, Italy, Senegal, Slovakia and South Africa.

CHAPTER SUMMARY

HIGHLIGHTS OF 2022

- Definition of the Group’s ambition to boost the accessibility of its products, using a new “For All Consumers” indicator.
- Roll out of the Group’s products in new distribution channels through partnerships with Amazon, Subway and Relay.
- Development of plant-based products through the Babybel[®], Boursin[®] and Nurishh[®] brands.
- Expansion of the Group’s international footprint in China and India through the acquisition of Shandong Junjun Cheese[®] and the joint venture with Britannia[®] respectively.

PRIORITIES FOR 2023

- Continue to develop new distribution channels with particular emphasis on Out of Home and e-commerce.
- Launch of “Nurishh Incredible Dairy,” the first range of cheese alternatives on the American market, in partnership with the start-up Perfect Day.
- Accelerate international distribution in China and India.
- Develop Inclusive Business programs in health insurance, job training and financial inclusion and launch them to retailers in Egypt.
- Continue efforts to keep products accessible to the greatest number of people, in an inflationary economic environment.



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 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 follows a phased implementation: up until December 31, 2022, only the first two Climate Change Objectives were considered, and companies had to report on whether their activities qualify, without taking into account their alignment.

2022 RESULTS

The key performance indicator disclosure requirements for the 2022 financial year relate to “eligibility” and

“alignment”: Bel is required to disclose the indicators that highlight the proportion of its eligible and aligned 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 will revise its methodology, analysis and calculations as the Taxonomy is implemented, certain activities are clarified by the regulator, including the “*Manufacture of food products and beverages*” activities cited in the August 2021 consultation of the environmental objectives relating to biodiversity and the circular economy.

| Revenue

As part of its first two objectives, namely climate change mitigation and climate change adaptation, applicable as of the 2021 financial year, the European Commission focused on the business activities that emit the most GHG in the European Union. 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 two climate 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 focused exclusively on “individual measures” that enable the target activities to become “low-carbon” or lead to GHG reductions, as defined in the EU Taxonomy Regulation⁽²⁾.

| 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.

After analyzing these Opex, we deemed that the amount involved was not material in terms of industry practices and the Group's materiality thresholds. The ratio of “Taxonomy Opex denominator” (€109 million) to “Total Group Opex” (€3,245 million, excluding depreciation and amortization) was 3.3%.

(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.

| Capex

In 2022, out of total Capex of €152.8 million, the share of eligible Capex was 11.3% of total deferred Capex, calculated as described in the methodology note below (see Appendix 6 – “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, heat pump installations and water treatment plants, and building rehabilitation. Under the Taxonomy provisions, these investments correspond to the following activities:

- 4.15 District heating/cooling distribution;
- 4.24 Production of heat/cool from bioenergy;
- 5.1 Construction, extension and operation of water collection, treatment and supply systems;
- 5.2 Renewal of water collection, treatment and supply systems;
- 5.4 Renewal of wastewater collection and treatment;
- 7.2 Renovation of existing buildings;
- 7.3 Installation, maintenance and repair of energy efficiency equipment;
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings);
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles;
- 7.7 Acquisition and ownership of buildings.

An analysis of substantial contribution, DNSH (Do No Significant Harm) and minimum safeguards criteria for eligible projects indicated an aligned Capex percentage of 2.8%. This was due to investments in biomass boilers at the Tangiers and Evron sites. (see Appendix 6 – “European Taxonomy Tables”).

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. It has also enabled the Group to assess the resilience of its activities, its strategy and the associated financial impacts (see Risks and Opportunities Table in section – 6.2 “Fighting against climate change”).

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 2023 disclosure cycle.

METHODOLOGY NOTE

The analyses covered the scope of the Bel group’s Cheese and Fruit activities.

To avoid double counting, the eligible aligned amounts shown are for the climate change mitigation objective only. Total Capex can also be reconciled from the consolidated financial statements.

As part of the eligibility analysis, the Capex investments were reviewed one by one and attached to a taxonomic activity, taking into account the NACE codes. This inventory of investment projects was carried out by the Environment Department and the Finance Department. The Capex reported are individual Capex. Green Capex ratios by taxonomic activity are available in the tables in the Appendix.

On this eligible project basis, the most significant projects (at a threshold of €300K) were reviewed with the engineering teams to define their alignment. This involved verifying the substantial contribution criteria, particularly heat/cool production. The Group is looking into where the biomass comes from and how GHG emissions can be reduced.



CSR SCORECARD

HEALTHIER FOOD

Commitments	KPI	2021	2022	2025 target	Progress
Continuously improve the nutritional quality of products	Children & family product portfolio meeting "Bel Nutri+" criteria*	72%	72%	80%	
	Portfolio of children & family products with 0 or 1 additives*	(a)	48%	(a)	(a)
	"Positive" recipes (portfolio of children & family products meeting Bel Nutri+ criteria or with 0 or 1 additives*)	(a)	79%	(a)	(a)
Foster healthy consumption habits and lifestyle	Countries where a program is implemented for consumers ("Educanut")	7	8	10	

SUSTAINABLE AND REGENERATIVE AGRICULTURE

Commitments	KPI	2021	2022	2025 target	Progress
Contribute to better quality of life and working conditions for partner producers	Share of farmers that have access to innovative social models	82%	79%	100%	
Encourage good practices to promote animal welfare	Share of farms abiding by the Animal Welfare Charter certified by a third party	15%	29%	100%	
Farms carrying out a carbon diagnostic	Percentage of farms having carried out an initial carbon diagnostic	64%	75%	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)**	90%	100%	100%	

RESPONSIBLE PACKAGING

Commitments	KPI	2021	2022	2025 target	Progress
Work toward 100% recyclable-ready and/or home-compostable packaging	Recyclable-ready and/or home-compostable packaging*** (b)	84%	83%	90%	

- In line with the plan
- Stable
- Not in line with the plan

- * Excluding Fruit.
- ** Excluding Algeria.
- *** Excluding subcontractors.

- (a) New indicator defined in 2022. The target for this indicator will be set in these projection exercises.
- (b) Excluding wax.
- (c) Because there is a one-year lag in determining the Scope 3 carbon footprint, only the 2021 performance can be reported.
- (d) 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.
- (e) Data to October 2022 for Saudi Arabia and to the end of 2021 for small countries where the data are not renewed every year: Iran, Iraq, Italy, Senegal, Slovakia and South Africa.
- (f) As part of the Nurture program, a study is under way to define a new indicator that takes into account other diversity-related issues.
- (g) Excluding collected milk.
- (h) 12 Advantage Surveys, conducted in the following markets: France, United States, Portugal, Canada, Spain, Slovakia, Belgium, The Netherlands.
- (i) Positive products are those that meet one of the "positive recipe" nutritional criteria AND one of the following environmental criteria: organic milk, recyclable and/or home-compostable packaging, or carbon intensity.
- (j) Calculation method updated in 2022; a target will eventually be set.

FIGHT AGAINST CLIMATE CHANGE

Commitments	KPI	2021	2022	2025 target	Progress
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%	0%	☹️
Reduce Scope 1 & 2 GHG emissions	GHG emissions in Scopes 1 and 2 vs 2017 ^(c) (absolute value in ktons CO ₂)	-8%	-28%	-34% ^(d)	😊
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)	-12%	^(c)	-12% ^(d)	😊
Reduce the water footprint of its production sites	Water consumption per ton of finished product vs 2008 ^(c)	-43%	-44%	-55%	☹️

ACCESSIBILITY AND AFFORDABILITY OF OUR PRODUCTS

Commitments	KPI	2021	2022	2025 target	Progress
Develop consistent offer for all consumers	Number of consumers who bought at least one of the Group's products in the reference year (in millions) ^(e)	414	401	440	☹️
Improve the accessibility and affordability of its products	Number of people participating in an <i>Inclusive Business</i> program	4,027	2,298	40,000	☹️
	<i>Sharing Cities</i>	2,892	1,444		
	<i>Inaya</i>	1,135	854		

WELL-BEING FOR ALL

Commitments	KPI	2021	2022	2025 target	Progress
Work toward zero accidents at sites	AFR (Accident Frequency Rate) ^(c)	4.40	3.36	3	😊
Promote gender diversity and inclusion ^(f)	Share of women in Top management	31%*	30%	35%	☹️
Develop our employees' talent	Percentage of employees who attended at least one training course during the year	76%	73%	100%	☹️
Promote a positive dialogue	Employee commitment (Your Voice) (score out of 100)	74*	76	77	😊
Promote good social and environmental practices among its suppliers	Average EcoVadis supplier score (out of 100)* ^(g)	52.8	54.6	55	😊
Become a key and committed partner for its customers	Number of surveys in which the Group is identified among the "Top 5" partners (Advantage Survey) ^(h)	9/12	10/12	12/12	😊
Offer positive products to consumers	Share of revenue generated by the sale of positive products* ⁽ⁱ⁾	⓪	49.5%	⓪	⓪

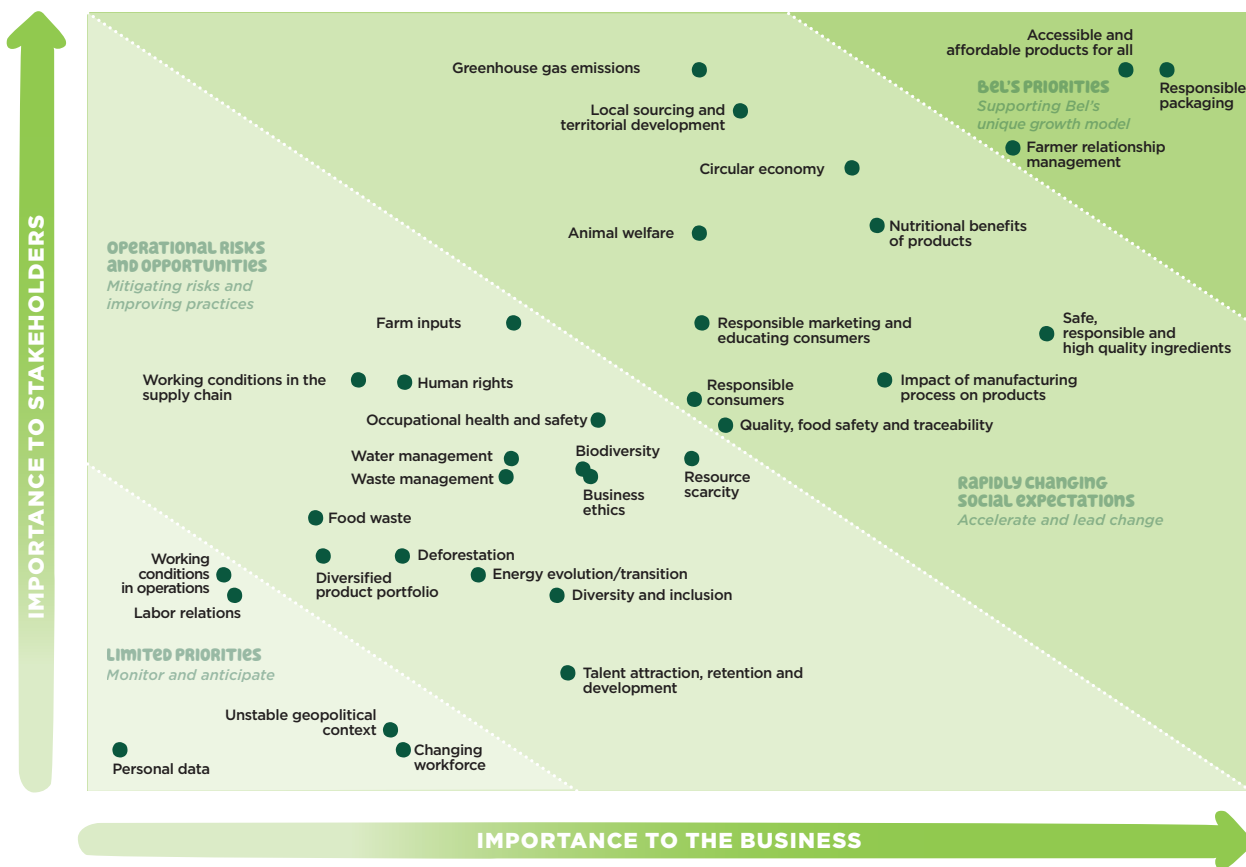
The data relating to the indicators for 2021 have been recalculated for the 2022 reporting scope to ensure that they can be compared. This means that the scope pertaining to the sale of Safilait has been excluded.

^(c) Indicators included in the Statutory Auditors' reasonable assurance report.



APPENDIX

APPENDIX 1 | ANALYSIS OF PRIMARY NON-FINANCIAL RISKS



Updated materiality analysis conducted in 2018 on a panel of internal and external stakeholders representing the diversity of the Group's ecosystem. The analysis was reviewed in conjunction with the Risk Management Department in 2022 without identifying any new risks. A redesign of the matrix is planned for 2023 in conjunction with the preparation of the CSRD.

APPENDIX 2 | CORRELATION TABLE TO THE UNITED NATIONS GLOBAL COMPACT PRINCIPLES

Section(s) of the document	
HUMAN RIGHTS	
1. Businesses should support and respect the protection of internationally proclaimed human rights	2. Businesses should work against corruption in all its forms, including extortion and bribery
2. Businesses should make sure that they are not complicit in human rights abuses	2. Businesses should work against corruption in all its forms, including extortion and bribery
INTERNATIONAL LABOR STANDARDS	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	2. Businesses should work against corruption in all its forms, including extortion and bribery
4. Businesses should eliminate all forms of forced and compulsory labor	2. Businesses should work against corruption in all its forms, including extortion and bribery
5. Businesses should contribute to the effective abolition of child labor	2. Businesses should work against corruption in all its forms, including extortion and bribery
6. Businesses should eliminate discrimination in respect of employment and occupation	2. Businesses should work against corruption in all its forms, including extortion and bribery
ENVIRONMENT	
7. Businesses should support a precautionary approach to environmental challenges	4. Promoting sustainable and regenerative agriculture 5. Designing responsible packaging and fighting food waste 6. Fighting climate change and reducing its environmental footprint
8. Businesses should undertake initiatives to promote greater environmental responsibility	4. Promoting sustainable and regenerative agriculture 5. Designing responsible packaging and fighting food waste 6. Fighting climate change and reducing its environmental footprint
9. Businesses should encourage the development and diffusion of environmentally friendly technologies	4. Promoting sustainable and regenerative agriculture 5. Designing responsible packaging and fighting food waste 6. Fighting climate change and reducing its environmental footprint
FIGHT AGAINST CORRUPTION	
10. Businesses should work against corruption in all its forms, including extortion and bribery	1. A growth model to champion healthier and responsible food for all 2. Businesses should work against corruption in all its forms, including extortion and bribery

APPENDIX 3 | GRI CROSS-REFERENCE TABLE⁽¹⁾

1 | GENERAL PROFILE ELEMENTS

GRI Sections	GRI code: Disclosure	Reference - Total match with the URD chapters 2022
ORGANIZATION PROFILE	102-1 Organization name	Chapter 8.2 - Information on Unibel
	102-2 Activities, brands, products and services	Chapter 1 - The Bel Group in 2022
	102-3 Geographic location of the head office	Chapter 8.2 - Information on Unibel
	102-4 Geographical locations of activity sites	Chapter 1 - The Bel Group in 2022 Chapter 8.3 - Information on subsidiaries and interests
	102-5 Capital and legal form	Chapter 8.2 - Information on Unibel
	102-6 Markets served	Chapter 1 - The Bel Group in 2022
	102-7 Organization size	Chapter 1 - The Bel Group in 2022
	102-8 Organization's workforce	Chapter 1 - The Bel Group in 2022
	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
	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

(1) Global Reporting Initiative.

GRI Sections	GRI code: Disclosure	Reference – Total match with the URD chapters 2022	
GOVERNANCE (continued)	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 responsible 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
	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 – Offering quality, safe and healthy products
	102-35	Current 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	

GRI Sections	GRI code:	Disclosure	Reference – Total match with the URD chapters 2022
GOVERNANCE (continued)	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 dialogue	Chapter 3.2 – A model that creates value for all its stakeholders
	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 dialogue	Chapter 3.2 – A model that creates value for all its stakeholders
	102-43	Stakeholder engagement approach	Chapter 3.2 – A model that creates value for all its stakeholders
	102-44	Key issues and concerns raised	Chapter 1 – A model that brings together responsibility and profitability Chapter 3.2 – A model that creates value for all its stakeholders
	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
REPORTING PRACTICE	102-47	List of relevant issues	Chapter 1 – A model that brings together responsibility and profitability Chapter 3.2 – A model that creates value for all its stakeholders
	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 correlation table	Chapter 3.9 – Methodological note Chapter 3.12 – GRI correlation table
	102-56	External audit of the report	Chapter 3.9 – Methodological note Chapter 5.5.3 – Information on the Statutory Auditors

2 | SPECIFIC ELEMENTS

GRI Sections	GRI Code Materials	Disclosure	Reference - Total match with the URD chapters 2022		
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	3.5 - Designing responsible packaging and fighting food waste
			301-2	Recycled materials used	3.5 - Designing responsible packaging and fighting food waste
301-3			Recovered products and packaging materials	3.5 - Designing responsible packaging and fighting food waste	
302 - Energy		302-1	Energy consumption within the organization	3.6 - Fighting against climate change and reducing its environmental footprint	
		302-3	Energy intensity	3.6 - Fighting against climate change and reducing its environmental footprint	
		302-4	Reduction of energy consumption	3.6 - Fighting against climate change and reducing its environmental footprint	
304 - Biodiversity		304-2	Significant impacts of activities, products, and services on biodiversity	3.6 - Fighting against climate change and reducing its environmental footprint	
		304-3	Habitats protected or restored	3.6 - Fighting against climate change and reducing its environmental footprint	

GRI Sections	GRI Code Materials	Disclosure	Reference - Total match with the URD chapters 2022	
ENVIRONMENT - 300 (CONTINUED)	303 - Water and Effluents	303-1	Water withdrawal by source	3.6 - Fighting against climate change and reducing its environmental footprint
		303-2	Water sources significantly affected by withdrawal of water	3.6 - Fighting against climate change and reducing its environmental footprint
		303-3	Percentage and total volume of water recycled and reused	3.6 - Fighting against climate change and reducing its environmental footprint
	305 - Emissions	305-1	Direct (Scope 1) GHG emissions	3.6 - Fighting against climate change and reducing its environmental footprint
		305-2	Energy indirect (Scope 2) GHG emissions	3.6 - Fighting against climate change and reducing its environmental footprint
		305-3	Other indirect (Scope 3) GHG emissions	3.6 - Fighting against climate change and reducing its environmental footprint
		305-4	GHG emissions intensity	3.6 - Fighting against climate change and reducing its environmental footprint
		305-5	Reduction of GHG emissions	3.6 - Fighting against climate change and reducing its environmental footprint
		305-6	Emissions of ozone-depleting substances (ODS)	3.6 - Fighting against climate change and reducing its environmental footprint
		305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.6 - Fighting against climate change and reducing its environmental footprint
	306 - Effluents and Waste	306-1	Total water discharge by quality and destination	3.6 - Fighting against climate change and reducing its environmental footprint
		306-2	Total weight of waste by type and disposal method	3.6 - Fighting against climate change and reducing its environmental footprint
		306-3	Number and total volume of significant spills	3.6 - Fighting against climate change and reducing its environmental footprint
		306-4	Transport of hazardous waste	3.6 - Fighting against climate change and reducing its environmental footprint
		306-5	Water bodies affected by water discharges and/or runoff	3.6 - Fighting against climate change and reducing its environmental footprint
	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

GRI Sections	GRI Code Materials	Disclosure	Reference - Total match with the URD chapters 2022	
ENVIRONMENT - 300 (CONTINUED)	308 - Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	3.2.2 - Promoting responsible practices with its suppliers
		308-2	Negative environmental impacts in the supply chain and actions taken	3.6 - Fighting against climate change and reducing its environmental footprint
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
	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 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
	412-2		Employee training on human rights policies or procedures	3.2.1 - Building a sustainable future with its employees

GRI Sections	GRI Code Materials	Disclosure	Reference - Total match with the URD chapters 2022	
ECONOMY - 400 (continued)	414 - Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	3.2.2 - Promoting responsible practices with its suppliers 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
	417 - Marketing and Labeling	417-1	Requirements for product and service information and labeling	3.3 - Contributing to healthier food
		417-2	Incidents of non-compliance concerning product and service information and labeling	3.3 - Contributing to healthier food
		417-3	Incidents of non-compliance concerning marketing communications	3.3 - Contributing to healthier food

APPENDIX 4 | CORRELATION TABLE WITH THE 11 TCFD RECOMMENDATIONS⁽¹⁾

TCFD Recommendations	Corresponding section 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
	b) Describe management's role in assessing and managing climate-related risks and opportunities	2.1	Risk management policy
		4.3.2	Internal control environment of the Company
		4.3.3	Management of primary risks
Strategy	a) Describe the climate-related risks and opportunities identified by the Company in the short-, medium-, and long-term.	3.6.2	Fighting against climate change
	b) Describe the impact of climate-related risks and opportunities on the Company's business, strategy and financial planning.	3.6.2	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.	3.6.2	Fighting against climate change

(1) Task Force on Climate Related Financial Disclosures.

TCFD Recommendations	Corresponding section in the URD	Progress	Achieved and areas of work	
Risk management	a) Describe the Company's procedures for identifying and assessing climate-related risks.	2.1	Risk management policy	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.
		2.2	Ranking of risks	
		2.3	Risks related to the external environment in which the Group operates	
		2.4	Operational risks	
		3.6.2	Fighting against climate change	
	b) Describe the Company's procedures for managing climate-related risks.	2.3	Risks related to the external environment in which the Group operates	
		2.4	Operational risks	
		3.6.2	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	Risk management policy	
		2.2	Ranking of risks	
		2.3	Risks related to the external environment in which the Group operates	
		2.4	Operational risks	

TCFD Recommendations	Corresponding section in the URD		Progress	Achieved and areas of work
a) Disclose the metrics used by the Company to assess climate-related risks and opportunities in line with its risk management strategy and process.	3.6.2	Fighting against climate change		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, we have structured indicators and commitments in such a way as to reduce our environmental footprint, and that of our farm-to-fork ecosystem. At the same time, the Group has committed to reaching carbon neutrality across its entire value chain by 2050.
	3.14	Appendix 4: Summary of environmental data		
b) Disclosure of Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas (GHG) emissions and related risks.	3.6.2	Fighting against climate change		The Group's overall carbon footprint was updated in 2022 in accordance with the guidelines of the <i>Greenhouse Gas Protocol</i> . 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 ktons CO ₂) and then in terms of intensity (kg eq. CO ₂ /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:
	3.14	Appendix 4: Summary of environmental data		
Objectives and indicators	3.6.2	Fighting against climate change		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 ktons CO ₂) and then in terms of intensity (kg eq. CO ₂ /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:
	3.1.2	Analysis of primary non-financial risks		
c) Describe the targets used by the company to manage climate-related risks and opportunities, and provide a comparison of performance against targets.				<ul style="list-style-type: none"> • 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 CO₂ 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.

APPENDIX 5 | SUMMARY OF ENVIRONMENTAL DATA

	Units	2020	2021	2021 pro forma ^(a)	2022
CIRCULAR ECONOMY					
RECOVERED BY-PRODUCTS					
Substandard cheeses or similar recovered internally or externally	mt	10,079	11,199	11,199	12,987
Dry whey extract recovered internally or externally	mt	48,326	45,280	45,280	46,187
Cream recovered internally (production site or within the Group) or externally	mt	21,045	21,036	21,036	17,919
Quantity of recovered by-products	mt	79,450	77,516	77,516	77,092
WATER CONSUMPTION					
Water consumption in vulnerable zone	m ³	1,748,876	1,759,804	1,759,804	1,449,635
Water consumption in scarcity zone	m ³	236,110	759,081	759,081	979,919
Water consumption in water shortage zone	m ³	865,877	883,320	465,710	472,948
Water consumption in non-vulnerable zone	m ³	1,867,476	1,435,446	1,435,445	1,520,740
Total water quantity	m ³	4,718,339	4,837,651	4,420,041	4,423,242
ENERGY					
ELECTRICITY					
Consumption of grid electricity from non-renewable source	MWh	169,300	96,962	83,479	30,757
Consumption of self-generated electricity from fuel oil or gas	MWh	106	302	301	167
Electricity consumption from a certified renewable energy source	MWh	112,616	195,270	195,270	256,370
Total electricity consumption	MWh	282,345	292,912	279,428	287,782
FUELS					
Fuel oil	MWh_LHV	83,574	85,832	65,555	60,589
Gas	MWh_LHV	341,692	369,458	369,458	325,761
Biomass	MWh_LHV	65,846	74,469	74,469	97,939
Total stationary combustion	MWh_LHV	491,112	529,759	509,482	484,289
GREENHOUSE GAS EMISSIONS^(b)					
GHG					
GHG emissions linked to electricity consumption	tCO ₂ e	76,807	50,323	40,642	13,118
GHG emissions linked to fuel oil and gas consumption	tCO ₂ e	108,740	116,094	109,385	97,370
GHG emissions linked to biomass consumption	tCO ₂ e	1,607	1,817	1,817	1,606
GHG emissions linked to refrigerant leaks	tCO ₂ e	4,282	5,526	3,751	5,278
GHG emissions linked to the Group's own vehicle fleet	tCO ₂ e	9,051	8,159	8,088	9,239
GHG emissions, Scopes 1 and 2	tCO ₂ e	200,487	182,500	164,265	127,579

(a) Values on a like-for-like basis.

(b) Past Group emissions were recalculated in 2022 to reflect changes in scope in order to maintain a comparable scope between 2017 and 2022, as required by SBTi.

	Units	2020	2021	2021 pro forma ^(a)	2022
DISCHARGES INTO WATER					
DISCHARGE INTO THE NATURAL ENVIRONMENT					
Volume of water purified internally with discharges into the natural environment	m ³	2,188,497	2,253,558	2,253,558	2,199,878
Discharged chemical oxygen demand	kg	96,806	102,078	102,078	80,368
Discharged phosphorous	kg	3,182	3,436	3,436	3,134
Discharged suspended matter	kg	45,690	33,208	33,208	31,818
Discharged nitrogen	kg	24,614	14,432	14,432	12,759
Discharged to an urban wastewater treatment facility					
Volume of water treated by a third party with other effluents	m ³	1,471,584	1,544,127	1,544,127	1,637,937
DISCHARGES INTO SOIL					
SPREADING OF UNTREATED WATER					
Volume of wastewater spread as untreated water	m ³	N.A.	N.A.	N.A.	N.A.
AGRICULTURAL RECOVERY OF SLUDGE FROM WASTEWATER TREATMENT FACILITIES					
Nitrogen	mt	93	93	93	98
Phosphorous	mt	83	92	92	92
Dry matter	mt	1,080	1,123	1,123	1,123
DISCHARGES INTO WATER AND SOIL					
Total volume of discharges	m ³	3,660,080	3,797,685	3,797,685	3,837,815
Total cost of treatment of these discharges	Euros	5,100,399	6,158,237	6,158,237	8,429,531
OTHER EMISSIONS INTO THE AIR					
Nitrous oxide, nitrogen dioxide	mt	169	183	176	181
Sulfur dioxide	mt	127	133	126	119
NOISE POLLUTION					
Percentage of sites whose noise level at their boundaries and emergence level for the most at-risk residents is compliant	%	73	77	76	76
ENVIRONMENTAL DAMAGE					
Number of incidents	Unit	131	178	178	56
Corrective actions	Unit	131	178	178	53
PRODUCTION OF WASTE					
Quantity of non-hazardous waste sorted and sent for recovery	mt	30,748	33,167	32,317	34,697
Quantity of hazardous waste sorted and sent to appropriate treatment channels	mt	515	703	699	2,046
Waste incinerated to generate energy	mt	4,020	7,147	7,147	2,665
Waste incinerated without energy generation	mt	0	0	0	132
Waste deposited in landfills	mt	7,399	7,675	7,132	7,875
Total quantity of waste	mt	42,681	48,692	47,295	47,415
Cost of treatment	Euros	3,481,060	4,451,374	4,355,864	5,860,460
Income from sale	Euros	721,229	1,112,541	1,035,628	1,336,954

(a) Values on a like-for-like basis.

APPENDIX 6 | EUROPEAN TAXONOMY TABLES (ELIGIBILITY AND ALIGNMENT)

REVENUE

Economic activities (1)	Code(s) (2)	Absolute revenue (3)	Proportion of revenue (4)	Substantial contribution criteria						Do No Significant Harm (DNSH) criteria						Minimum safeguards (17)	Taxonomy-aligned proportion of revenue, year N (18)	Taxonomy-aligned proportion of revenue, year N+1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)	
				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)						
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1 Environmentally sustainable activities (taxonomy-aligned)																					
Revenue from environmentally sustainable activities (taxonomy-aligned) (A.1)	N/A	-	0%	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	0%	N/A	N/A	N/A	N/A
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																					
Revenue from taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)	N/A	-	0%																		
Total (A.1 + A.2)	N/A	-	0%														0%	N/A	N/A	N/A	N/A
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Revenue from taxonomy-non-eligible activities (B)	N/A	3,595	100%																		
Total (A + B)	N/A	3,595	100%														0%	N/A	N/A	N/A	N/A

OPEX

Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial contribution criteria						Do No Significant Harm (DNSH) criteria						Minimum safeguards (17)	Taxonomy-aligned proportion of OpEx, year N (18)	Taxonomy-aligned proportion of OpEx, year N+1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)	
				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)						
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1 Environmentally sustainable activities (taxonomy-aligned)																					
OpEx from environmentally sustainable activities (taxonomy-aligned) (A.1)	N/A	0 €	0%	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	0%	N/A	N/A	N/A	N/A
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																					
OpEx from taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)	N/A	0 €	0%																		
Total (A.1 + A.2)	N/A	0 €	0%														0%	N/A	N/A	N/A	N/A
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
OpEx from taxonomy-non-eligible activities (B)	N/A	0 €	0%																		
Total (A + B)	N/A	0 €	0%														0%	N/A	N/A	N/A	N/A

CAPEX

Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Substantial contribution criteria						Do No Significant Harm (DNSH) criteria						Minimum safeguards (17)	Taxonomy-aligned proportion of CapEx, year N (18)	Taxonomy-aligned proportion of CapEx, year N+1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)	
				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)						
Economic activities (1)		EM	%	%	%	%	%	%	%	%	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)																					
Production of heat/cold from bioenergy	4.24	4.3	2.8%	100%	0%	0%	0%	0%	0%	0%	N/A	YES	YES	N/A	YES	YES	YES	2.8%	N/A	N/A	N/A
Production of heat/cold from sustainable activities (taxonomy-aligned) (A.1)		4.3	2.8%	100%	0%	0%	0%	0%	0%	0%	N/A	YES	YES	N/A	YES	YES	YES	2.8%	N/A	N/A	N/A
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																					
Heating/cooling distribution	4.15	0.03	0.0%																		
Production of heat/cold from bioenergy	4.24	0.29	0.2%																		
Construction, extension and operation of collection, treatment and supply systems	5.1	0.30	0.2%																		
Renewal of collection, treatment and supply systems	5.2	0.20	0.1%																		
Renewal of wastewater collection and treatment	5.4	0.80	0.5%																		
Renovation of existing buildings	7.2	0.40	0.2%																		
Installation, maintenance and repair of energy efficiency equipment	7.3	0.10	0.0%																		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	0.02	0.0%																		
Transport by motorbikes, passenger cars and light commercial vehicles	8.5	3.10	2.0%																		
Acquisition and ownership of buildings	7.7	7.8	5.1%															0%	N/A	N/A	N/A
Total (A.1 + A.2)		17.3	11.3%															0%	N/A	N/A	N/A
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
CapEx from taxonomy-non-eligible activities (B)		135.5	88.7%																		
Total (A + B)		152.8	100%																		

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