



BEL CSR PROGRAM

2021 COMMUNICATION ON PROGRESS



CONTENTS

1	BEL: A GROWTH MODEL TO CHAMPION HEALTHIER AND RESPONSIBLE FOOD FOR ALL	11
2	A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS	18
3	CONTRIBUTING TO HEALTHIER FOOD	35
4	PROMOTING SUSTAINABLE AGRICULTURE	42
5	DESIGNING RESPONSIBLE PACKAGING	49
6	FIGHTING CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT	53
7	IMPROVING THE ACCESSIBILITY AND AFFORDABILITY OF ITS PRODUCTS	69
8	EUROPEAN GREEN TAXONOMY	72
9	CSR SCORECARD	74
	APPENDIX	76

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, 2021 and is a snapshot of the data as at December 31, 2021.

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 2021 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
FLÉVET**
Chairman of the
Board of Directors
of the Bel Group

At Bel, we rely on a model both profitable and sustainable to create a variety of healthy snacking products that are accessible and affordable.

In 2003, Bel opted to join the United Nations Global Compact, reflecting our commitment to its Ten Principles – principles that are naturally aligned with the values and long-term vision promoted by the Group’s leaders for five generations.

We show our commitment every day, reinforced by the health, economic and environmental crises that we are living through, which underline the need to develop sustainable growth models. At Bel, we rely on a model that is both profitable and sustainable to create a variety of healthy snacking products that are accessible and affordable. We have made this model our corporate purpose: to champion healthier and responsible food for all by contributing to a new food model that protects the planet and has a positive impact for all generations.

This ambition entails five priority challenges that we are determined to meet, together with our entire ecosystem: sustainable and regenerative agriculture, healthier food, the fight against climate change, responsible packaging, and the accessibility and affordability of our products for as many people as possible; and all while ensuring that we are supporting everyone’s well-being, of course.

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

In 2022, we are actively continuing our efforts in this direction.

Through the mobilization of our 11,800 employees worldwide and our ecosystem of producers, partners, distributors and consumers, who are working with us on this inclusive growth model.

Through our choices in governance and in strengthening our family business model, which will enable us to pursue our growth and innovation strategy within our three complementary areas: dairy, fruit and plant-based.

Through a new and ambitious climate trajectory of +1.5°C, supported by a road map that makes decarbonization the driver of our financial and non-financial performance.

Through our determination to invent the sustainable food of tomorrow that is accessible and affordable for as many people as possible and that protects our planet.

THE BEL GROUP IN 2021

5TH
generation of
family managers

3 values:
**DARE,
CARE,
COMMIT**



11,800
employees
68% M / 32% W



5,100⁽¹⁾
suppliers



1,400
dairy producers



120
countries where sold



29
production sites



57
subsidiaries in 32 countries



30+
brands
including 6 international



74%
sales
of positive products⁽²⁾



93/100
gender equality index⁽³⁾



TOP 1%
with a score of 79/100
and a Platinum medal
in the EcoVadis assessment



SILVER AWARD
at the Grand Prix de
la Good Économie 2021,
for "Establishing
responsible and
ethical governance"⁽³⁾

(1) With annual revenue of over €10,000. (2) Products having at least one of the following characteristics: organic, Bel Nutri+ certified, containing no more than one additive, originating from non-GMO fed animals. (3) In France.

€3,379m
revenue in 2021

€2,713m
Global (mature) markets

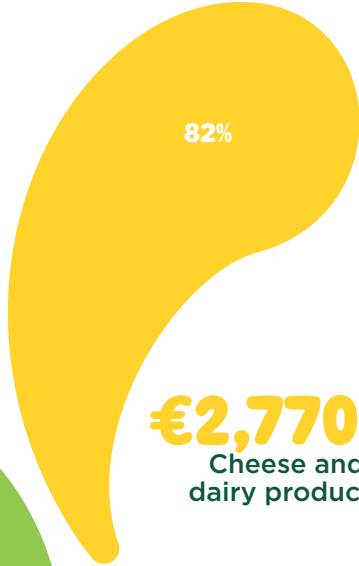


€666m
New territories
(MOM, Sub-Saharan Africa, China)

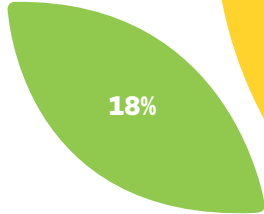


OUR MARKETS

€609m
Fruit- and plant-based products

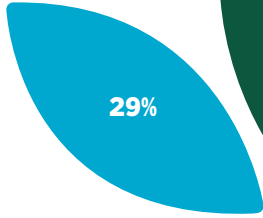
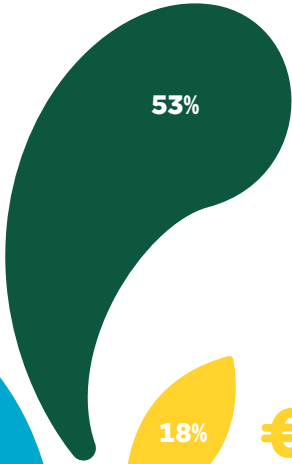


€2,770m
Cheese and dairy products



OUR PRODUCTS

€1,789m
Europe



€975m
Americas, Asia-Pacific



OUR GROWTH AREAS

€615m
Middle East, Greater Africa



A POSITIVE BUSINESS MODEL

OUR MISSION

TO CHAMPION HEALTHIER AND RESPONSIBLE

OUR RESOURCES

A solid family business structure

- 5th generation of family shareholders and managers

Our values

- Dare, Care, Commit

Brands known by all

- 30 iconic brands
- The individual portion, at the heart of our unique offering

Committed employees

- 11,800 employees worldwide and their know-how

A solid financial base

- €1,681.6 million in equity

An industrial base rooted in local communities

- 29 high-performance industrial sites in 14 countries

Committed partners working alongside Bel

- 1,400 farmers
- 5,100 suppliers
- and coalitions for a positive, collaboration-based dynamic: Carrefour's Food Transition Pact, UN's Race to Zero campaign, Science-based targets for nature, Too Good To Go pact

Natural resources to preserve

- Over 1 billion tons of milk per year
- 191,305 tons of apples per year
- Water: 4,837,651 m³ of water
- Electricity: 292,912 MWh

OUR AMBITION

To establish a responsible and profitable growth model



Our farm-to-fork VALUE CHAIN





OUR IMPACTS

FOR OUR EMPLOYEES

A caring work environment, a motivating sense of purpose

- 81% of the Group's employees applaud workplace safety at Bel (best "Your Voice" score)
- 77% are inspired by the Group's mission

FOR OUR CONSUMERS

Healthier food for all

- 72% of all products for children and families comply with the *Bel Nutri+* promise
- 83% of subsidiaries have introduced nutrition education programs for their employees

FOR OUR CUSTOMERS

Innovative distribution models and a presence in over 120 markets

- Bel ranks among the top three suppliers preferred by its customers in eight countries: France, Belgium, Portugal, Spain, the Netherlands, Slovakia, the Czech Republic and Canada

FOR OUR PARTNERS

Sustainable and responsible relationships throughout the value chain

- 52.8/100: our partners' average EcoVadis score

FOR THE PLANET

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

- Net reduction of 1/4 of greenhouse gas emissions across our value chain (compared to 2017, and taking growth into account)

FOR OUR FAMILY'S SHAREHOLDERS

Steady growth

- + 2.3% organic growth in 2021

FOR NGOS AND SCIENTIFIC EXPERTS

Our shared experience and knowledge

A solid local presence

- Taxes representing 28.5%* of income, paid in 26 countries
- Economic and social support for populations

FOR OUR LOCAL COMMUNITIES



* Excluding non-recurring transactions.

A POSITIVE BUSINESS MODEL

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.

The Group has strong local roots and makes use of industrial equipment that is continually evolving to become more innovative and responsible. With its entire ecosystem engaged in a drive for continual progress, Bel wants to respond to the major social and environmental challenges through a new food model that has a positive impact across the ecosystem and that creates value for all its stakeholders.

The Group signed on to the United Nations Global Compact in 2003, a testament to its commitment to promote sustainable development. Since then, Bel has published an annual “Communication on Progress” report, in which it tracks the initiatives taken and progress made by the Group to further the principles of the Global Compact, such as human rights, international labor standards, environmental protection and anti-corruption practices. In 2016, the Group structured its approach to place Corporate Social Responsibility (CSR) and shared value creation (economic value created by a company that also benefits society by meeting its needs and challenges) at the heart of its growth model, by forging trusting, lasting and profitable relations for all players in its value chain (see the visual “Our business model creates value for all” in section 1.1 “Group presentation”).

To address growing climate and demographic issues and to respond to the emerging concerns of its stakeholders, the Group is redoubling its efforts to tackle the challenge of feeding 10 billion people by 2050 while protecting the planet’s resources. In 2018, it willingly embarked on a profound transformation of its business model to ensure that profitability and responsibility go hand in hand. For this, the Group adapted its corporate mission to “champion healthier and responsible food for all,” thereby restating its commitment to sustainable and inclusive nutrition.

A year later, Bel unveiled its new corporate identity For All. For Good and its five priority changes to support its mission:

- contributing to healthier food;
- promoting sustainable and regenerative agriculture;
- committing to responsible packaging;
- fighting climate change and reducing its environmental footprint;
- improving the accessibility and affordability of its products.

These priority challenges were defined based on lessons learned from the Group’s materiality and risk analyses. They form the foundation of the Bel Group’s sustainable growth model and include concrete objectives for 2025 that complement the Group’s strategy and its four pillars:

- building positive brands;
- accelerating positive innovation;
- adapting to tomorrow’s distribution challenge; and
- developing in key geographies.

From farm to fork, Bel is committed to a performance that creates value for all the stakeholders with whom it works and interacts.

Bel has chosen to tie its financial to its non-financial performance, and its growth model is driven by both responsibility and profitability. This model, which is promoted by the Executive Committee, is the result of closely integrating the Group’s growth strategy and commitments. It is being implemented gradually at all levels of the business: across its sites and brands, and in its investments and decision-making processes.

This overall performance is measured by financial and non-financial indicators to which Bel has chosen to link its results. The Group is convinced that these two dimensions are mutually enriching.

CSR is managed using a selection of indicators to measure the Group’s performance and its positive impact from farm to fork, such as the carbon footprint, nutritional improvement programs, the accessibility and affordability of its products to the greatest number of people, and the commitment of its 11,800 employees. These indicators guide and inspire our employees every day.

In 2020, the Group created a department that brings together Finance and CSR, underlining the Group’s determination to build on these two equally important pillars for the development of a sustainable capitalism.

The Group reports annually on its progress toward these goals in its Non-Financial Performance Report, which is audited by an independent third-party organization.



AMBITIOUS GOALS FOR 2025

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) (See Appendix 4); and the G4 Guidelines of the Global Reporting Initiative (see Appendix 5).

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

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

- risks related to corruption, human rights abuses and tax evasion,
- risks related to suppliers and the priority challenge to promote sustainable agriculture,
- risks related to quality, food safety and product regulation,
- risk 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 combined analysis of non-financial risks and the results of the updated materiality analysis:

- confirmed the relevance of the Group's long-standing commitment to conducting its business ethically (see section 1.3 "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"); and
- highlighted the priority challenges for the Group to address in the future, which are reflected in its new identity "For All. For Good" (see Chapter 3 "Contributing to healthier food" through 7 "Improving the accessibility and affordability of its products");
- This combined analysis is summarized and presented in Appendix 2 "Summary table - Bel's material non-financial challenges and remediation policies and corresponding objectives."

For each of its five priority challenges, the Group has set quantified targets that will guide its actions so these targets can be met by 2025.

These five challenges will form the basis of its actions and its continuous improvement program to make its brands ever more innovative and responsible, from farm to fork.



SIGNIFICANT EVENTS IN 2021

A resilient business despite a difficult economic context in 2021

The Bel Group posted organic revenue growth of 2.3% in 2021, despite a challenging economic, political and financial context, driven by:

- the excellent momentum of core brands, Babybel and Boursin in particular (growth in sales of four out of six core brands compared to 2019);
- the continued growth of MOM;
- further market share gains in North America;
- the confirmation of a positive growth trajectory in China;
- promising initial results from the launch of Nurishh and the plant-based version of Boursin;
- the growth of e-commerce and out-of-home catering, particularly in the North American and Chinese markets.

Dairy, a secure and sustainable industry

At the end of 2021, a year marked by two priorities for the upstream dairy industry, namely improving animal welfare and reducing the carbon footprint, Bel and APBO (*Association des Producteurs de Lait Bel Ouest* – Bel West Producers Association) entered into a new annual agreement to promote a more profitable and low-carbon dairy industry (see section 4.1. Taking action for an upstream dairy). While two-thirds of the Group's carbon footprint is linked to dairy raw materials, this new agreement on milk prices and volumes incentivizes more virtuous practices.

The move to plant-based products

Bel has chosen to expand its business beyond cheese, as shown by the acquisition of the All in Foods start-up in 2020, which is developing a wide range of plant-based alternatives, and by the launch of several products. The highlights of 2021 were:

- Boursin Dairy Free's excellent performance in the United States and Canada. This plant-based version is now also being produced in Croisy-sur-Eure, Normandy, and will be launched on the European market in spring 2022.
- Launch of the Nurishh brand in northern and southern Europe, and the United States, with 13 products introduced in 2021 in 3 key segments: slices, grated and spreadable.
- The successful launch of The Laughing Cow® Blends in the U.S., Germany, the U.K., Canada and Australia. This hybrid version of The Laughing Cow combines the best of dairy and legumes.
- The planned launch of Babybel Plant-Based in the United Kingdom and the United States in 2022.

Fruit, a winning strategy

After acquiring a stake in the MOM group in 2016, Bel bought out 17.5% of the minority shareholders' shares in 2021 and now holds 82.5% of MOM's shares.

This new milestone sets the stage for the combining of teams and confirms Bel's strategic interest in fruit-based products. This merger between two major players in the global healthy snacks market, both of which focus on individual portions, will have a multiplier effect.

They will build on their complementary products and industrial know-how to solidify their international leadership.





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

1.1 – GOVERNANCE OF CSR ISSUES AT EVERY LEVEL 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. The creation in 2020 of a department that brings together Finance and CSR underlines its determination to build on these two equally important pillars for the development of a sustainable capitalism.

Bel's employees have a responsibility to act to ensure that we have a positive impact while remaining profitable. This responsibility extends well beyond the management of financial and CSR aspects.

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 Senior Management. In 2021, two one-day sessions devoted to CSR were organized for the first time for the Board of Directors.

THE ETHICS AND COMPLIANCE COMMITTEE

The Ethics and Compliance Committee assesses and oversees 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

The Executive Committee, headed up by the Chairman and Chief Executive Officer and comprising all the key corporate functions, promotes the Group's sustainable growth model.

To support the roll-out of this ambitious plan, Bel also has a CSR Operational Committee that includes several members of the Executive Committee and meets five times a 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. In addition, four annual sessions of the Executive Committee focus more specifically on long-term strategic CSR matters. Depending on the strategic issues at stake, Executive Committee

sessions devoted to CSR may be organized more frequently, as was done in 2021.

THE INVESTMENT COMMITTEE AS THE GUARANTOR OF SUSTAINABLE GROWTH

The Investment Committee reports to the Chairman and Chief Executive Officer. Its role is to manage and sign off on the Group's overall investment budget and on all projects totaling more than €2 million. It meets eight to nine times a year.

The committee ensures that any new Bel investment of more than €300,000 complies with its CSR commitments. Indeed, such plans are reviewed according to economic and financial performance criteria, as well as non-financial criteria corresponding to the major challenges facing the Group, whether employee-related, environmental or social.

SPECIFIC COMMITTEES TO GUIDE PRIORITY ISSUES

The CSR Operational Committee is supplemented by specific steering committees dedicated to priority challenges for the Group's sustainable growth model. Their purpose is to define a road map and to track its operational deployment and progress. These dedicated committees meet five times a year and convene multidisciplinary teams.

BRAND STEERING COMMITTEES

The CSR teams participate in all Brand Committees, which are entities in charge of managing the portfolios for strategic brand innovation and renovation projects. A CSR assessment matrix for projects was introduced in 2020 to carefully review each project against the Group CSR strategy.

EMPLOYEE NETWORKS TO SUPPORT OPERATIONAL DEPLOYMENT

Two 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 "Champion" employees representing various Group functions whose main mission is to monitor and report on Group KPIs and to lead CSR initiatives in their functions and communities; and
- a network that includes, among others, employees from the Marketing and Regulatory Departments, is 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.



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

1.2 – A COMPANY FULLY MOBILIZED TO ADDRESS THE HEALTH CRISIS

The last two years were marked by an unprecedented global health crisis that triggered many economic, social and environmental challenges. In this difficult situation, the Bel Group successfully rallied its employees, its partners and citizens to maintain the continuity of the food chain, lend its support to communities and keep everyone safe and healthy – especially the most vulnerable. In 2021, the Group largely continued the actions implemented in 2020.

ORGANIZING CRISIS MANAGEMENT ACROSS THE GROUP

The Group transitioned to crisis management mode in January 2020 with three objectives: monitor the global evolution of the pandemic and its consequences on each market, protect its employees and ensure the continuity of operations and of the food chain. The Group stood up a multidisciplinary crisis unit with representatives from all key functions in the Company. In parallel, crisis units were also mobilized in each country to operate either in crisis mode or standby mode depending on the local health situation.

The crisis management strategy was founded on advance planning, preparation in the form of measures taken at each level of the organization and gradual adaptation to the instructions issued by health authorities and to the consequences of the crisis in each country.

The uncertain conditions of the health crisis have led to a lasting change in work organization methods within the Group. As part of the “Nurture” program and the Hybrid work charter, hybrid working methods are being deployed in the Group to determine the most suitable types of organization for each department (see section 2.1.1 “Guaranteeing health, safety and well-being at work”).

PROTECTING EMPLOYEE HEALTH: AN ABSOLUTE PRIORITY FOR THE BEL GROUP

From the start of the pandemic, Bel adopted extremely strict preventive measures in accordance with the Group’s internal health and safety procedures and with guidance from the World Health Organization (WHO). Based on

those recommendations, Bel drew up a list of 80 measures to implement at all its sites.

For example, the Group established systematic temperature checks before entry, distributed health supplies (gloves, masks, hand sanitizer, etc.) and installed protective barriers at its 29 plants.

Access to the Group’s other facilities was limited during the lockdown periods and remote working was encouraged. The behaviors and key measures applied in the plants (e.g. temperature taking, masks, social distancing, cleaning and disinfection) were extended to other sites and everyone participated in a 15-minute mandatory training that reviewed the rules to be followed. In 2021, the Group also facilitated access to vaccine doses for employees and their families. The management of the health crisis was applauded by the employees through satisfaction surveys which showed strong feelings of safety.

In addition to these personal safety measures, the Group developed several initiatives to support its employees during this trying period. For example, Bel gave its employees access to various training modules to help them successfully work from home, eat healthier food, and exercise. The training team also encouraged employees who were working fewer hours because of the pandemic to sign up for training. Counseling and support services have also been made available to Bel employees in several countries (such as France, Italy, Greece and Canada), should the need arise.

Upholding its value of responsibility, the Group chose not to resort to partial unemployment arrangements for the entire duration of the crisis. Moreover, Bel was particularly attentive to maintaining financial support for its employees during this period. All plant staff who were forced to stay home during the crisis were able to continue receiving their base salary. Moreover, Bel decided to stop counting the days of lost work for employees on leave of absence so their bonuses and profit-sharing benefits would not be affected. Finally, in compliance with French legislation, all eligible employees were paid a bonus.

1.3 – ETHICS: A COMMON FOUNDATION FOR CONDUCTING BUSINESS

DEFINITION OF THE CHALLENGE

Bel is firmly committed to fighting the risks of corruption, human rights violations and environmental damage, and has always placed ethics at the heart of its business methods.

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.

POLICIES

In 2012 Bel adopted a Code of Good Business Practices establishing the general framework for the professional conduct of every Bel 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.



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

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 our business partners").

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 Risk and Compliance Department, which in turn is supported by the relevant functional departments (Legal, Finance, Industrial Operations) and a network of ethics and compliance officers to oversee the implementation of the commitments and their operational application. The Risk and Compliance Department interacts with the Risk Committee and updates the Group Audit Committee on the progress of projects. Once a year, the Audit Committee presents a work report to the Board of Directors.

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.

The role of the Risk and Compliance Department is to oversee the definition and implementation of compliance actions - especially those relating to fighting corruption

and respecting human rights and the environment - at the local level, with the support of the ethics and compliance officers. It regularly briefs the Ethics and Compliance Committee on these actions.

The ethics and compliance officers are responsible for taking the necessary steps to raise awareness and for training 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.

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 1.6 "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 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 2021, four alerts were submitted. One of them was received in December 2021 and will be processed in 2022.



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

PERFORMANCE INDICATORS

Bel's objectives	KPI	2019	2020	2020 pro forma ^(a)	2021
Promote ethics as a common foundation	Number of alerts received	2	3	4	4
	Number of alerts processed	2	2	4	4
	Number of employees trained on corruption risks (in-person training)	500	500	0	0
	Number of employees trained on corruption risks (e-learning)	594	652	1,034	1,034

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

1.4 – VIGILANCE PLAN

The adoption in 2016 of the anti-corruption aspect 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, environmental damage related to its activity and violations of human rights and individual health and safety.

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.

1.4.1 – 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 1. “Risk management policy”).

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 regions, in accordance with legal requirements.

This first study phase was supplemented by a thorough analysis of the Group’s current 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 1.5 “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 through trainings arranged for all the Management Committees of the Group’s subsidiaries to educate the local staff about the corresponding issues. After these training sessions, 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 were updated in 2019 and 2020 to measure the progress made. The implementation of additional policies and reinforced control points between 2018 and 2019 led to a marked improvement in the management of these risks.

Finally, in 2019 the Group rolled out a digital risk mapping tool that enabled it to complete a corruption risk mapping in 2020 and 2021. Bel opted for a qualitative approach that essentially consisted in formalizing corruption scenarios specific to each of the Group’s subsidiaries and taking into account aggravating exogenous factors, where applicable (for more details, see section 1.6.2 “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.



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

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 and will, therefore, be included in the aforementioned category.

The supplier risk mapping will be updated in 2022 based on the mass analysis of the portfolio of suppliers with whom a purchase has been made 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.

1.4.2 – ACTIONS IMPLEMENTED

To fight corruption

The Group supplemented its Code of Good Business Practices with a gift policy and an anti-corruption policy, which was revised in 2017 to apply the provisions of the “Sapin II” law. 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 will be 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. The training was offered again in 2019, 2020 and 2021. The module was completed by all Management Committee members at every Bel Group subsidiary in 2020, 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 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 business partners”).

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 in 2021 thanks to a dedicated digital tool that will soon be directly incorporated into the digital supplier creation process (see section 1.6.1 “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 1.5 “Ethics: a common foundation for conducting business”).

(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.



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

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 1.5 “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.

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 1.6 “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.

The digital tool used to produce anti-corruption risk maps will be used to update all these maps in 2022 (see section 1.6.1 “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 labor model known as “Nurture,” which sets out the strong commitments that the company wishes to make to 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 a 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 health, 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 business partners”).

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 business partners”).

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 Group risk mapping exercise, in 2017 Bel 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 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 several key priorities: reducing the greenhouse gas emissions of the Group and its products, adapting to the impacts of climate change 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 climate change and reducing the environmental footprint”).



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

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 WWF and the United Nations Global Compact. This initiative aims to reduce greenhouse gas emissions along the entire Bel 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 2021, 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 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 climate change and reducing the environmental footprint”).

The Group is currently working on using climate-related scenarios to assess the resilience of its activities, based on two adaptation scenarios (global warming of 1.5°C or 4°C compared to pre-industrial levels). This ongoing work includes a quantification of the possible financial impacts for the Group.

Along its entire value chain

In light of the significant impact of agricultural raw materials on the Group’s overall carbon footprint (72%), 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. It uses several nationally recognized tools (CAP2’ER, Cool Farm Tool, etc.) to identify and assess the carbon reduction levers to be recommended to its milk producers and to support them in achieving this transformation (see section 4.1 “Taking action for a sustainable upstream dairy”).

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 sections 4.1 “Taking action for a sustainable upstream dairy,” 5 “Designing responsible packaging,” 6.2 “Preserving biodiversity and fighting deforestation and ecosystem conversion,” 6.3 “Using water sustainably,” and 6.4 “Fighting food waste”).

1.4.3 – DEDICATED CONTROLS

To ensure the effective implementation of such actions, Bel 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 2021

- Creation of a “Risk and Compliance” department.
- Implementation of a new governance structure to address the challenges of ethics and compliance.

PRIORITIES FOR 2022

- Roll out a new communication and awareness-raising plan for employees on ethics and compliance issues.
- Launch a new training plan, targeted by population, enhance it with virtual classes and define the corresponding monitoring indicators.





A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS



Because Bel'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 Bel has chosen to implement a model which creates shared value for its internal and external stakeholders, focused specifically on:

- its employees;
- its business partners; and
- its consumers.

WITH ITS ECOSYSTEM

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

WITH NGO AND SCIENTIFIC EXPERTS

Building together to improve knowledge and practices in nutrition and sustainable agriculture



WITH ITS SUPPLIERS AND SUBCONTRACTORS

Improving social and environmental practices



WITH ADMINISTRATIONS AND INSTITUTIONS

Going beyond highest quality and regulation standards



WITH AND FOR EMPLOYEES

Fostering the highest level of work life quality



FOR THE PLANET

Preserving natural resources

WITH ITS MILK PRODUCERS

Creating a long-lasting and sustainable dairy industry



WITH ITS SHAREHOLDERS

Ensuring the Group's durable growth



WITH ITS CLIENTS AND CONSUMERS

Offering affordable and healthy products that meet nutrition needs



WITH LOCAL COMMUNITIES

Generating a virtuous social and economical impact in the territories we operate in





A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

2.1 – BUILDING A SUSTAINABLE FUTURE WITH ITS EMPLOYEES

DEFINITION OF THE CHALLENGE

Bel's mission to "Champion healthier and responsible food for all" guides the Group's 11,757 employees in rolling out a sustainable and profitable 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. Therefore, the Group strives to offer its employees working conditions that promote wellness and safety and to enhance their employability by providing fair and appealing career opportunities.

POLICY

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 Report. 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 Group's HR 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 longstanding key values - Dare, Care and Commit - and expresses the fundamental value that Bel wants to create for its employees.

The HR 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 Bel employees, and by enhancing the value of individual know-how;
- 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.

In 2021, Bel's road map included the launch of several programs:

- *Your Voice*, an employee commitment program consisting of a survey allowing employees to express their opinions anonymously and enabling managers, leaders and heads of human resources to gather transparent feedback and draw up action plans, at both Group and local level. The first survey, addressed to all employees, was conducted in June 2021 and will be repeated every year,
- *Actors for Good*, a program aimed at raising employee awareness of social responsibility issues and encouraging them to get involved in initiatives with a positive impact.

Workforce

As of December 31, 2021, the Group employed 11,757 people in over 30 countries. Bel's workforce (permanent and fixed-term employment contracts in effect on December 31, 2020) fell by 753 people. This change was due to the sale of the Leerdammer and Bel Shostka Ukraine business assets⁽¹⁾ to Lactalis on September 30, 2021.

Workforce by market type ^(b)	2019	2020	2020 pro forma ^(a)	2021
Global (mature) markets	11,091	11,058	10,209	10,144
New regions ^(c)	1,347	1,452	1,452	1,613
TOTAL GROUP	12,438	12,510	11,661	11,757

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

(b) Active permanent contracts and fixed-term contracts on December 31.

(c) China, Mexico, Ivory Coast, South Africa, MOM.

(1) Scope including the sale of Royal Bel Leerdammer NL, Bel Italia, Bel Deutschland, the Leerdammer brand and all related rights, and Bel Shostka Ukraine.



A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

Workforce by status ^(b)	2019	2020	2020 pro forma ^(a)	2021
Managers ^(c)	2,498	2,676	2,453	2,591
Non-managers	9,940	9,834	9,208	9,166

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

(b) Active permanent contracts and fixed-term contracts on December 31.

(c) The definition of “manager” is based on a standardized grading system applied to all subsidiaries: grades 1 to 7 as well as Executive Committee members are considered to be managers whether they manage a team or not.

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 core brands on the cheese and dairy products market, as well as on the promising healthy snacking segment. The Group hired 1,834 people in 2021. The majority of the 1,710 departures in 2021 were voluntary (resignations and retirements).

The Group’s average rate of job insecurity is 11% (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	2019	2020	2020 pro forma ^(a)	2021
Number of new hires	1,563	1,615	1,537	1,834
Number of departures	1,698	1,516	1,427	1,710
Of which redundancies/dismissals	276	229	228	243

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

Terminations by market type	2019	2020	2020 pro forma ^(a)	2021
Global (mature) markets	211	218	217	192
New regions ^(b)	65	11	11	51
TOTAL GROUP	276	229	228	243

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

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

Rate of job insecurity ^(b)	2019	2020	2020 pro forma ^(a)	2021
Global (mature) markets	11%	11%	12%	11%
New regions ^(c)	26%	31%	37%	51%
TOTAL GROUP	13%	12%	12%	11%

(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, MOM.



A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

2.1.1 – GUARANTEEING HEALTH, 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. Bel has a health and safety policy in common with the MOM teams, which 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 also calls for the commitment and active participation of each and every employee. An incentive system encourages them to set a good example and to take actions to prevent and eliminate any dangerous behaviors or processes.

This policy is reviewed every two or three years and approved by the Group Executive Committee. It was updated in 2020 and disseminated to all Group sites. Bel also deployed a new safety organization aligned with its operational model to increase the efficiency with which action plans are rolled out and to leverage good practices and incidents identified in the Group.

In 2021, the Group’s 32 safety standards and 21 technical standards aimed at harmonizing employee safety procedures were revised, summarized and compiled in a safety manual available to all employees.

To ensure that these policies are applied and to encourage the achievement of Group objectives, managers’ bonuses are 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 in force since 2020 to protect employees from malicious acts of material or immaterial origin (see section 3.1. “Offering products with optimal quality and safety”).

Well-being at work

In parallel, two Group charters were validated in 2021 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. This charter is based on four principles:

- prioritizing the business: to safeguard the Group’s performance, the needs of the business may take precedence over individual preferences,
 - policies based on business realities: the pace of remote working will depend on the business and be determined by team to reflect the realities of each business line and function,
 - fairness and reversibility: criteria for a fair and transparent process will be defined by each site. Flexible working by an individual or team may be revoked if it does not meet expectations,
 - trust and autonomy: Bel places its trust in the sense of responsibility and collective intelligence of its teams, who work to maximize their individual performance and that of the Company;
- 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

Ensuring the health and safety of its employees during the Covid-19 pandemic

For the second consecutive year, the Bel Group took decisive actions to address the Covid-19 pandemic with extraordinary measures to protect its employees (see section 1.4 “A Company fully mobilized to address the health crisis”).

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, to 3.78, down 20% from 2020. This extremely encouraging result, in view of the 2025 target of 3, was helped in particular by 8 plants that declared no accidents over the entire year, and by a significant decrease in commuting accidents.



A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

	2019	2020	2020 pro forma ^(a)	2021
Bel accident frequency rate ^(b) Bel AFR Accidents with and without lost time for all persons present on Bel sites	5.45	4.75	4.73	3.78
Accident frequency rate ^(b) AFR1 Accidents with lost time for Bel employees	3.81	2.87	2.9	2.49
Accident severity rate ^(c) for Bel employees	0.11	0.10	0.10	0.08

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

(b) Number of workplace accidents per million hours worked.

(c) 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 two people, followed by a constructive discussion between the inspectors and the person "inspected". Each employee should see at least three BSVs per year at the production sites. The goal is to change behaviors and improve communication on safety and trust between employees and managers. In spite of Covid-19, more than 32,390 BSVs were completed in 2021. In 2021, a major communication campaign and an e-learning training program were launched for managers to improve the quality of the BSVs.

In addition to monitoring workplace accidents, sites are also required to report and investigate near-misses to prevent the recurrence of risky situations. An awareness-raising campaign on the monitoring and reporting of near-misses was conducted at several sites in 2021. 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 road map that prescribes actions to take is drawn up at the Group level and sent to all subsidiaries and sites. This road map was updated for the 2021-2025 period, and several actions were initiated in 2021:

- deployment of tablet computers at each site for recording BSVs, accidents, near-misses and risky situations using the "Intelex" app;
- launch of a safety performance guide that encourages employees to comply with the rules by setting out measures to penalize non-compliance and, conversely, to recognize compliance with the safety rules;
- acceleration of the "LOTO" (*Lockout/Tagout*) program to install protective mechanisms on all site machines and develop procedures and training measures;

- the "Safety Leadership" training program, which gives managers skills to positively influence their own and their employees' behaviors to make their practices safer;
- a Group campaign on hand protection, following a risk analysis performed on each workstation;
- the gradual deployment of the "Dry Plant-Safe Plant" program, whose goal is to reduce slips caused by wet floors.

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 USA. 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. 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.

In the context of the "Nurture" program, the Group launched the Your Voice employee commitment program, which includes an annual survey of all employees. In 2021, the results of the survey showed a very high level of employee commitment, with a participation rate of 87% and more than 13,000 qualitative comments collected. The employee commitment rate⁽¹⁾ in 2021 was 74% and highlights several strengths of the Group, such as the feeling of safety at work, employees' buy-in to the Company's mission, and their desire to contribute more to the Group's CSR strategy. The Group has set a target to achieve a 77% commitment rate by 2025.

(1) The employee commitment rate reflects the results obtained from answers to the following questions: "How satisfied are you with your job at Bel?" and "I would recommend Bel as a good place to work."



A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

The results of this survey are directly accessible online to all managers and Human Resources staff and are analyzed at both local and Group level. Priority actions have been defined at these different levels and shared with employees.

A road map has been defined by the Group to go deeper on the questions of work/life balance and well-being at work, some of are already the subject of specific actions:

- in 2021, in the context of the Nurture program and the Hybrid Work Charter, questions of hybrid working were carefully studied with the aim of placing greater emphasis on employee autonomy and accountability, while continuing to meet the needs of the Group. In line with the Group's desire to involve employees in developing this innovative work model, collaborative workshops were launched at team-level in order to identify the most

suitable types of working arrangements at that scale (e.g., flexibility in working hours and remote work);

- also as part of the Nurture program, measures were taken to change modes of working in order to enhance employee well-being, such as streamlining reporting requirements, establishing meeting-free days in Group plants in 2021, etc.;
- historically, the Group's subsidiaries have granted more paid leave than the minimum imposed by national laws and regulations;
- managers receive have received training in the awareness of psychosocial risks and quality of work life (QWL) since 2020. An e-learning program and workshops related to workplace well-being have also been created for head office employees.

	2019	2020	2020 pro forma ^(a)	2021
% of employees receiving at least three weeks of leave per year	98%	96%	96%	97%

ABSENTEEISM RATE	2019 ^(b)	2020	2020 pro forma ^(a)	2021
Hours of absence due to illness/theoretical working hours	2.05%	2.90%	2.78%	2.70%

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

(b) Excluding MOM.

Involving employees in social responsibility issues

Lastly, as part of the Nurture program, the Actors for Good project is being deployed to raise employees' awareness of social responsibility issues and encourage them to get involved in initiatives with a positive impact. To this end, the Group has committed to training all of its employees in climate change over three years through La Fresque du

Climat, a collaborative workshop based on the IPCC reports that aims to raise awareness and develop individual or collective solutions. In 2021, around 200 employees were trained in a workshop and some 60 employees were trained to become in-house workshop leaders.

PERFORMANCE INDICATORS

Bel's objectives	KPI	2019	2020	2020 pro forma ^(a)	2021	2025 objective	Progress
Work towards zero accidents at sites	Bel accident frequency rate	5.45	4.75	4.73	3.78	3.0	

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



A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

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 multiculturalism targets for the Company for 2020 and 2025. It is built on three pillars:

- creating an inclusive corporate culture by publishing a Diversity and Inclusion Commitment 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.

As part of the Nurture program, the Diversity & Inclusion program will be revised in 2022 to accelerate the Group’s transformation and incorporate cross-cutting diversity and inclusion issues into all new HR policies.

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	2019	2020	2020 pro forma ^(a)	2021
Total employees	69%/31%	69%/31%	69%/31%	68%/32%
Non-managers	73%/27%	72%/28%	73%/27%	72%/28%
Managers	57%/43%	56%/44%	54%/46%	56%/44%

BREAKDOWN OF NEW HIRES BY GENDER	2019	2020	2020 pro forma ^(a)	2021
Men	1,026	975	916	1,048
Women	537	640	621	736
TOTAL NEW HIRES	1,563	1,615	1,537	1,834

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

Although women account for between 40% and 50% of middle managers in the workforce, they make up a smaller proportion of the highest ranks of the business.

To remedy this situation, the Group set a goal in 2016 to have 40% women in the highest ranks (grades 1, 2 and Executive Committee) by 2025. The threshold of 30% ⁽¹⁾ was reached in 2021.

As a result of the Covid-19 crisis and how it has affected the organization, recruitment and development of employees over the last two years, this goal was revised in 2021 to bring it more in line with the actual situation on the ground. It is now set at 35%.

The Group’s progress in placing more women in management bodies since 2020 is illustrated by the attainment of gender parity on the Executive Committee. The percentage of women has also risen considerably since 2017, forming a growing pool of women candidates for more senior positions. To this end, more than 100 women on staff have participated in the new leadership training program for female employees in the last few years, including 25 women in 2021, in order to promote the development of skills and access to management positions.

(1) Excluding MOM.



A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

GENDER BREAKDOWN BY GRADE	2019	2020	2020 pro forma ^(a)	2021
Board of Directors ^(b)	3/2	2/5	2/5	2/5
Executive Committee ^(b)	6/2	3/3	3/3	3/3
Grade 1	80%/20%	77%/23%	75%/25%	69%/31%
Grade 2	79%/21%	77%/23%	77%/23%	73%/27%
Grade 3	63%/37%	59%/41%	57%/43%	56%/44%
Grade 4	60%/40%	56%/44%	54%/46%	56%/44%
Grade 5	54%/46%	57%/43%	55%/45%	51%/49%
Grade 6	55%/45%	53%/47%	50%/50%	50%/50%
Grade 7	53%/47%	53%/47%	53%/47%	59%/41%

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

(b) Absolute values.

In France, a new 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. It renews most of the measures set out in previous agreements and aims to increase the number of women and the digital inclusion of employees in the production channels.

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.

Moreover, with regard to equal pay, Bel carries out an annual analysis of the average ratio of women's salaries to men's salaries among managers in France, this being only sample group that is representative on a Group scale. Bel classifies a wage gap greater than 5% in the same country for equivalent grades as a wage discrimination problem.

Lastly, as a company with more than 1,000 employees, Bel met its obligation in France to publish its gender equality index. In 2021, Bel in France achieved a score of 93/100, down slightly from 98/100 in 2020. This decline can be explained by the implementation of a project to improve the status of blue-collar work, which is mainly done by men. This index takes into account five indicators:

- the wage 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.

Multiculturalism as a means of promoting diversity and inclusion

Bel sells products in more than 120 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. Bel is thus committed to promoting diversity in all its forms within its teams. Several training programs on the awareness of cultural diversity and inclusion are currently being prepared for deployment in 2022.

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 Bel is disability-friendly;
- the hiring of disabled employees; and
- prevention and job retention efforts.

In addition, Bel works with numerous institutions in France that provide work to people with disabilities (known as "ESATs" or "EAs"), 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 2021, 14 employees were trained to become "Disability Ambassadors" and play an active role in promoting the inclusion of employees with disabilities.



A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

PERFORMANCE INDICATORS

Bel's objectives	KPI	2019	2020	2020 pro forma ^(a)	2021	2025 objective	Progress
Promote gender diversity and inclusion^(b)	Share of women in Top Management	21% ^(c)	25% ^(c)	25% ^(c)	30% ^(c)	35% ^(d)	

(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 MOM.

(d) Objective updated in 2021.

2.1.3 – DEVELOPING ITS EMPLOYEES' TALENT

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 issues guidelines in consultation with its business lines and countries that set out training priorities, both in light of employee needs and the key competencies and job skills to be developed for the Group's requirements.

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

In 2021, 81% of employees completed at least one training course during the year. 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.

In-person and digital training opportunities

Since 2018, the Group has made use of the Learning Management System (LMS) training platform, which hosts a large number of training courses. The *Bel University* training catalogue 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 catalogue, 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 2021, greater emphasis was placed on training related to CSR. For example, a first training module on carbon was provided to a number of functions at headquarters and will be added to Bel University in 2022. A training module on nutrition, with a focus on plant-based products, was also provided to the nutrition and R&D teams, representing more than 190 people in 26 countries.

The training courses provided target all of the Group's employees and offer a range of teaching methods designed to adapt to all learning modes (synchronous, asynchronous, face-to-face and distance learning). By diversifying teaching methods, such as virtual classrooms, video and game-based learning and SPOC (small private online course), we were able to maintain access to training during the health crisis from early 2020. The Group has therefore been able to provide its employees with the best possible support in this uncertain context, covering areas such as time management, team accountability, remote working and collaborative work practices, psychosocial risks and resilience.

EMPLOYEE TRAINING	2019	2020	2020 pro forma ^(a)	2021
Percentage of employees who attended at least one training course during the year	75%	76%	76%	81%
Average number of training hours per employee	18.0	17.0	17.1	19.5

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

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



A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

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.

Group onboarding program

All newly hired, connected employees participate in a digital onboarding program called “Bel’Come”.

Evaluation and feedback

Each year, the annual performance review⁽¹⁾ 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.

Furthermore, in addition to the annual review, Bel promotes a 360° feedback culture. As such, any employee can request 360° feedback from staff in the same department, on a cross-functional project team or who have a functional relationship with the employee in question.

All the Group’s employees can share feedback throughout the year after a presentation or project.

INDIVIDUAL PERFORMANCE REVIEWS	2019	2020	2020 pro forma ^(a)	2021
% of eligible managers ^(b) receiving an individual performance review (annual basis)	90%	87%	86%	91%

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

(b) (a) 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.

Career management and mobility

Bel wants to offer its employees interesting and growth-oriented career paths. In order to ensure that current resources match future organizational needs, Bel’s HR teams and managers participate in people review and succession planning processes, which make it possible to build appropriate forward-looking action plans. These processes also serve to promote transfers within the Group and anticipate hiring and retention needs.

In addition, in order to encourage mobility, internal vacancies are systematically advertised to Group employees (e.g. via the intranet or display boards) before being offered to external applicants - unless there are confidentiality requirements or the required skills do not exist in-house. Bel also enhances the visibility of the career paths available to managers through the various tools it provides: skills guidelines, career guides and potential job transfers.

PERFORMANCE INDICATORS

Bel’s objectives	KPI	2019	2020	2020 pro forma ^(a)	2021	2025 objective	Progress
Develop our employees’ talent	Employees who completed at least one training course during the year ^(b)	75%	76%	76%	81%	100%	

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

(b) As part of the Nurture program, a study is underway to define a new indicator that better aligns with the Group’s training strategy and more accurately reflects the new learning methods in line with identified needs.

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

A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

2.1.4 – ENSURING A FAIR REMUNERATION SYSTEM

Policies

Bel is persuaded that offering fair, motivating and non-discriminatory remuneration 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.

	2019	2020	2020 pro forma ^(a)	2021
% of employees ^(b) with health coverage	93%	93%	92%	93%
% of employee ^(b) with death and disability coverage	91%	92%	91%	93%

(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 remuneration. At least 10% of this variable remuneration is contingent on meeting non-financial objectives in

connection with its CSR strategy. For example, one of the criteria for managers' variable remuneration is the reduction of the Group's carbon footprint.

	2019	2020	2020 pro forma ^(a)	2021
% of employees who have a remuneration system based on the overall performance of the subsidiary or Group	59%	59%	59%	59%

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

2.1.5 – PROMOTING A POSITIVE DIALOGUE

Policies

Since 2016, Bel has implemented an International Labor Relations Charter at the global level, which organizes its 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 dialogue with representative bodies and with managers and employees.

Action plan

Labor relations

A healthy, ongoing social dialogue 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 dialogue. This is why the Bel Code of Good Business Practices recognizes its employees' right to a representative body.

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 dialogue. A study is underway to map the professional bodies present at the Group's various sites.

In addition to local representative bodies, a European-level works council has been in place since 2019 to enable transnational dialogue. It comprises 21 employee representatives from 11 countries. The quality of its discussions reflects a high level of interest in the works council, which continues to meet remotely during the public health crisis.



A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

Employee commitment survey

To obtain a clearer picture and assessment of its employees' level of commitment, Bel conducts satisfaction surveys.

The Your Voice survey, conducted for the first time this year as part of the launch of the Nurture program, had a very high participation rate of 87%. The survey was based

on 18 pillars and measured an employee commitment level of 74% in 2021 (see section 2.1 "Building a sustainable future with its employees").

This survey will be conducted annually at the Group level and more regularly depending on the needs of the countries where Bel operates.

2.2 – PROMOTING RESPONSIBLE PRACTICES WITH ITS BUSINESS PARTNERS

DEFINITION OF THE CHALLENGE

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. 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.

POLICY

For over 10 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.

MOM is also committed to a responsible purchasing approach with the adoption of a dedicated charter⁽²⁾ at the end of 2020 which outlines the Group's requirements in terms of environmental, social and human rights issues, business ethics, management and purchasing.

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, whose variable remuneration is indexed to CSR criteria, are then responsible for its effective deployment.

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 3.4 "Promoting sustainable 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 1.6 "Vigilance plan"). The Group plans to update these risk maps 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. Combinations with a high CSR risk accounted for less than 4% of purchasing volumes in 2017, while combinations with a high corruption risk made up less than 2% and combinations with high CSR and corruption risk made up 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 Bel applies when selecting suppliers 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.

(1) For more information, the 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) For more information, the MOM Responsible Purchasing Charter is available on the MOM Group website (<https://www.momgroup.com/wp-content/uploads/2021/07/demarche-amelioration-continue.pdf>).



A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

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 potential 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 has established a gradual, corrective approach based on the supplier's score and asks its suppliers to be re-assessed on a regular basis. In some cases, the Group may require a corrective action plan and an early re-assessment. In 2021, the average supplier score was 52.8/100, continuing its positive year-on-year trend.

MOM has also been working with EcoVadis since 2017 to evaluate the performance of its suppliers. In 2021, the average supplier score was 59/100.

In 2021, the Group's buyers compiled the CSR initiatives of suppliers assessed through EcoVadis in order to continually improve the Bel Group's knowledge of its suppliers' actions and CSR commitments.

From among some thirty indicators identified, five KPIs were selected as being representative of each of the EcoVadis areas of assessment and the Bel Group's CSR strategy: Environment (Actions on energy consumption and GHGs, CO₂ emissions reporting), Social and Human Rights (Actions taken in relation to employee health and safety), Ethics (Anti-corruption policy), Responsible Purchasing (CSR audit or assessments of suppliers). Bel and MOM have noted an improvement in the performance of the most recently assessed suppliers compared to the average of the last four years. This improvement reflects the growing maturity of our suppliers in the implementation of CSR policies and initiatives.

In addition, since 2017, Bel has been committed to the EcoVadis AIM-Progress initiative, which strives to improve transparency and responsible, sustainable practices in the food sector. As part of this initiative, the ten participants share their suppliers' EcoVadis assessments on the platform, which simplifies processes and prevents the duplication of effort for members and suppliers alike.

Lastly, as a promoter of a responsible business model, Bel also completes the EcoVadis questionnaire and was awarded the EcoVadis Platinum Medal in 2021, representing the highest level of recognition, with a score of 79/100, for its CSR performance. The Group is thus ranked in the top 1% of the world's best-rated companies in its business sector.

Roll-out of a subcontractor evaluation and control system

Subcontractors making finished products allow Bel's brands to develop their presence in new regions. They produce around 8% of the cheese volume sold by the Group; seven major subcontractors alone accounted for 83% of the subcontracted volume.

Bel requires that all its subcontractors providing finished products be assessed by EcoVadis with the same management rules as other suppliers. In 2021, the average score for subcontractors making finished products was 46.8/100 and none of the subcontractors assessed had a high risk (EcoVadis score under 25/100).

Buyer training

Since 2019, Bel has offered a training program in collaboration with EcoVadis for all of the Group's buyers. Since the beginning of 2020, the program can be accessed anytime on the Group's training platform and all new buyers must complete this training within their first three months on the job. The goal of the training is to teach buyers how to incorporate CSR and EcoVadis assessments throughout the buying process and thereby improve the performance of their sourcing chain.

Since 2020, Bel has also provided its buyers with an EcoVadis handbook 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.

In 2021, a new training course and an update of the EcoVadis guide were made available to buyers to present the new features of the platform and facilitate the process of inviting suppliers to be assessed.



A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

PERFORMANCE INDICATORS

BEL	2019 ^(b)	2020 ^(c)	2020 pro forma ^(a)	2021 ^(d)
Number of Bel suppliers assessed (excluding collected milk)	559	614	597	641
Average score of Bel suppliers assessed (excluding collected milk)	51.7/100	51.8/100	51.8/100	52.8/100
Average score of companies assessed by EcoVadis over the year	45.1/100	46.1/100	46.1/100	47.9/100

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

(b) Suppliers assessed between 2016 and 2019 - data excludes MOM and Safilait.

(c) Suppliers assessed between 2017 and 2020 - data excludes MOM.

(d) Suppliers assessed between 2019 and 2021 - data excludes MOM.

MOM	2019 ^(b)	2020 ^(c)	2020 pro forma ^(a)	2021 ^(d)
Number of Bel suppliers assessed (excluding collected milk)	153	155	155	149
Average score of Bel suppliers assessed (excluding collected milk)	55.7/100	56.6/100	56.6/100	59/100


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

(b) Suppliers assessed between 2016 and 2019.

(c) Suppliers assessed between 2017 and 2020.

(d) Suppliers assessed between 2019 and 2021.

PERFORMANCE INDICATORS

Bel's objectives	KPI		2019 ^(b)	2020 ^(c)	2020 pro forma ^(a)	2021	2025 objective	Progress
Promote sound social and environmental practices among its suppliers	Average EcoVadis supplier score (/100) ^(e)	Bel data excluding MOM	51.7 ^(d)	51.8	51.8	52.8	55	
		MOM data.	55.7	56.6	56.6	59		

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

(b) Suppliers assessed between 2016 and 2019.

(c) Suppliers assessed between 2017 and 2020.

(d) Excluding Safilait.

(e) Excluding collected milk.

Vigilance concerning retailers, customers and agents

In line with the provisions of the "Sapin II" and "Duty of Vigilance" laws (see section 1.6 "Vigilance plan"), the Group has taken measures to ensure it is well-informed about its stakeholders ("Know Your Customer"). 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.



A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

2.3 – PROMOTE RESPONSIBLE FINANCING PRACTICES AMONG INVESTORS

DEFINITION OF THE CHALLENGE

Committed to building a responsible and profitable business model, Bel 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.

POLICY AND ACTION PLAN

The Group links its financing to its overall corporate approach to focus its efforts on key social and environmental responsibility issues in the context of two financing transactions in 2017 and then 2019.

In 2017, Bel signed an addendum to extend the maturity of its multi-currency revolving credit facility and elected at that time to include environmental and social impact criteria in the agreement.

The Bel Group has been committed to corporate social responsibility (CSR) for more than ten years and, with the support of its lending banks, has chosen to include environmental and social impact criteria in its credit agreement, based on the achievement of three objectives stemming from its sustainable development strategy for 2025:

- reduction of its greenhouse gas emissions (GHG);

- development of nutrition education programs in the Group's key countries;
- deployment of an effective action plan for a sustainable upstream dairy 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 a credit line to its sustainable development performance.

In 2019, following on from its first financing transaction with non-financial objectives, the Bel 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 upstream dairy sector;
- reduction of its GHG emissions : the Group is committed to rolling out an ambitious plan with targets set annually until 2029.

RESULTS IN 2021 FOR THE TWO FINANCING TRANSACTIONS LINKED TO ENVIRONMENTAL AND SOCIAL IMPACT CRITERIA (CREDIT LINE AND EURO PP)

	DEFINITIONS	GOAL FOR DECEMBER 31, 2021	RESULTS AS OF DECEMBER 31, 2021	GOAL MET
Upstream dairy ^(a)	<i>The Bel Group pledges to define and deploy to its 10 dairy supply basins a "Sustainable upstream dairy" program to improve the sustainability of the dairy sector (see section 4.1 "Taking action for a sustainable upstream dairy")</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)	<i>Greenhouse gas emissions ratio: greenhouse gas emissions in kg CO₂ (Scopes 1 and 2) per metric ton produced. Benchmark indicator: Pro-forma indicator calculated on 12/31/2017 using the new indicator format (with a denominator in metric tons produced) (see section 6.1 "Fighting climate change")</i>	-15%	-15%	
Nutritional education programs	<i>Nutritional education program: a civic initiative by the brand or the Group aimed at promoting healthy eating habits and an active lifestyle through an entertaining, educational approach. These programs may be developed by a partner and sponsored by the Bel Group or its brands through long-term, contractual partnerships (see section 3.3 "Promoting better eating habits and healthier lifestyles").</i>	6 countries	7 countries	

(a) Environmental and social criteria relate to the achievement of objectives included in the credit line and EURO PP agreements.



A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

2.4 – COMMUNICATING RESPONSIBLY AND TRANSPARENTLY WITH ITS CONSUMERS

DEFINITION OF THE CHALLENGE

Bel products are consumed by millions of people around the world, many of whom are children. That trust confers great responsibilities on the Group: the duties to communicate responsibly and transparently, to protect consumer health and to encourage healthier lifestyles.

POLICIES

Bel adopted a Responsible Communication Charter in 2009, encouraging the Group to promote healthy eating habits (e.g. suitable portion sizes and active lifestyles) across all its communication channels. This charter covers communication in all its forms (advertising, corporate communications, packaging, digital channels, etc.). This Charter is due to be updated in 2022.

ACTION PLAN

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.

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 they are close to consumers, they are the Group’s best messengers to communicate about topics relating to responsibility. 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, all the Group’s core brands have adopted their own three-year CSR road maps that define objectives to tackle the five priority CSR challenges which they will share widely with consumers. Thus, in addition to addressing consumers’ expectations and concerns, the brands aim to play a real societal role by leveraging the trust they have established with them to guide them towards balanced and more environmentally friendly food choices and responsible social practices.

For example, in 2021, for its 100th anniversary, The Laughing Cow® launched the “laugh to donate” campaign, inviting its consumers to give laughter to those who need it most, in partnership with around 20 associations around the world. In France, more than 10,000 laughs were recorded, resulting in €70,000 being donated to Le Rire Médecin association to pay for clowns to visit hospitals and bring joy to the lives of many hospitalized children.

In addition, during the multi-brand CSR communication campaign “For all, for good, and for our regions” launched in France in 2021, Bel found that linking the Bel brand to product brand communications had a positive impact on responsible brand image elements such as the naturalness of ingredients in recipes, local manufacturing and fair remuneration for farmers. This campaign also showed that clear and transparent communication on CSR issues enhances consumers’ feelings of proximity and trust and reinforces their purchase intention.

In 2021, sales of positive products stood at 74%, remaining stable compared to last year.

Communicating responsibly to children

Bel is especially careful when it comes to messages intended for children. That is why, in addition to the Internal Nutrition Communication Charter, Bel and MOM have been committed to the voluntary European movement EU Pledge. Through this initiative, Bel and MOM pledge not to advertise any of their products that do not meet the nutritional criteria of the EU Pledge (Nutrition White Paper⁽¹⁾) to children under the age of 12 via television, the press or digital channels.

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



A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

PERFORMANCE INDICATORS

Bel's objectives	KPI	2019	2020	2020 pro forma ^(a)	2021	2025 objective	Progress
Offer positive products to consumers	Share of revenue generated by the sale of positive products ^(b) (%)	73.4%	76.0%	74.3%	74.2%	N/A ^(c)	

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

(b) For the purposes of calculating this indicator, positive products are those which have at least one of the following characteristics:

- are organic;
- are qualified as "Bel Nutri+";
- contain no more than one additive; or
- are made from non-GMO fed animals.

(c) This indicator is currently in development and an objective will eventually be defined.

CHAPTER SUMMARY

HIGHLIGHTS OF 2021

- Launch of Your Voice, a satisfaction survey carried out among all employees.
- Launch of the Actors for Good program and the Group's commitment to train all employees on climate issues through La Fresque du Climat.
- Bel was awarded the EcoVadis Platinum Medal with a score of 79/100, placing it in the top 1% of the world's best-rated companies in its business sector.
- Achievement of a historically low accident frequency rate at Bel, reflecting the significant reduction in accidents at the plant and on the road.

PRIORITIES FOR 2022

- Increase employee commitment and improve managers' skills, particularly through Bel's new managerial model (We@Bel).
- Publish an internal Bel Group Diversity & Inclusion Commitment Charter.
- Continue the Actors for Good program, including having recourse to *La Fresque du Climat* and Solidarity Week.
- Implement remote working charters.
- As part of the combining of the Bel and MOM purchasing teams, identify potential synergies in responsible purchasing approaches and leverage respective good practices.





CONTRIBUTING TO HEALTHIER FOOD



Bel's mission to "Champion healthier and responsible food for all" is the linchpin of its business strategy. As a food processing 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 Group is continuing to transform

its brand portfolio by strengthening its strategy in three complementary areas: dairy, fruits and plant-based. Bel is also maintaining its single-serving portion format designed to encourage the consumption of its products in reasonable quantities;

- meet the needs of its customers, 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 PRODUCTS WITH OPTIMAL QUALITY AND SAFETY

DEFINITION OF THE CHALLENGE

Selling safe food products is a top public health priority. Thus, Bel takes the measures necessary to ensure a strict standard of food safety and quality in line with regulatory requirements. To do this, the Group works in close collaboration with all the participants in the food chain, from sourcing raw materials to processing and distributing its products.

POLICIES

Bel has adopted 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 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 that could result in 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;

- the Food Safety Culture policy, which laid the groundwork for the Group-wide roll-out of the food safety culture. The aim of this policy is to raise awareness and encourage everyone to contribute to ensuring that our products are safe for the consumer.

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

CONTRIBUTING TO HEALTHIER FOOD

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. For example, in 2021, a thorough audit was conducted on plant-based contaminants such as alkaloids following the introduction of new plant 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.

Deploying strict procedures at production sites

A production site certification procedure

The Group has been pursuing quality certification of its production sites against recognized GFSI standards (FSCC 22000, IFS, BRC, SQF[CB1]). To date, 25 of the Group's production sites have earned GFSI certification.

In 2020, Bel was designated as a "security and safety" authorized economic operator ("OEA FULL") for all its French sites and the head office. This customs status enhances the safety and security of merchandise flows into and out of the European Union. This initiative will continue to be gradually rolled out to other production sites between now and 2024. 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.

Strong, standardized quality processes

Bel maintains and improves its HACCP (Hazard Analysis Critical Control Point) system at all its production sites to identify, assess and control significant food safety dangers. In 2019, Bel drew up a Group HACCP standard that establishes baseline quality requirements that are adapted to each production site. This standard is updated each year to reflect regulatory changes and emerging risks identified by the Group, such as those relating to raw materials of plant origin, which are currently being incorporated into the standard.

Furthermore, Food Fraud and Food Defense policies common to all production facilities are 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 risks and threats and 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.

At the same time, a regulatory training plan was drawn up in 2021 and implemented in 2022.

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 quality control plans concern semi-finished products (work in progress), finished products and 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 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 2021, 30 contaminants were studied.

Appropriate preservation conditions

The pasteurization or sterilization processes used at Bel sites ensure that manufactured products are properly preserved. The packaging of products in individual portions further ensures their proper preservation.

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

The Group's product quality, safety and 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. The Group 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 and subcontractors in order to monitor and optimize compliance with storage/distribution and processing 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.).



CONTRIBUTING TO HEALTHIER FOOD

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 end 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.

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 safety and building a relationship of trust

By providing transparent and relevant information to consumers

See section 2.4 “Communicating responsibly and transparently with its consumers”.

By offering a proactive customer 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 MOM and Safilait).

Bel's objectives	KPI	2021	2025 objective
Have all Bel plants certified as “security and safety” authorized economic operators (FULL AEO)	Percentage of Bel plants certified as “security and safety” authorized economic operators (FULL AEO)	36.67%	100%



CONTRIBUTING TO HEALTHIER FOOD

3.2 – IMPROVING THE NUTRITIONAL QUALITY OF ITS PRODUCTS

DEFINITION OF THE CHALLENGE

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 towards 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.

As a result, the Bel Group continues to pursue the strategic transformation of its brand portfolio to offer its customers products that combine taste, nutrition and quality ingredients.

POLICIES

In order to accelerate the transformation of its brands in line with its new identity *For All. For Good*, Bel has adopted an organizing 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.

This policy is supplemented by

- its position papers on flavors and colors.

ACTION PLAN

Improving the nutritional quality of its products

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, Bel has deployed a nutritional profiling system called *Bel Nutri+* since 2017.

“Bel Nutri+” establishes threshold values to orient the Group's approach to developing new products and updating existing ones. Values are defined by product category (cheese, milk, yogurt, 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.

This nutrient profiling system was adapted 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 child and family portfolio will be compliant with Bel Nutri+ in 2025. At the end of 2021, 72% of volume met this target.

The Group's main advancements cover the following areas:

- reductions of fat and salt content (e.g. The Laughing Cow[®], Babybel Original[®], Kiri[®]);
- compliance of recipes with the EU Pledge;
- launch of ranges fortified with essential nutrients “The Laughing cow” (iron, iodine, zinc, vitamins A and D) and BBY probiotics;
- launch of hybrid ranges, combining cheese and legumes (e.g. *The Laughing Cow blends*[®] in the United States, the United Kingdom and Canada).

Moreover, to improve the nutritional quality of its products, the MOM Group now offers an additional line of products with no added sugar for most of its ranges. By the end of 2021, 81% of products sold⁽³⁾ under the Materne and Pom'Potes[®] brands contained no added sugar. MOM's goal is to increase this share to 100% by 2025. In addition, from 208 MOM undertook to display the Nutriscore on its entire portfolio. 80% of products are ranked as A.

(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 Bel Group's website, groupe-bel.com (exe-200630-brochure-bel-nutrition-hd-franais-200630.pdf).

(3) In number of references.



CONTRIBUTING TO HEALTHIER FOOD

Committing to constantly improving naturalness

Bel's mission is to champion healthier and responsible food for all. 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.

Today additives have become a major source of concern for customers. The Group has voluntarily initiated a sweeping plan to rework its recipes in order to reduce or remove additives and ensure that all core brands are free of artificial colors and flavors by the end of 2021. In late 2021, Bel achieved this goal, thanks to extensive work on product innovation and renovation, with more than 50 recipes revamped over the past three years.

The recipes for many of the Group's products, including Mini 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. Obviously, the Group's priority is to meet its customers' demands for naturalness, without compromising taste, safety or quality.

Several major innovations and renovations have been carried out in recent years, with the following key highlights in 2021:

- the elimination of all artificial flavors and colors from the Group's core brands by the end of 2021;
- the relaunch of The Laughing Cow[®] Original in Europe with a simplified recipe and a much shorter list of ingredients, with four dairy ingredients, following on the heels of a similar approach to simplifying the Kiri[®] recipe that was relaunched in 2020;
- the launch of the Nurishh spread in Belgium in October 2021, to be rolled out more widely from 2022.

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").

PERFORMANCE INDICATORS

Bel's objectives	KPI	2019	2020	2020 pro forma ^(a)	2021	2025 objective	Progress
Continuously improve the nutritional quality of its products	Children's and family product portfolio meeting the <i>Bel Nutri+</i> criteria ^(b)	69%	72%	72%	72%	80%	

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

(b) Excluding MOM.



CONTRIBUTING TO HEALTHIER FOOD

3.3 – PROMOTING BETTER EATING HABITS AND HEALTHIER LIFESTYLES

DEFINITION OF THE CHALLENGE

Bel feels a strong sense of responsibility to help feed the world's populations, and it knows that families and their children must be educated to shift their eating habits. The Group is therefore committed to promoting healthier lifestyles among its employees and consumers through nutrition education programs.

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.

ACTION PLAN

Encouraging its employees to adopt better eating habits

The Group continues to roll out the "Healthy Smiles" nutritional education program with the goal of deployment to 100% of subsidiaries by 2025⁽¹⁾; in 2021, 83% of subsidiaries had implemented 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 awareness-raising actions are organized each year (distribution of educational tools, games, sports competitions, culinary contests, etc.). In 2021, Bel organized a virtual Active Challenge, in order to adapt to the health context, via a dedicated application, to raise awareness among its employees through games, quizzes and contests regarding the importance of making healthy eating habits part of their daily routine. A total of 29 subsidiaries took part in the event, bringing together more than 700 employees.

Encouraging consumers and children to adopt better eating habits

Bel supports nutritional education programs for its customers 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. In 2021, Bel:

- maintained existing programs in France (Vivons en Forme project), Ivory Coast (partnership with Action Contre la Faim), South Africa (deployment of nutrition education programs in selected schools), and Egypt (partnership with the FAO);
- launched a new program in Algeria with the local NGO Ness El Khir, in order to promote, educate and raise awareness on nutrition;
- designed an awareness kit in collaboration with the Senegalese Ministry of Education and with the support of The Laughing Cow* to encourage the adoption of a balanced breakfast, which was distributed in selected schools;
- developed an application in Iran to promote good eating habits and help families make better food combinations.

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. The Group is also advancing healthier diets for children through its Corporate Foundation, which was formed over 10 years ago to tackle this issue.

In addition, to encourage healthier behaviors and lifestyles, Bel has established new global guidelines for responsible communication on the consumption and promotion of alcohol. Beyond the applicable regulations in the countries where alcohol is permitted, these guidelines aim to prohibit any communication that would encourage the consumption of alcohol and to limit its use in products to the quantity needed just for flavoring.

(1) In number of references.



CONTRIBUTING TO HEALTHIER FOOD

SELECTED PERFORMANCE INDICATORS

Bel's objectives	KPI	2019	2020	2020 pro forma ^(a)	2021	2025 objective	Progress
Foster healthy consumption habits and lifestyle.	Key countries where a program is implemented for consumers ("Educanut")	5	6	6	7	10	
	Share of subsidiaries where a program is implemented for their employees ("Healthy Smiles").	63%	72%	73%	83%	100%	

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

CHAPTER SUMMARY

HIGHLIGHTS OF 2021

- Revisions of the raw materials and packaging monitoring plans to take account of risks related to the introduction of plant-based raw materials.
- Revision of the Food Fraud and Food Defense policy.
- Elimination of all artificial flavors and colors from the Group's core brands.
- 58 "positive" renovations (nutrition and naturalness) in 2021.
- Nutritional education programs rolled out to employees (four new subsidiaries) and consumers (one new country in 2021).

PRIORITIES FOR 2022

- Boosting regulatory training efforts by rolling out training programs specific to each business line.
- 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 AGRICULTURE



By naming sustainable agriculture as one of the five priority challenges behind its new *For All. For Good* identity unveiled in 2019, Bel affirms its ongoing commitment to agricultural methods that are more sustainable and regenerative. The Group's objective is to improve the environmental, societal and social impact of the upstream agricultural activities that underpin its business.

Bel's priority for this segment of the value chain is to promote virtuous agricultural practices that have a positive impact for humans, the environment and, more globally, the

entire ecosystem within which the Group operates. Bel aims to encourage regenerative agricultural practices, which are techniques that help fight and adapt to climate change, restore biodiversity and soil health and optimize the water cycle.

In line with the Group's ambition to strike a balance between dairy and plant-based products, Bel applies a sustainable upstream dairy policy and is developing a specific framework for the use of plant-based raw materials.

4.1 – TAKING ACTION FOR A SUSTAINABLE UPSTREAM DAIRY

DEFINITION OF THE CHALLENGE

Milk is the basic ingredient for cheese making: Bel collects over one billion liters of milk from approximately 1,400 producers or collection centers in its 9 dairy supply basins worldwide each year.

To do its part to feed more than 10 billion people responsibly in the near future, the Group must continue to encourage dairy production that preserves the planet's resources and to maintain long-lasting relationships with its partner producers.

POLICIES

To put this commitment into writing, in 2018 Bel adopted a charter of commitments for a sustainable upstream dairy⁽¹⁾ that was co-developed by 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:

- sustainable production model;
- animal welfare;
- pasture grazing;
- sustainable and local animal feed;
- environmental footprint;
- nutritional quality and food safety.

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

In addition, since 2019, the topic of animal welfare has been formalized in an Animal Welfare Charter⁽³⁾ developed with the expertise of CIWF⁽⁴⁾ 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 objective is to implement this animal welfare charter in all its dairy supply basins by 2025 and have all partner farmers evaluated by a local stakeholder trained in this area.

Through these two charters and its Biodiversity policy, the Group takes various actions to promote principles of regenerative agriculture (soil health, promotion of protein self-sufficiency, encouragement of pasture grazing, etc.)

(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/2019/10/charte-lait-wwf-fr.pdf>).

(2) Excluding MOM.

(3) 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/charte-bien-etre-animal-fr.pdf>).

(4) Compassion In World Farming, an international NGO that promotes animal husbandry practices that preserve animal welfare.



PROMOTING SUSTAINABLE AGRICULTURE

ACTION PLAN

Each of the Group's dairy supply basins defines its own road map to meet the 2025 objectives of the Sustainable Upstream Dairy and Animal Welfare Charters.

These road maps are reviewed throughout the year by the Sustainable Agriculture Committee, which meets on a quarterly basis.

The sale of Leerdammer and Bel Shostka Ukraine in 2021 means two less dairy basins: one in Holland (which accounted for 40% of milk supply) and the other in Ukraine (2%).

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 set a target based on these convictions: 100% of its dairy producers will have access to innovative social measures to improve their quality of life and working conditions by 2025. As of 2021, 77% of the Group's dairy producers had access to innovative social measures versus 63% in 2020, with a significant increase in the United States where 100% of farms linked with cooperatives now have access to such measures (100% of farmers in France and Portugal, 66% of producers in the Azores, 25% in Morocco and 12% in Slovakia).

In France, Bel renewed its partnership with the APBO for the fourth time in the form of an unprecedented agreement for better milk prices.⁽¹⁾ This agreement, renewed for the whole of 2021, provides a secure economic framework for all 800 member farms with a reference price for conventional milk (€350 for 1,000 liters), adjustable based on market context⁽²⁾ and the promotion of differentiating animal husbandry practices in the form of monthly premiums: €15 per 1,000 liters for feeding a GMO-free diet to dairy herds and €6 per 1,000 liters for increasing access to pasture grazing (minimum commitment of 150 days per year). A new agreement has already been renewed for 2022 with the aim of continuing to take action for a more profitable and low-carbon sector⁽³⁾.

Bel and APBO have agreed to strengthen their efforts to transition to a sustainable food and dairy production model, taking a next step together to build a more profitable and responsible dairy industry by establishing:

- a new reference price for milk produced according to "MonBBLait" specifications that incorporate sustainable practices: non-GMO feed and pasture-grazed cows;
- a new commitment for 100% European animal feed, sustained by an additional premium.

In the United States, Bel launched two key initiatives in 2021 with pilot partner farms to test new practices:

- For the first time on a U.S. dairy farm, Bel helped to roll out the Truterra program in partnership with the Land O'Lakes cooperative. The program consists in instituting regenerative agricultural practices to reduce farms' carbon footprint;
- Bel provided financial support to the smallest dairy producers to help them grow their herd sizes and address the issue of animal welfare.

In the other supply basins, programs continued to support farmers based on local needs, prioritizing training and awareness campaigns as the pandemic continued to make travel difficult. In Morocco, for example, women were informed about the best hygienic conditions for milking. In Iran, farmers received on-line training about the connection between animal feed and milk's nutritional profile. In Poland, Bel received the "Green Solutions Enterprise Award" for its close collaboration with local farms to reduce their carbon footprint.

To further advance the promotion and dissemination of sustainable agriculture practices, Bel continues to deploy its "Farming for the Future" program through Bel "Pilot Farms", coordinated with a panel of experts, including WWF France, European academics (notably from Wageningen University in the Netherlands) and American and French specialists. This program has identified innovative practices among volunteer producers in the majority of supply basins. The Group intends to continue this program in 2022 by placing more emphasis on regenerative agriculture.

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 attain charter compliance by 2025, based on a compliance audit conducted by an external stakeholder (if a local national framework aligned with the Charter requirements exists⁽⁴⁾) or an internal stakeholder (using an audit grid developed by Bel with CIWF). Following the diagnostics completed in 2020, Bel began in 2021 to perform compliance audits on over 200 farms (i.e., over 14% of farms) throughout most dairy supply basins⁽⁵⁾. If any non-compliance is identified or if the existing national framework is less rigorous than its own commitments, Bel will require a mandatory corrective action plan and early re-assessment.

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

(2) Using a reference price adjustment mechanism triggered by a change in the average market price, which operates in both directions if the market goes down or up, based on indicators tracked by France Agrimer.

(3) See the press release on this topic: <https://www.groupe-bel.com/fr/newsroom/news/accord-bel-apbo-2022-agir-ensemble-pour-une-filière-laitière-plus-remunératrice-et-decarbonnée/>.

(4) Boviwell framework in France, Farm in the United States, ProAction in Canada.

(5) Excluding Canada and Slovakia.



PROMOTING SUSTAINABLE AGRICULTURE

In 2021, Bel also set up training programs for farms in France to help them take better account of animal welfare.

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, along with improving the water cycle. Pasture grazing also helps increase the protein self-sufficiency of farms compared to other systems, and it may benefit 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:

- Bel sets grazing objectives wherever this is possible in regions with a pasturing tradition, while maintaining a necessary flexibility according to local climate conditions. For example, Bel began training producers in the Azores to improve the effectiveness of pasture grazing in 2021. In practice, Bel's partner producers must commit to a minimum of 150 days of pasture grazing per year in France and 365 days in the Azores. In 2021, 98% of milk volume collected by Bel in these supply basins (excluding milk from organic farming) complied with this commitment;
- if grazing is not possible due to climate, geographic or structural limitations, the Group encourages its 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. In Poland, a feasibility study on pasture grazing was launched in the second quarter of 2021 with the WWF to find out whether this commitment might apply to this supply basin.

Choosing sustainable and local animal feed

Feed varies according to the farm's geographic location. In France, the average ration for a dairy cow is usually composed of 80% fresh grass and fodder and 20% other feed (grains, canola, soy, sunflower, and so on). More than 90% of the cows' feed can be locally sourced.

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 "Preserving biodiversity and fighting deforestation and ecosystem conversion").

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 and Sustainable Palm Oil, 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 eliminate 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 2021, 100% of the milk purchased in France and Slovakia came from cows whose feed is free of GMOs. The transition to GMO-free feed is also progressing in the Poland (29%). In the United States, the use of GMO feed for cows is one of the tools for implementing good regenerative agriculture practices to reduce the carbon footprint of farms. At present, 100% of the milk purchased in the United States comes from cows fed with GMO feed. At the Group level, 51% of milk comes from cows fed with non-GMO feed.

(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.



PROMOTING SUSTAINABLE AGRICULTURE

In addition, with its “Farming For the Future” program, Bel supports the protein self-sufficiency of farms. Protein self-sufficiency enables farms to produce nearly all of their own animal feed. Thus, the animal feed used on these farms is local and sustainable and does not contribute to deforestation. This program is also valuable in terms of regenerative agricultural practices, such as protecting biodiversity and soil health, local food sourcing, and more.

Reducing the environmental footprint

At a time when fossil fuel resources are increasingly scarce and water resources are deteriorating, the Group is working with its milk producers in the development of 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 20% by 2030 (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 6.1 “Fighting climate change”).

In total, around 900 diagnostics⁽¹⁾ were completed in 2021 on Bel's 1,400 partner farms (64%), and follow-up action plans are currently being defined. In France, over 80% of APBO member farms initiated action plans to reduce their carbon footprint in 2021, in line with the goal set by Bel and the APBO. The goal for 2022 is 100%. In 2021, APBO also applied to receive a CO₂ emissions reduction certification for its member farms (72 producers) under the “Label Bas Carbone” initiative.

These carbon diagnostics have allowed Bel and partner producers to identify the greatest emissions contributors -- namely animal feed, energy and herd management (50%) -- and to use more accurate emissions factors to calculate the carbon footprint. Bel conducted a study in 2021 to evaluate possible actions to limit the impact of enteric fermentation and the resulting methane emissions. Workshops were held with each country in late 2021 to share these advances, and external partners were identified to launch initiatives on the ground beginning in 2022. During these workshops, the carbon trajectory for each dairy supply basin was also determined in order to meet our carbon-reduction targets.

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. Protection for water resources is a major challenge, especially in Morocco where a study was carried out in 2020-2021 with WWF to identify practical solutions to improved water management as part of a more sustainable dairy industry. These solutions could be tailored to the size of the various dairy farms operating in Morocco. Results will be presented to the Bel and Safilait teams in the first quarter of 2022 and rolled out in 2023.

SELECTED PERFORMANCE INDICATORS

Bel's objectives	KPI	2019	2020	2020 pro forma ^(a)	2021	2025 objective	Progress
Contribute to better quality of life and working conditions for partner farmers	Producer access to innovative social models	38%	39%	63%	77%	100%	
Encourage good practices to promote animal welfare	Share of farms abiding by the Animal Welfare Charter certified by a third party	1%	5%	8%	14%	100%	
Foster non-GMO feeding of the cows providing milk	Milk collected from non-GMO fed cows	30%	51%	51%	51%	100%	

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

(1) Several tools were used: Cap'2ER in France, SMART in the United States and Cool Farm Tool for the other supply basins.



PROMOTING SUSTAINABLE AGRICULTURE

4.2 – USING PLANT-BASED RAW MATERIALS WITHIN STRICT LIMITS

DEFINITION OF THE CHALLENGE

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-sourced foods while preserving our planet's resources, as recommended by the IPCC Report⁽¹⁾.

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.

This plan aligns with the Group's transformation which aims to establish a position in the three complementary categories of healthy snacking - dairy, fruits and plant-based - with the mission to "champion healthier and responsible food for all". It also responds to changing consumer needs and tastes as customers in many countries are increasingly turning to a flexitarian diet⁽²⁾.

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.

In addition, the Group continued to offer, within its core brands and as a complement to its dairy products, either totally plant-based products or combinations of vegetables, legumes and cheese.

- hybrid offerings such as the successful launch of The Laughing Cow® Blends in the U.S., Germany, the U.K., Canada and Australia. This hybrid version of The Laughing Cow combines the best of dairy and legume products;
- 100% plant-based offerings as part of its core brands, such as Boursin® Dairy Free in the United States and Canada, which is also distributed in Belgium;

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 thus 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.

With regard to plant-based ingredients, baseline commitments were outlined in 2020 to ensure responsible sourcing.

ACTION PLAN

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 2021, total vegetable fat procurements amounted to 6,950 metric tons, of which 79.8% was RSPO segregated palm oil. In certain key countries for the Bel Group, such as Algeria, the health crisis created a major economic crisis, with severe repercussions on the purchasing power of local populations. In light of this unprecedented local situation, the Bel Group has decided to work on identifying local vegetable fats and at the same time using Mass Balance certified palm oil to find the right balance between responsible sourcing and maintaining the accessibility and affordability of its products for local consumers.

Plant-based ingredients

In keeping with the Group's goal of rebalancing the share of animal and plant-based protein, 2021 saw the launch of several innovations in the plant-based industry:

- the launch of Nurishh®, the Group's first plant-based cheese alternative (e.g., plant-based spreads and slices) with 11 products being sold in 17 countries in 2021;
- launch of hybrid offerings such as The Laughing Cow® Blends;
- launch of 100% plant-based offers such as Boursin® Dairy Free;
- also in 2021, MOM launched the first plant-based snack pouch made with almond "milk" in vanilla, chocolate, hazelnut and caramel flavors. - Hybrid and purely plant-based innovations have also been launched in several core brands.

(1) Intergovernmental Panel on Climate Change

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



PROMOTING SUSTAINABLE AGRICULTURE

PERFORMANCE INDICATORS

Bel's objectives	KPI	2019	2020	2020 pro forma ^(a)	2021	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)	32.0%	94.5%	94.5%	86.5% 90.10% ^(b)	100%	

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

(b) Excluding Algeria.

4.3 – DELIVERING THE GOODNESS OF FRUITS

DEFINITION OF THE CHALLENGE

At Bel, we care about making healthy snacking accessible to all families by offering healthier, tastier and more appealing products, responsibly developed using the best that nature has to offer. It is with this aim in mind that the Materne Mont Blanc Group offers a full range of snacks, fruit and dairy dessert products. In the fruit segment, the Group distributes Materne®, Pom'Potes®, and GoGo squeeZ® brand fruit compotes on the international market and Confipote® brand preserves through Materne®. For the MOM Group, the sourcing of its raw materials is a crucial step in its value chain to ensure it purchases fruit that is both good and healthy, to build strong relationships of trust with its suppliers, and to contribute to the development of sustainable farming methods that limit the impact on biodiversity.

POLICIES

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

ACTION PLAN

Maintaining trusting relationships with partner farmers and ensuring the traceability of fresh apples.

Delivering the goodness of fruits requires a thorough understanding of how they are grown. The MOM 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. Beginning in 2010, MOM 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.

Currently, 25% of the French fresh apple supply comes from dedicated orchards, under long-term contracts (3 to 15 years) signed with partner farmers. This contractual approach enables MOM to secure a portion of its procurements, hone its expertise and test out innovative sustainable agriculture methods while supporting the apple production chain by committing to a re-indexed price and time frame.

Concerning the origin of the apples, MOM strives to source them near production plants in France and the United States. In France, MOM is committed to sourcing 100% of its apples from traditional French orchards that have obtained the Vergers Écoresponsables endorsement. Given the small apple harvest in France in 2021 caused by April frost in the orchards (agricultural disaster) and the growing demand for French apples, MOM was forced to expand its procurement to several European orchards. In 2021, 18.5% of the remaining apples came from GlobalG.A.P. certified European orchards⁽¹⁾. For the certified organic fruit compote lines, the Materne® and Pom'Potes® brands guarantee 100% French-sourced apples.

Apples purchased for the U.S. market come either from the United States or Canada.

Beyond apples, MOM is also involved in encouraging local sourcing of other raw materials purchased. In 2021, Pom'Potes® launched the Fruits de Nos Régions line, which uses fruit from French certified growing regions, such as Mirabelle plums from Lorraine (IGP), chestnuts from Ardèche (AOP) and pears and apricots from Rhône-Alpes. Materne also revisited some of its recipes, which are now made from noble fruits rigorously selected in France. Through its ranges, the brands select high quality fruits from several regions of France, thus promoting French agriculture.

(1) GLOBALG.A.P. certification covers six areas: food safety and traceability, the environment and biodiversity, worker health, safety and welfare, animal welfare, Integrated Farm Management (IFM), Integrated Pest Control (IPC), and a Quality Management System (QMS) and Hazard Analysis and Critical Control Points (HACCP).



PROMOTING SUSTAINABLE AGRICULTURE

Sourcing certified apples to preserve biodiversity and food safety.

The Group has been committed for several years to sustainable agriculture, first by testing pilot methods at its orchards, then beginning in 2019 by sourcing apples from orchards with a sustainable agriculture certification.

Thus, in 2021, 100% of the supply of fresh apples for French compotes were sourced exclusively from orchards certified either Vergers Écoresponsables⁽¹⁾ or GlobalG.A.P.⁽²⁾ In connection with these certifications, MOM encourages ecological farming practices including the use of biological control methods that protect plants using natural mechanisms (e.g. mating disruption, use of nest boxes for great tit birds that feed on insect pests) in order to limit the use of phytosanitary treatments. MOM also tracks the treatment frequency indicator (TFI) for phytosanitary products and monitors the biodiversity in its orchards via the Observatoire Agricole de la Biodiversité (OAB, for “Agricultural Observatory for Biodiversity”).

In the United States, MOM carefully tracks consumer expectations and adapts its products accordingly. In the United States and Canada, MOM uses almost exclusively apples certified USDA GAP⁽³⁾, Primus⁽⁴⁾ or Canada GAP⁽⁵⁾. These certifications are focused mainly on food safety. In addition, 24% of the apples purchases are certified “Organic.”

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 programs.

CHAPTER SUMMARY

HIGHLIGHTS OF 2021

- Withdrawal from two dairy supply basins, in Holland and Ukraine.
- Renewal of the APBO/Bel agreement for the fourth year in a row for a more profitable and low-carbon dairy industry.
- Completion of a study to identify disruptive technical solutions to reduce greenhouse gas emissions caused by enteric fermentation.
- Acceleration of the carbon plan with the completion of a carbon trajectory for each dairy supply basin.
- Launch of Nurishh[®], the Group’s first plant-based brand, and of plant-based or hybrid innovations in the Bel Group’s core brands.

PRIORITIES FOR 2022

- Continue carbon diagnostics and deploy action plans to reduce greenhouse gas emissions at dairy farms.
- Implement pilot programs to reduce greenhouse gas emissions caused by enteric fermentation in France and Slovakia and on protein self-sufficiency in France.
- Together with the WWF, define the Bel Group’s ambitions for regenerative agriculture for its priority ingredients.



(1) The Vergers Ecoresponsable endorsement gives the Group certainty that the approved orchards comply with six major commitments: promote orchard biodiversity; prioritize biological control methods; adopt sustainable agriculture methods; harvest apples by hand at optimal maturity; guarantee traceability from orchard to the point of sale; and check adherence to these good practices through certification by an independent third party.

(2) GLOBALG.A.P. certification also covers six areas: Food safety and traceability, the Environment and biodiversity, Worker health, safety and welfare, Animal welfare, Integrated Farm Management (IFM), Integrated Pest Control (IPC), and a Quality Management System (GMS) and Hazard Analysis and Critical Control Points (HACCP).

(3) 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.

(4) PrimusGFS is a certification program recognized by the Global Food Safety Initiative (GFSI) that covers agricultural practices, manufacturing practices, and food-safety management systems.

(5) Canada GAP[®] is a food hygiene program for businesses that produce, handle and sell fruits and vegetables.



DESIGNING RESPONSIBLE PACKAGING



DEFINITION OF THE CHALLENGE

For nearly a century, the individual portion has been at the heart of the Bel business model. This packaging format gives the Group many advantages in its commitment to champion healthier and responsible food for all:

- by preserving food quality and safety over long periods (see section 3.1. “Offering products with optimal quality and safety”);
- by limiting excess consumption and offering consumers the right nutritional intake for their needs (see section 3.3 “Promoting better eating habits and healthier lifestyles”);
- by helping to reduce food waste (see section 6.4. “Fighting food waste”); and
- by enabling as many consumers as possible to be able to enjoy its products (see section 7 “Improving the accessibility and affordability of its products”).

In 2021, the Group’s packaging was primarily comprised of paper-based materials – including cartons (68%), followed by plastic (13%), and aluminum (6%)⁽¹⁾.

Nonetheless, Bel is aware of the environmental challenges posed by individual packaging, which 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

Bel has had a “Responsible Packaging” policy⁽²⁾ since 2018. It defines guidelines for reducing the environmental impact of packaging at every stage of the product life cycle, from design to end-of-life. In 2020, Bel conducted an in-depth evaluation of the packaging used for its entire product portfolio.

This approach enabled the Group to refine its strategy and its five objectives for 2025, namely:

- reduce and simplify the composition of packaging by systematically following an eco-design process that takes end-of-life into account;
- systematically prioritize plant-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;
- aim for 100% eco-designed packaging to be recyclable-ready or biodegradable, 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 all the countries where the Group operates.

Bel is determined to go even further by 2030 by developing packaging concepts that are reusable, edible, biodegradable and more. Its eco-design efforts will be founded on two pillars: the neutral environmental impact throughout their entire life cycle and the unique and memorable experience they create. This ambitious vision defined in 2020 and relying on a team of five engineers entirely dedicated to groundbreaking projects, points the Group in a new direction and complements its existing “Responsible Packaging” policy by pinpointing the drivers, challenges and tools that will enable Bel to reach its goal by 2030, while continuing to satisfy consumers and ensure the safety and quality of its products.

(1) The figures presented in this section do not include MOM and only partially cover Safilait and Bel Rouzaneh.

(2) <https://www.groupe-bel.com/wp-content/uploads/2019/10/emballages-responsable.pdf>

5.1 – ECO-DESIGNING ITS PACKAGING AND USING MORE SUSTAINABLE MATERIALS

ACTION PLAN

Reducing and simplifying the composition of packaging through eco-design

Eco-designed packaging is a cornerstone 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. With eco-design, the Group is making progress in two key areas: minimizing the quantity of packaging used at the source, to the point of developing bulk solutions, and simplifying the composition of packaging by promoting mono-material packages and limiting the number of small, secondary materials.

In 2020, more than two-thirds of the product portfolio was scrutinized against an eco-design grid Bel developed to obtain an accurate picture of the current situation. Since 2021, this assessment grid has been applied systematically to all packaging brought to market at each stage of the packaging design process, including innovation, activation and renovation. It also takes into account the realities of the destination market to find the most appropriate solutions. Each packaging type is scored based on its level of compliance with the Group's objectives. Training modules have been created for the development, marketing and purchasing teams.

In 2021, Bel launched a life cycle assessment (LCA) tool, eQoPack, a freely accessible pioneering impact-measurement tool co-created with Quantis, a consulting firm with LCA expertise. This tool is applied to all innovation and renovation projects managed by Research, Innovation, Development (RID), and serves as a guide to enable the teams working on packaging design to make the most responsible choices in line with the Group's policies.

Bel's goal for the longer term is to gradually reduce all packaging from its products. The Group is already actively seeking out innovative solutions. For example, in 2020 Bel introduced bulk Babybel Original® at pilot stores in the Day by Day retail chain in France. It renewed the experiment in 2021 in about twenty pilot stores of a major French retailer.

Prioritizing plant-based materials

Continuing in the eco-design spirit, Bel wants to limit the use of plastic as much as possible by systematically prioritizing plant-based and biodegradable materials and sourcing locally whenever possible.

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 strict minimum.

In 2021, the plastic thickness of Kiri® cups was reduced, eliminating 42 tons of plastic. Boursin brand portion containers were changed, which eliminated the protective plastic layer for a reduction of 8 tons of plastic per year and 35% of GHG emissions per product.

Furthermore, although wax is not considered as packaging in regulatory terms, Bel's goal is to identify and develop bio-based and biodegradable alternatives by 2025. Bel is exploring several possibilities (wax made from bio-based materials) in conjunction with its suppliers through 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 or certified virgin fibers from sustainably managed forests (FSC, PEFC, SFI, CSA, etc.) to preserve natural ecosystems and fight deforestation (see section 6.2 "Preserving biodiversity and fighting deforestation and ecosystem conversion").

Overall:

- 79% of Bel's paper/cardboard packaging is from certified origin;
- 67% of Bel's paper/cardboard packaging contained mostly recycled fibers.

For example, the cardboard used for Kiri® cheese packaging became 100% FSC certified in 2021.

A specific approach for aluminum

Aluminum accounts for just 6% of the Group's packaging by weight, but it is symbolically significant in the brand portfolio because most Bel products are wrapped in aluminum and it inflicts the highest carbon impact of all the materials used by the Group (21% of packaging's carbon footprint). This is why 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. The plant at Sablé-sur-Sarthe, where Kiri® products are made in aluminum foil-wrapped portions, is currently preparing for ASI certification, expected in the first half of 2022.



DESIGNING RESPONSIBLE PACKAGING

5.2 – ENCOURAGING AND FACILITATING THE RECYCLING OF ITS PRODUCTS

ACTION PLAN

100% of packaging is eco-designed to be recyclable-ready or biodegradable, depending on destination country

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 biodegradable by 2025. In 2021, despite the decrease in the use of cardboard and aluminum packaging, 95% of Bel's product packaging was recyclable-ready and/or biodegradable,⁽¹⁾ representing a stable performance compared to 2020. 56% of plastic used is recyclable-ready and/or biodegradable.

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 or biodegradability). The Group is therefore prioritizing paper- and aluminum-based materials that are easy to recycle.

Nevertheless, when plastic must be used, for example, for technical reasons or to maintain optimal conservation, Bel favors single-material packaging to ensure it can be recycled and ensures compliance with the following guidelines:

- use 100% recyclable-ready plastic to promote its integration in the circular economy:
 - in 2021, in France, the packaging of Vache qui rit® micro-packs was transformed to become recyclable,
 - 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 in the packaging for its snacking products.

No plastic from Bel's plants is sent to landfill; plastic waste is collected by a service provider for recycling.

Encouraging and facilitating recycling

By communicating clearly to consumers

Bel wants to help its customers adopt good waste sorting practices to ensure optimal conditions for packaging disposal. 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 act responsibly and prevent litter.

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, a management tool was developed with Suez to monitor sorting rules around the world and assess the recycling potential of Bel products in different countries.

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 companies must publish annual reports to show their progress on 15 quantitative indicators defined by the pact.

In 2020, Bel also joined the "Consumer Goods Forum" to support the development of producer coalitions with extended responsibility 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 Position Paper of the Ellen MacArthur Foundation, helping to deploy Extended Producer Responsibility solutions.

In addition, the Babybel brand partnered with TerraCycle® to launch several national recycling programs for the packaging of Babybel products in the UK, Ireland, Canada and Germany.

Since 2016, the Group has been an active member of CELAA (Club du Recyclage de l'Emballage Léger en Aluminium et en Acier), an initiative that encourages the sorting and recycling of small aluminum and steel packaging, in partnership with CITEO and the AMF (Association des Maires de France). It also co-founded AREME, a similar initiative, in Belgium. In 2021, AREME was able to set up a channel in Luxembourg and sorting instructions now include aluminum foil packaging. In 2021, Bel joined COALI (*Coalición por el reciclaje del aluminio y acero ligero*) in Spain and Bel Morocco officially joined an "Alliance for Packaging Innovation and Recycling" in Morocco.

(1) 82% including wax which is not considered as a packaging in regulatory terms.



DESIGNING RESPONSIBLE PACKAGING

PERFORMANCE INDICATORS

Bel's objectives	KPI		2019	2020	2020 pro forma ^(a)	2021	2025 objective	Progress
Work towards 100% recyclable-ready and/or biodegradable packaging	Recyclable-ready and/or biodegradable packaging	Excluding subcontractors, excluding MOM	84%	82%	83%	82%	100%	
		Excluding subcontractors, excluding MOM, excluding wax	94%	92%	95%	95%	100%	
		MOM data	-	53%	53%	62%		

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

CHAPTER SUMMARY

HIGHLIGHTS OF 2021

- Launch of a packaging life cycle analysis tool and evaluation of all innovation and renovation projects managed by RID.
- Eco-design principles applied systematically to all packaging brought to market and distribution of an operational eco-design guide and eco-design training for packaging teams.
- Roll-out of the Babybel Original[®] Bulk pilot program at a major retailer.
- Bel joined two coalitions in Spain and Morocco to jointly accelerate the development of recycling channels.

PRIORITIES FOR 2022

- Continue to incorporate new tools into the eco-design and decision-making process.
- Continue fresh bulk development.
- Continue research on alternative waxes and the gradual elimination of packaging.
- Continuing to support the development of Expanded Producer Responsibilities (EPR) in Bel's key countries in coordination with the Consumer Goods Forum's Plastic Waste coalition.





FIGHTING CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT



6.1 – FIGHTING CLIMATE CHANGE

DEFINITION OF THE CHALLENGE

Climate change is one of the biggest issues of our time and a strategic priority for the Bel Group.

As a member of the Science-Based Targets (SBT)⁽¹⁾ initiative since 2017, the Group committed in 2019 to a trajectory of reducing GHG emissions in line with Paris Agreement targets to maintain global warming below 2°C by 2100 compared with preindustrial levels. Aware of the urgency of accelerating these efforts, Bel set forth an even more ambitious trajectory in 2021 in line with experts' recommendations to limit temperature rise within +1.5°C. This trajectory was approved by the SBTi in March 2022.

At the same time, the Bel Group has joined the United Nations' "Race to Zero" initiative, which brings together pioneering companies that on the path to a reduction trajectory that will limit the rise in temperature to 1.5°C and that are committed to contributing to carbon neutrality along the entire value chain before 2050, by taking the following approach:

1. avoid further GHG emissions by committing to actions to combat deforestation, preserve biodiversity and fight food waste;
2. reduce GHG emissions as much as possible along the entire value chain to keep within the + 1.5°C trajectory;
3. implement carbon capture projects with a positive environmental, social and economic impact to offset incompressible carbon emissions and contribute carbon neutrality of production sites in 2025 and along the entire value chain by 2050.

In its climate reporting, Bel is gradually implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (see Appendix 6: Correlation table with the 11 TCFD recommendations). An impact analysis of various climate scenarios on the Group's activity is currently being finalized.

OVERVIEW OF BEL'S TOTAL CARBON FOOTPRINT

The Group's global carbon audit was updated in 2021 in accordance with the Greenhouse Gas Protocol.⁽²⁾ It estimated the Group's total emissions in 2020 at 5 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 upstream dairy, the carbon diagnostics carried out at farms, and the accelerated development of products using plant-based raw materials. In addition, changes in the Group's activities, with the sale of Leerdammer and Bel Shostka Ukraine in 2021, impact the Group's emissions by reducing the contribution of milk to its overall carbon footprint.

Compared to 2017, GHG emissions have dropped 13.49% in intensity, despite a slight uptick in Scope 3 emissions in 2020 caused by the significant impact of other dairy raw materials and subcontracting.

(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 companies, its objective is to drive "ambitious climate action" by offering to make their transition to a low-carbon economy a competitive advantage. To this end, it seeks to ensure that the greenhouse gas reduction targets set by companies are consistent with the data from climate science.

(2) <http://ghgprotocol.org/>



FIGHTING CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT

Distribution of Bel's greenhouse gas emissions along the entire value chain Total estimated quantity = 5 million metric tons CO ₂ eq.	2018	2019	2020	2020 PRO FORMA ^(a)	
				%	In absolute value kT CO ₂ eq
Scopes 1 & 2 ^(b)	3.5%	3.8%	3.7%	4%	200
Scope 3 ^(c)	96.5%	96.2%	96.3%	96.0%	4,814
• Of which raw material purchasing	72.3%	71.5%	69.9%	67.1%	3,365
• Of which packaging and finished product purchasing	3.8%	4.1%	4.2%	4.8%	239
• Of which subcontracted production	3.9%	2.7%	4.6%	5.6%	282
• Of which other goods and services purchasing	2.3%	2.8%	2.7%	2.9%	147
• Of which capital equipment purchasing	1.2%	0.9%	0.9%	0.9%	46
• Of which upstream transport (raw materials and packaging) ^(d)	4.8%	4.9%	5.2%	5.3%	268
• Of which downstream transport (products sold and by-products) ^(e)	7.3%	8.3%	8.0%	8.3%	415
• Of which products sold (reprocessing or product/packaging end-of-life)	0.8%	0.9%	0.9%	1.0%	52

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

(b) Scope 1 corresponds to direct emissions from burning the fossil fuels (oil, gas and coal) used in the Group's plants or generated by refrigerant leaks from facilities; this scope includes emissions from vehicles owned or controlled by the Group. Scope 2 corresponds to indirect emissions associated with the purchased production of electricity, heat and refrigeration.

(c) Scope 3 corresponds to other indirect emissions, in particular raw material purchases, finished product packaging and upstream and downstream transportation. Some quantified but negligible emissions were not included in the above table (processing of waste generated by operations, business travel, commutes, etc.).

(d) Raw materials, packaging and other inputs.

(e) Products sold and by-products.



FIGHTING CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT

LONG-TERM RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE

TYPE	LONG-TERM RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE	POTENTIAL FINANCIAL IMPACT	IMPACT ON GROUP STRATEGY
Transition risks	New regulations Risk Implementation of new regulations relating to energy, greenhouse gas emissions or carbon prices.	Increase operational costs for Bel.	<ul style="list-style-type: none"> Set a greenhouse gas emission reduction trajectory of 1.5°C and commit to helping to contribute carbon neutrality along the entire value chain by 2050. Set up action plans to reduce the greenhouse gas emissions generated by its direct and indirect activities (see “Action plans” section below). Financial resources are allocated in a multi-year investment plan to take into account SBTi commitments.
	Reputation Risk Consumer preference for products with lower greenhouse gas emissions.	<ul style="list-style-type: none"> Reduce revenue from the sale of dairy products. Increase revenue from the sale of plant/fruit-based products. 	Diversify the Group’s product portfolio to gradually achieve balanced revenue between dairy and fruit/plant-based products.
Transition risks	Market Long-term risks Volatility of energy prices.	Boost operational costs for Bel (e.g., costs to produce and process raw materials and products, storage costs, etc.).	Bel has made strong commitments to reducing energy consumption all along its value chain (see “Action plans” section below).
	Physical risks Chronic risks Risks <ul style="list-style-type: none"> Precipitation variability could affect water reserves in or near Bel’s dairy supply basins and industrial production sites. Climate and weather variability could affect the procurement, quality and price of the agricultural raw materials used (e.g. fruits). Variability of soil conditions could affect local animal feed production. Unsuitability of region for milk production. 	<ul style="list-style-type: none"> Bel’s agriculture supply basins and production sites could experience water shortages or excessive rains, which could lead to an increase in operational expenses and production difficulties. The price variability of raw materials could lead to an increase in Bel’s costs. The impact on the production of animal feed could increase the production costs for milk and milk products. Difficulties in milk production could lead to decreased availability at milk production sites. 	Bel is implementing actions to make agricultural production more resilient (see “Action plans” section below).



FIGHTING CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT

TYPE	LONG-TERM RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE	POTENTIAL FINANCIAL IMPACT	IMPACT ON GROUP STRATEGY
	One-time events		
	<p>Risks</p> <p>Risk of exposure of the Group's buildings and facilities and those of its suppliers to natural disasters (earthquake, fire, flood, etc.).</p>	<p>This risk could cause the loss of a strategic industrial site and result in high operational expenses and production difficulties.</p>	<p>Bel takes these risks into account when it builds a new site by choosing locations that are less exposed to extreme climate events and/or by designing adapted buildings.</p> <p>Moreover, Bel has taken out property damage/operating loss insurance to cover the Group's facilities against the consequences of extreme natural events (e.g. earthquake, severe storm, flood, torrential rain, hurricane, etc.).</p> <p>The consequences for Bel if one of its suppliers were unable to meet its obligations after an extreme climate event are also covered. Finally, Bel's insurers get involved at the plant design phase and conduct periodic audits on the Group's facilities to check their level of security, identify measures to take as needed and adapt the insurance coverage to the needs of each site.</p>

POLICIES

Environmental policy

The Group has an internal environmental policy, revised in 2021, which strives to ensure sustainable management of natural resources by reducing the Group's impacts along the entire value chain, from production of raw materials through to consumption of the finished product.

This policy has several key focuses:

- reduction of the Group's and its products' greenhouse gas emissions;
- adaptation to the consequences of climate change and 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 upstream dairy (see section 4.1). "Taking action for a sustainable upstream dairy"), of the "Responsible Packaging" policy (see section 5 "Designing Responsible Packaging"), and "Preserving Forests and Natural Ecosystems" (see section 6.2. "Preserving biodiversity and fighting deforestation and ecosystem conversion").

Science-Based Targets initiative

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 greenhouse gas emissions along its entire value chain (Scopes 1, 2 and 3).

In 2019, Bel defined the following targets, which were approved by the SBTi technical committee, in line with the +2°C trajectory.

In 2021, the Group aims to accelerate the reduction of its carbon footprint and is adopting a +1.5°C trajectory, which was approved by the SBTi committee in March 2022. This commitment entails cutting Bel's greenhouse gas emissions by one quarter across its entire value chain compared with 2017 and, in view of the Group's growth:

- reducing Scopes 1 and 2 emissions by 75.6%, versus 2017 levels, by 2035; and
- reducing 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.



FIGHTING CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT

ACTION PLAN

Reducing greenhouse gas emissions in Scope 3

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

Agricultural raw materials

Given the significant impact of agricultural raw materials on the Group's overall carbon footprint (67.1%), reducing GHG emissions from this source will be decisive in achieving the targets set in connection with the SBT initiative.

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. In order to take practical, measurable action, 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 upstream dairy").

Bel uses several nationally recognized tools (CAP2'ER, Cool Farm Tool, etc.) to measure the environmental impact of dairy farms (see section 4.1. "Taking action for a sustainable upstream dairy"). These tools have made it possible to better measure the Group's footprint and to identify ways that dairy producers can help to reduce it. By fostering an open dialogue with producers about their environmental impact, these tools also enable Bel to assist its suppliers with their transformation.

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, Nurishh brand plant-based products¹ have a five-times smaller carbon footprint than their dairy equivalent (see section 4.3 "Delivering the goodness of fruits").

Transportation and distribution

The Group optimizes the transportation of its raw materials and finished products to reduce not just its greenhouse gas emissions, but also other nuisances (e.g. road congestion and noise). 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 every country to reduce the mileage of empty trucks and optimize truck and container fill rates, as well as transportation flows. The Group also studies alternatives to road transportation that produce fewer greenhouse gas 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 has been a partner in the FRET 21 program in France, a multi-stakeholder initiative that helps drive the reduction of greenhouse gas emissions from downstream transportation through various levers, such as multimodal transportation, fill rates and green fuels. Bel is also a partner of the Lean & Green (GSI) program in France, optimizing the distances traveled by its products as well as its transportation capacity, and in France renewing the truck fleet, reducing electricity consumption in warehouses and installing solar panels.

Since April 2020, the Bel Group has been a member of Le Club des Entrepreneurs pour le Climat ("Entrepreneurs Club for Climate"), which was created in 2019 by Institut Orygeen,⁽¹⁾ a group of business leaders running French, family-owned businesses committed to fighting climate change with innovative, collaborative projects to reduce their carbon footprint. Bel is participating in working groups that are addressing topics such as developing the use of biofuels, and upstream and downstream transportation powered by green hydrogen. Compared to 2017 levels, transportation-related greenhouse gas emissions have been reduced by 3.63% in terms of intensity, particularly in the upstream transportation of raw materials as well as downstream transportation.

Packaging

As a major player in the healthy snack food market, Bel faces packaging challenges. 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").

Food waste

Bel is also committed to fighting food waste with ambitious goals that also help to fight climate change and reduce the environmental impact associated with these challenges (see section 6.4 "Fighting food waste").

Decision-making tools

In 2021, the Group also developed decision-making tools to more accurately assess the carbon intensity of innovation and renovation projects and to enable employees to favor lower-carbon alternatives:

- Bel Carbon Impact, an educational tool that provides a consolidated, accurate and reliable view of the Group's carbon footprint across all its markets, brands, segments and products, and enables the Group to track its carbon emissions on a monthly basis throughout the value chain;
- eco-design tools to help employees simulate the carbon impact of recipes or different packaging scenarios to support decision-making in innovation and renovation projects.

(1) Institut Orygeen is a non-profit association founded in 2014 to encourage manufacturers to become more energy efficient. The institute pursues that goal with a variety of actions to provide information about energy efficiency in industry and to highlight initiatives put in place.



FIGHTING CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT

Reducing greenhouse gas emissions – Scopes 1 and 2

Audit of greenhouse gas emissions – Scopes 1 and 2

Greenhouse gas emissions at the Group's industrial sites come mainly from the energy mix and the processes used to manufacture its products. 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 tackling these sources of emissions contribute to reduce the carbon intensity of its production and move toward carbon neutrality for Scopes 1 and 2 by 2025. For this, it is taking a three-step approach: reducing the energy footprint of its activities; using renewable energy; and capturing its residual emissions. To help meet its goals, Bel 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 Bel industrial sites have implemented an ISO 14001-certified environment management system.

In 2021, the Group's carbon footprint in Scopes 1 and 2 was an absolute value of 182,500 tons of CO₂ equivalent or 249 kilograms of CO₂ equivalent per metric ton produced in terms of carbon intensity.

Reducing energy consumption at industrial sites

The Group sets ambitious targets for reducing the energy footprints of its sites. A portion of the €5.5 million invested in 2021 to improve its environmental footprint at production sites focused on this reduction. Nearly €74 million has been invested between 2009 and 2021 to reduce Bel's environmental footprint.

The Esabel ("Energy Saving at Bel") program, for example, allows each site to access a compendium of good practices, monitor its consumption levels and define action plans to reduce them. In 2021, acceleration roadmaps were implemented at 12 sites, with the aim of extending them to all sites by 2022.

Fossil fuels account for 92% of the emissions generated by Bel's industrial sites. Thus, it prioritizes actions to reduce energy consumption as a way to lower its dependency on fossil fuels and, in time, to limit its GHG emissions. Producing dairy products is a highly energy-intensive activity. That is especially true for milk pasteurization, which is necessary to ensure the perfect quality of a raw material that is sensitive to bacteriological contamination, and for the cold storage of finished products. In order to limit their energy consumption, the industrial sites systematically recover energy at the end of processing to reuse it at the start of processing. To improve energy efficiency at industrial sites, in 2021 Bel put two heat pump-based energy recovery systems into operation. A similar project is underway at the Mayenne site. An assessment of the climate strategy at the Pacy site was completed in 2021 as part of a project with ADEME and CDP.

Despite the reduction programs deployed, the introduction of new recipes and small batch production runs resulted in greater energy use in 2021. Nevertheless, the Group's investment in renewable energy sources led to reduced greenhouse gas emissions in 2021.

Accelerating the transition to renewable energy sources

The Group also makes use of renewable energy sources while continuing to take local factors into account (availability of energy from renewable sources, technical feasibility and economic impact).

Bel has two biomass boilers that now account for 14% of its energy consumption for heating purposes, and three new projects are under way in Morocco, France and the Azores. Two Bel sites have been equipped with solar panels in Vietnam and the Azores, and another project is under study at the Pacy site.

A plan to convert plants to purchase renewable energy is underway. In 2021, industrial sites in France (including MOM from 2021), the United States and several Europe countries purchased electricity from renewable sources, making up 67% of the Group's total electricity consumption.

Capturing residual emissions

To help contribute to carbon neutrality in its plants by 2025 and along its entire value chain by 2050 at the latest, the Group's teams have made it a priority to reduce greenhouse gas emissions until they reach an incompressible level.

Bel plans to capture residual emissions and support projects with multiple positive impacts (environmental, social and economic) as close as possible to its value chain initially, and then in other geographies 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 endorsed and led with the support of outside experts.

The Group also participates in agroforestry development through a sponsorship with WWF France and the Pays de la Loire Chamber of Agriculture (see section 6.2 "Preserving biodiversity and fighting against deforestation and ecosystem conversion").

Lastly, the Group joined the Livelihoods Carbon Fund 3 (LCF3) launched by Livelihoods Venture in June 2021, alongside 13 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.



FIGHTING CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT

Increasing the resilience of agricultural production

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 upstream dairy”).

Raising employee awareness

Bel is convinced of the need to mobilize all employees around this key issue for the company. In 2021, the Group committed to training all of its employees in climate change over the course of the next three years as part of the Actors for Good program, via The Climate Fresk du Climat, a collaborative workshop based on the IPCC reports that aims to raise awareness and develop individual and collective solutions. Employee volunteers will have the opportunity to be trained to lead certain in-house workshops as part of HR’s Actors for Good program. Employees are also made aware of the challenges facing Bel as a result of climate change via webinars, and the relevant departments are trained in carbon-reduction and eco-design tools.

	2019	2020	2020 pro forma ^(a)	2021
Electricity consumption (in MWh)^(b)				
Electricity not from a renewable source	180,935	176,105	169,300	96,962
Electricity from a renewable source	152,260	155,194	112,616	195,270
TOTAL ELECTRICITY	333,196	331,405	282,345	292,912
Of which renewable electricity	46%	47%	40%	67%
Consumption of oil, gas and biomass products for heat generation and other purposes (in MWh LHV)^(b)				
Oil and gas products	518,208	513,284	425,266	455,289
Biomass	70,604	65,846	65,846	74,469
STATIONARY COMBUSTION	588,812	579,130	491,112	529,758
Of which biomass	12%	11%	13%	14%
Energy consumption (in MWh/metric ton produced) all B-to-C and B-to-B products^(b)				
Electricity	0.41	0.41	0.38	0.40
Oil and gas products	0.63	0.63	0.58	0.62
Biomass	0.09	0.08	0.09	0.10

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

(b) Group total.

DISTRIBUTION OF GREENHOUSE GAS EMISSIONS^(b)	2019	2020	2020 pro forma ^(a)	2021
Scope 1				
Associated with fossil fuel and gas consumption	57.0%	57.6%	54.2%	63.6%
Associated with biomass consumption	1.0%	0.7%	0.8%	1.0%
Associated with refrigerant leaks	3.0%	2.2%	2.1%	3.0%
Associated with fuel consumption of Group-owned vehicles	4.0%	4.2%	4.5%	4.5%
Scope 2				
Associated with the generation of electricity purchased within the Group	35.0%	35.3%	38.3%	27.6%

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

(b) Indicator audited by the Statutory Auditors with a reasonable level of assurance.



FIGHTING CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT

GREENHOUSE GAS EMISSIONS SCOPES 1 AND 2	2017	2019	2020	2021	Change 2017-2021
kg CO ₂ eq./metric ton produced (all B2B and B2C products) (Scopes 1 and 2)	293 ^(a)	281 ^(a)	272 ^(a)	249	- 15.0%
Metric tons CO ₂ (Scopes 1 and 2)	197,993 ^(a)	202,540 ^(a)	200,487 ^(a)	182,500	- 7.8%

(a) The Group's past emissions were recalculated in 2021 in order to take into account changes in the scope of consolidation (sale of Royal Bel Leerdammer NL, Bel Italia, Bel Deutschland, the Leerdammer brand and all its related rights, as well as Bel Shostka Ukraine) in order to maintain a comparable scope of consolidation between 2017 and 2020, as required by the SBTi framework.

SELECTED PERFORMANCE INDICATORS

Bel's objectives	KPI	2017	2018	2019	2020 ^(c)	Change 2017-2020	Reduction target 2017-2025	Reduction target 2017-2030	Progress
Reduce its overall carbon footprint to meet the goals of the Paris Agreement^(b)	Global carbon footprint (kg CO ₂ eq./metric ton produced)	7,849 ^(a)	7,121 ^(a)	6,573 ^(a)	6,791 ^(a)	-13.49%	-15%	-27.5% ^(d)	
	Global carbon footprint (absolute value in kT CO ₂ eq.)	5,297 ^(a)	5,154 ^(a)	4,740 ^(a)	5,014 ^(a)	-	-	-	-

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

(b) Scopes 1, 2 and 3.

(c) Because there is a one-year lag in determining the Scope 3 carbon footprint, the indicator can only reflect the 2020 result. The Group's past emissions were recalculated in 2021 in order to take into account changes in the scope of consolidation (sale of Royal Bel Leerdammer NL, Bel Italia, Bel Deutschland, the Leerdammer brand and all its related rights, as well as Bel Shostka Ukraine) in order to maintain a comparable scope of consolidation between 2017 and 2020, as required by the SBTi framework.

(d) This goal of -27.5% in 2030 versus 2017 for Scopes 1, 2 and 3 is aligned with the approved Science-Based Science Targets for Scopes 1 and 2 (-42%) and for Scope 3 (-27%).

Bel's objectives	KPI	2019	2020	2021	2025 objective	Progress
Contribute to net zero emissions in Scopes 1 and 2^(a)	Scopes 1 and 2 greenhouse gas emissions after offsetting (kg CO ₂ eq./metric ton produced)	281 ^(b)	272 ^(b)	249	0	

(a) Scopes 1 and 2.

(b) The Group's past emissions were recalculated in 2021 in order to take into account changes in the scope of consolidation (sale of Royal Bel Leerdammer NL, Bel Italia, Bel Deutschland, the Leerdammer brand and all its related rights, as well as Bel Shostka Ukraine) in order to maintain a comparable scope of consolidation between 2017 and 2020, as required by the SBTi framework.



FIGHTING CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT

6.2 – PRESERVING BIODIVERSITY AND FIGHTING DEFORESTATION AND ECOSYSTEM CONVERSION

DEFINITION OF THE CHALLENGE

As a major player in the single-serving portion food industry, Bel is committed every day to helping meet the challenge of feeding 10 billion people by 2050, without jeopardizing the planet's resources and while preserving biodiversity⁽¹⁾. The Group is fully aware of the importance of integrating biodiversity protection when developing its activities, and of its dependence upon the state of biodiversity conservation and the ecosystem services it provides: for example, more than 75% of crops require pollination by insects⁽²⁾.

Indeed, species evolution and their interactions help ecosystems function, providing human societies with many ecological services and benefits: provisioning services (food, materials, etc.), regulating services (pollination, carbon storage, water purification, etc.) and cultural services (social ties, recreation, identity, etc.)⁽³⁾.

However, biodiversity is in danger: according to the IPBES, a biodiversity expert group attached to the United Nations, nearly one million species are threatened with extinction in the near future.

That is why Bel believes it is vital to act now and place all living things at the center of its concerns. In 2020, that conviction translated into the adoption of a biodiversity policy⁽⁴⁾ and an action plan developed jointly with WWF France to embrace all aspects of biodiversity and to act responsibly across its entire value chain, including:

- upstream, where the raw materials used by the Group are produced;
- production sites, where its products are made; and
- downstream of its activities, such as packaging end-of-life.

POLICIES

Biodiversity policy

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

- first, preserving forests and natural ecosystems,⁽⁵⁾ 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.

Forest and natural ecosystems policy

Among the issues related to the preservation of biodiversity, Bel is particularly involved in the fight against deforestation and the preservation of ecosystems. Ecosystems, particularly forests, need to be protected because of the essential environmental and social roles they play: forests are home to much of Earth's biodiversity, they help mitigate greenhouse gas emissions and sustain life. The Group's forest and natural ecosystems policy enshrines the Group's commitment to eliminate the risk of conversion⁽⁶⁾ of natural ecosystems, including deforestation, throughout its major raw materials supply chains by 2025.

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

- the soy meal and palm kernel meal used by partner dairy producers to feed their cows;
- the plant-based raw materials, including vegetable fat (palm, soybean, sunflower, canola and other oils), used in some current or future recipes; and
- the paper and cardboard used in packaging and marketing tools.

(1) Biodiversity can be defined as "diversity within species, between species, and of ecosystems" (United Nations, 1992).

(2) The assessment report on Pollinators, Pollination and Food Production, IPBES, 2016.

(3) WWF report, "Into the Wild" (p.16), 2019.

(4) The biodiversity policy can be viewed on the Bel Group's website (<https://www.groupe-bel.com/wp-content/uploads/2020/10/groupe-bel-politique-biodiversit-fr.pdf>).

(5) For additional information, refer to the Forests and Natural Ecosystems Policy on the Bel Group's website (<https://www.groupe-bel.com/wp-content/uploads/2019/10/forets-et-ecosystemes-fr.pdf>).

(6) Conversion is modifying a natural ecosystem to use the land for a new purpose. It includes deforestation, which is the loss of natural forests.



FIGHTING CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT

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.

Taking action to protect biodiversity

Bel firmly believes that solutions can only emerge through collaborative efforts. For this reason, the Group participates in a number of collective initiatives that enable all of the players in its value chain to work together and create synergies. 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).

Just as Bel joined the SBT initiative on climate in 2017 to limit global warming, Bel was also among the pioneering companies to join the Science-Based Target Network (SBTN) and the Corporate Engagement Program in 2020. This collaborative effort aims to design and test a new robust calculation methodology that will enable companies to develop targets aligned with a trajectory that takes planetary limits into account. This work is regularly shared as part of the Natural Capital Lab, co-founded by WWF France and the Ecological Accounting Chair at Agro Paris Tech, and brings together many companies concerned with testing and promoting the use of these tools to preserve and integrate biodiversity.

In 2021, Bel completed the first step by performing a materiality analysis of its impact on biodiversity while taking into consideration its entire value chain. This pioneering work was shared with SBTN experts and at the IUCN World Conservation Congress, and will continue in the coming years with a view to identifying priority areas and actions.

Improving the impact caused by the production of ingredients Bel uses in its recipes

Promoting pasture grazing

Bel encourages pasture grazing whenever conditions allow because pastures are rich in biodiversity (see section 4.1 “Taking action for a sustainable upstream dairy”). Pasture grazing reduces the quantity of fodder and concentrates needed to feed the dairy cows. It also improves the quality of the water that seeps into the ground and replenishes the aquifers and the waterways that rely on it.

Developing sustainable farming practices

The Group has taken an active role in promoting sustainable farming practices, such as crop rotation and cover crops because these methods help protect biodiversity (see sections 4.1 “Taking action for a sustainable upstream dairy” and 4.3 “Delivering the goodness of fruits”). As part of its effort to apply SBTN methodology to define a biodiversity road map, the Group is working to define the ecological thresholds not to exceed to ensure the ongoing viability of species and ecosystems.

Encouraging farms that both grow crops and raise animals

Bel’s Farming For the Future program deploys good animal husbandry practices identified by its dairy farmers in pilot dairy supply basins. Nine projects have been selected, establishing practices that help protect biodiversity like rotational pasture grazing, local production of animal feed, protein autonomy, new crop mixes (e.g. fodder beets, lupines, beans and peas) as well as reduced usage of fertilizers and the reuse of manure.

Promoting agroforestry

The Group is helping to create new spaces that combine agriculture with respect for biodiversity by encouraging the development of agroforestry. 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 35,000 trees will be planted as part of this initiative.

Helping to preserve natural ecosystems and fight deforestation through its supply chain

Bel has adopted the ambitious goal to eliminate the risk of ecosystem conversion associated with three key raw materials: animal feed in the form of soy meal and palm kernel expeller (see section 4.1 “Taking action for a sustainable upstream dairy”), vegetable fats (see section 4.2 “Using plant-based raw materials within strict limits”) and paper and cardboard packaging (section 5 “Designing responsible packaging”). 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 44% in 2021 versus 39% in 2020. This slight increase is the result of a rise in the proportion of non-certified and/or non-recycled packaging as well as an indirect increase in soybean volumes due to changes in the distribution of milk volumes collected.

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

(1) The ten common commitments under the Act4nature France initiative can be found at: https://engagespourlanature.ofb.fr/sites/default/files/2021-10/EEEN_Les%2010_principes_communs_%C3%A0_signer.pdf.



FIGHTING CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT

Limiting the biodiversity impact of product manufacturing

Reducing greenhouse gas emissions from operations

To reduce its impact on climate change and biodiversity, Bel is working to lower the carbon intensity of its production to move toward carbon neutrality for Scopes 1, 2 and 3 by 2050 (see section 6.1. “Fighting climate change”)

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. Bel decided to make this site the flagship of its commitment to biodiversity, as it

offers its employees numerous opportunities, such as taking part in biodiversity surveys intended to feed the participatory science database of the French National Museum of Natural History or building bird nesting boxes.

Optimizing product end-of-life

Working on the future of packaging

Bel is working to improve the post-consumption outcomes of its product packaging to join the circular economy and minimize its impact on nature and biodiversity (see section 5. “Designing responsible packaging”).

Providing reliable, helpful information to consumers

Bel has made a commitment to clarify sorting instructions both on its packaging and through other communication tools (see sections 4. “Communicating responsibly and transparently with its consumers” and 5. “Designing responsible packaging”).

Reducing food waste

Bel is actively involved in reducing food waste all along its value chain by addressing portion sizes, raising awareness on use-by dates, developing recipes that incorporate by-products and more (see section 6.4 “Fighting food waste”).

PERFORMANCE INDICATORS

Bel's objectives	KPI	2019	2020	2020 pro forma ^(a)	2021	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).	88% ^(b)	62%	39%	44%	0%	

(a) Values on a like-for-like basis.
(b) Excluding MOM.

6.3 – USING WATER SUSTAINABLY

DEFINITION OF THE CHALLENGE

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, 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 upstream dairy”).

(1) Source: United Nations Sustainable Development Goals.



FIGHTING CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT

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.

ACTION PLAN

Reducing water consumption at production sites

The Group continues to invest heavily to reduce the water footprint of its sites: nearly €74 million have been invested between 2009 and 2021 in order to reduce the environmental footprint, including €5.5 million in 2021.

The *Wasabel* ("Water Saving at Bel") program, for example, allows each site to access a compendium of good practices, monitor its consumption levels and define action plans to reduce them. In 2021, acceleration road maps were implemented at 12 sites, with the aim of extending them to all sites by 2022. In addition, 17 Bel industrial sites have

implemented an ISO 14001-certified environment management system.

Water consumption has fallen since 2008 (-47%), but increased by 3% between 2020 and 2021 to 6.61 cubic meters per ton produced, due to various factors:

- since the onset of Covid-19, public health protocols have required that production equipment be washed and disinfected more frequently, which has led to an increase in consumption versus 2019;
- the introduction of new recipes and small batch production runs requiring more frequent cleaning has led to an increase in water consumption despite the reduction programs implemented;
- moreover, the process of obtaining regulatory approval for the internal reuse of water is under way.

As a result, the target of reducing the water footprint of sites by 80% by 2025 has been pushed back to 2030, with a revised target of 55% by 2025 to take the above into account.

WATER CONSUMPTION	2019	2020	2020 pro forma ^(a)	2021
In m ³ per metric ton produced (all B-to-B and B-to-C products) ^(b)	6.34	6.48	6.39	6.61
In thousands of m ³ ^(b)	5,173	5,242	4,718	4,838

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

(b) Group total.

Vulnerability of 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 much water is available in each water basin. 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.

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. To limit its negative impact on the environment and protect biodiversity, the Group makes sure that the quantity of organic matter contained in discharges from sites, and the temperature of discharges, comply with applicable regulations. Wastewater is treated internally or pre-treated by Bel, then sent to third parties for treatment. Each year, the Group spends more than €6 million to treat its wastewater, and new, more efficient treatments can be tested.

Furthermore, to avoid any accidental discharges directly into the environment, Bel protects waterways and river drainage points adjacent to its sites with dedicated installations.

Finally, most of the sludge from wastewater treatment plants is recycled through appropriate channels. Since sludge is rich in fertilizing elements, some of it is spread on farmland, primarily in France, in accordance with local regulations, to avoid polluting underground water or soil. Sludge spreading is subject to local permits specifying the obligations to be met (e.g. spreading plans and surface areas and agronomic monitoring).



FIGHTING CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT

	2019	2020	2020 pro forma ^(a)	2021
Total wastewater volume (in thousands of m ³) ^(b)	4,634 ^(c)	4,603	3,660	3,798
Treated internally	2,143 ^(c)	2,195	2,188	2,254
Treated by a third party with other effluents	2,403	2,408	1,472	1,544
Spread untreated	88	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)	5.75	5.69	6.36	6.26
Quality of treated water (in metric tons) ^(b)				
Chemical oxygen demand (COD)	81.6 ^(d)	96.9	96.8	102
Suspended matter discharged	36.8 ^(d)	45.7	46	33
Total nitrogen discharged	12.9	24.7	24.6	14.4
Total phosphorous discharged	5.2	3.3	3.18	3.4
Cost of wastewater treatment (in thousands of euros) ^(a)	5,731	6,173	5,100	6,158
Spreading of sludge from wastewater treatment or untreated water ^(b)				
Total dry matter (in metric tons)	1,116 ^(e)	1,080	1,080	1,123
Nitrogen (in metric tons)	96 ^(e)	93	93	93
Phosphorous (in metric tons)	84 ^(e)	83	83	92

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

(b) Group total.

(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 linked to agricultural production

Lastly, Bel has taken action to limit the water needed for farming activities, especially for the dairy supply basins affected by water scarcity. The Group is participating in the

Climalait French pilot program. It is also launching studies in priority dairy supply basins such as Morocco and Iran to identify a compendium of actions to boost resilience (see sections 4.1 "Taking action for a sustainable upstream dairy" and 6.1 "Fighting climate change").

PERFORMANCE INDICATORS

Bel's objectives	KPI	2019	2020	2020 pro forma ^(a)	2021	2025 objective	Progress
Reduce the water footprint of its production sites ^(b)	Water consumption per ton of finished product versus 2008	-49%	-48%	-49%	-47%	-55%	

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

(b) Revised target as presented above.

FIGHTING CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT

6.4 – FIGHTING FOOD WASTE

DEFINITION OF THE CHALLENGE

According to the FAO and the WWF, nearly 40% of the food produced worldwide for human consumption is wasted, which represents approximately 2.5 billion tons per year.⁽¹⁾ For Bel, fighting food waste is a critical issue in our society and an ethical and environmental imperative that contributes to achieving the United Nations Sustainable Development Goal (SDG) of “Zero hunger.” Minimizing waste will always be an integral part of Bel’s business model: indeed, some of its iconic brands were born of an effort to optimize by-products. For example, the recipe for The Laughing Cow® was invented in 1921 to utilize cheese surpluses. The Kiri recipe was initially developed to reuse the cream left over after producing certain cheeses. The individual portion format is embedded in Bel’s DNA and it is a powerful tool in fighting food waste because it preserves the product: each portion is the perfect serving size.

In addition to recovering by-products to develop its brands and marketing individually portioned products, the Group strives to reduce food waste along its entire value chain, from the production and collection of its raw materials to the consumption of its finished products.

POLICIES

A Food Waste Committee was set up in 2021 and meets monthly to monitor the Group’s commitments. This Committee brings together the Group’s various functions with a view to covering the entire value chain and the different issues surrounding waste.

In the summer of 2019, Bel was one of the first stakeholders to join the “Too Good To Go” initiative in partnership with other large-scale producers and major retail players. In 2021, their collective efforts resulted in the formalization and signing of a pact to reduce food waste linked to consumption dates. The pact focuses on four work areas:

- educate the public so everyone understands that a product can still be consumed after its best-before date;
- clarify the difference between use-by dates and best-before dates to improve consumer understanding;
- maximize the recovery of products excluded from sales channels to prevent waste; and
- work together to standardize good practices and optimize distribution flows.

In addition, as part of its joining the Consumer Goods Forum’s Food Waste Coalition, in 2021 the Group set itself the ambitious target of reducing food waste by 50% by 2030.

ACTION PLAN



(1) https://wwfint.awsassets.panda.org/downloads/wwf_uk_driven_to_waste_the_global_impact_of_food_loss_and_waste_on_farms.pdf.



FIGHTING CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT

Production 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. All the milk produced is collected, even when there are production overages. In 2021, an assessment was performed by the milk purchasing teams to identify and quantify the different sources of milk loss on the farm, also reminding the various stakeholders of good practices for reducing milk waste.

Processing

Many efforts are made in the Group's plants to minimize the generation of food waste.

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. Finished product production runs are also adjusted to match sales estimates to avoid manufacturing surplus products without a sales outlet.

Bel also strives to reuse milk 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, aesthetic 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). In all, more than 99% of the Group's by-products are reused.

As with any innovation, the new plant-based products have loss rates higher than Bel's standards. A loss optimization program was launched to reduce losses, covering two areas: the reuse of losses in the production process and the optimization of raw materials at each stage of the storage and production process. The reuse of some losses in other Group plant-based products is likely to be facilitated by the strong increase in the number of plant-based recipes under the Group's various brands. Dedicated action plans are also being implemented across the MOM production plants to reduce raw material losses in apples.

Distribution

Logistics: Bel's combination boxes and pallet loads are specifically designed to ensure that products are properly protected during their repeated handling (in trucks, containers and warehouses) and retain their integrity until they are sold to consumers.

The Group optimizes its distribution network with routes that are defined so that transportation takes the shortest path between the production site and point of sale.

Sales and donations: The vast majority of products are sold in traditional distribution channels. Nevertheless, when the Group must deal with excess inventory, 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. In 2021, Bel's warehouses in Europe ⁽¹⁾ donated 0.11% of their products to associations.

Partnerships: Since the Group believes that only collective action can have a major positive impact, in 2020 it became a member of the Consumer Goods Forum's Food Waste Coalition, an international initiative that enables Bel to work with other stakeholders and manufacturers in the food industry to fight food waste. In 2021, Bel committed to the initiative's three priority actions, namely, developing standardized reporting, fighting food waste in the dairy sector and officially joining the "10X20X30" initiative, whereby ten retailers each get 20 suppliers to cut food waste by half by 2030.

Consumption

At home: food wasted by consumers accounts for a large share of overall food waste. Twenty-two percent (22%) of food waste worldwide occurs at home,⁽²⁾ 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.

(1) Portugal, Sweden, Finland, Norway, Denmark, Czech Republic, Germany, Austria, Slovakia, Spain, Belgium, Switzerland, United Kingdom, Ireland, Ukraine, Holland.

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



FIGHTING CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT

One of the main drivers of household food waste is a lack of understanding about consumption dates. In fact, half of consumers do not differentiate between use-by dates and best-before dates.⁽¹⁾ Bel believes that education, information and awareness efforts aimed at consumers are powerful ways to prompt actions to reduce food waste. 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. The initiative has been expanded to Portugal, Great Britain, Spain, Italy, Belgium and the

Netherlands and may be deployed in other countries on a voluntary basis. In 2021, 38 million round boxes of The Laughing Cow® and 6 million boxes of Apéricube® displayed this message in participating European countries. For the second year in a row, as well as during the European Week for Waste Reduction this year, Bel educated its employees about the many economic, social and environmental issues related to food waste, with a special focus on the different consumption dates, and encouraged them to join in this fight.

CHAPTER SUMMARY

HIGHLIGHTS OF 2021

- Definition of a new GHG emissions reduction trajectory aligned with a temperature increase limited to 1.5°C (approved by the SBTi in March 2022).
- Launch of Bel Carbon Impact, an application that provides a consolidated, accurate and reliable view of the Group's carbon footprint across all its markets, brands, segments and products.
- 67% of the Group's total energy consumption in renewable energies.
- Committed to train all employees on climate issues via *La Fresque du Climat*.
- Carried out a biodiversity materiality analysis as part of the Science-Based Target Network (SBTN) initiative,
- Participation of Bel Group in the IUCN and COP26.
- Formally joined the 10x20x30 initiative and publicly committed to reducing food waste by 50% by 2030.

PRIORITIES FOR 2022

- Obtain approval for the new 1.5°C trajectory from Science-Based Targets and develop action plans to achieve the objectives.
- Continue the Group's commitments under the Too Good To Go Pact on consumption dates.
- Issue a report on the Group's food waste, as part of the 10x20x30 initiative.
- Continue supporting the production sites' transition to renewable energy and roll out energy efficiency solutions.



(1) Too Good To Go Pact



IMPROVING THE ACCESSIBILITY AND AFFORDABILITY OF ITS PRODUCTS



DEFINITION OF THE CHALLENGE

Bel has made product accessibility and affordability one of its strategic priorities by committing to offer quality products to as many consumers as possible everywhere in the world.

Central to the Bel Group's model, the portion format makes it easier for everyone to access its products. This accessibility and affordability depend on distribution,

lifestyles and purchasing power. It is not just a matter of price adjustment, but also of being accessible to our consumers in the appropriate distribution channels in order to fit in with their lifestyles. It is also a question of adapting recipes to meet the nutritional needs of all and developing products that combine dairy and plant-based raw materials in order to respond to consumers' constantly evolving eating habits.

7.1 – ADAPTING ITS PRODUCTS TO THE NEEDS OF EVERYONE

THE PORTION FORMAT AS A MEANS OF ENSURING ACCESSIBILITY

The portion format has been central to the Bel model ever since its creation and contributes to making Bel's products more accessible. The Group is committed to making healthier and more responsible food products available to everyone. Each of its portioned products allows consumers to enjoy healthy and nutritionally balanced snacks that are easy to transport and that can be consumed in the right amount, whether at home or away.

We constantly work to make our products affordable, especially in places where limited purchasing power can hinder access to healthy food.

ADAPTING TO CONSUMPTION HABITS

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.

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:

- in 2021, Bel partnered with McDonald's France in order to offer an organic Babybel Original® as part of the Happy Meal menu in the 1,490 McDonald's stores in France, thereby contributing to making organic products more readily available;
- in 2021, Bel and Disneyland Paris, Europe's leading tourist destination, entered into a partnership that allows park visitors to enjoy Bel brands in restaurants, as well as themed snacking experiences featuring Mini Babybel® and The Laughing Cow® brands;
- Mini Babybel® is available in thousands of Starbucks locations in the United States.

Facilitating access to our products also means taking into account changes in distribution methods and working to develop digital sales channels.

ADAPTING TO CHANGING EATING HABITS

The Group is committed to offering products and recipes that are suited to as many people as possible, which is reflected in the development of products that meet the needs of certain markets, and in the design of plant-based or hybrid products.

Bel has chosen to expand its business beyond cheese, as shown by the acquisition of the All in Foods start-up in 2020, which is developing a wide range of plant-based alternatives, and by the launch of several products. The highlights of 2021 were:

- hybrid offerings such as the successful launch of The Laughing Cow® Blends in the U.S., Germany, the U.K., Canada and Australia. This hybrid version of The Laughing Cow combines the best of dairy and legume products;
- 100% plant-based offerings as part of its core brands, such as Boursin® Dairy Free in the United States and Canada, which is also distributed in Belgium;
- a new 100% plant-based cheese alternative brand, Nurishh®. Lauded by consumers, Nurishh® is suitable for all types of use, from camembert-style cheese intended for table use to grated cheese. The goal is to make it available in all 14 of Bel's largest markets outside Asia.

In the long term, Bel aims to achieve a balance between dairy products on the one hand and plant-based or fruit-based products on the other.

In order to meet growing demand in some countries, we are helping to make organic products more readily available to the general public, especially to children, for whom we have launched the organic Mini Babybel® and The Laughing Cow®. By 2022, our organic product range will be broadened to include all of our major international brands, with the addition of new organic products.



IMPROVING THE ACCESSIBILITY AND AFFORDABILITY OF ITS PRODUCTS

ADAPTING PRODUCT LINES TO CONSUMERS' NUTRITIONAL NEEDS

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 its products").

Moreover, in line with the Group's efforts to make its products more accessible to as many consumers as possible, Bel is launching more affordable and enriched product lines in certain regions to deliver added value suited to the needs of local populations. For example, in 2021, Bel launched a new and more affordable The Laughing Cow[®] product line in Egypt, with products marketed under the Simply[®] brand, and which are a source of calcium and vitamins A and D.

Moreover, since September 2020, Bel has partnered with McDonald's France in order to offer an organic Babybel Original[®] as part of the Happy Meal menu in the 1,490 McDonald's stores in France, thereby contributing to making organic products more readily available.

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

To adapt to the reality of eating and shopping habits and to offer healthy foods to a larger proportion of the population, Bel has positioned itself in new distribution channels for several years and is working to strengthen the quality of its relationships with its partners.

As such, Bel has developed two innovative and inclusive distribution models:

- 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. For example, the Group uses existing networks of street vendors to sell its products in five major cities in emerging countries. In this way, Bel helps these vendors develop their business and revenue and offers them access to health coverage and professional training. However, the roll-out of this program has been strongly impacted due to the effects of Covid-19 in emerging countries, which forced many street vendors to leave the cities during the lockdown periods. Madagascar was particularly affected, as well as Vietnam, where the program has been totally suspended since June 2021 following the ban on access to markets for street vendors due to the health situation. This backdrop explains the sharp decline in the number of participants in an inclusive business program in 2021. However, the Group stands by its ambition to develop inclusive initiatives in Vietnam;
- since 2019, Bel has developed a second inclusive business model called "Inaya." This loyalty program is open to retailers who are already Bel customers, and gives them

access to health insurance services specially tailored to them and their families at preferred rates. This model was developed in Morocco and rolled out to Egypt and Jordan in 2021, and Bel plans to implement it in new countries.

At the end of 2021, the Sharing Cities program counted 2,892 partners, a 55% decrease that reflects the total suspension of the program in Vietnam and the decrease in street vendors in Madagascar. Nevertheless, the Group has succeeded in ensuring that the number of partners with access to health services remains stable, with nearly 2,400 micro-retailers covered (more than 6,500 people including family members). Furthermore, when public health conditions permitted, Sharing Cities professional training courses resumed, bringing the number of partners trained since the program's launch to 1,467. Meanwhile, the *Inaya* program enables 1,135 retailers to access health insurance services for themselves and their families. An impact study conducted in Morocco by Bel showed that 76% of the insured individuals did not have any insurance previously, and 70% of them were happy with the program.

In light of the changes in the Sharing Cities program, heavily impacted by the pandemic in 2020 and 2021, and in the *Inaya* program, which continues to grow, the Group reaffirmed its goal of integrating 80,000 participants in these two programs, with a revised deadline of 2030, with a 2025 objective reassessed at 40,000 participants. In order to achieve this goal, the Group plans to extend the *Inaya* program in India and relaunch the Sharing Cities program in the countries most affected by the health crisis, notably Vietnam.



IMPROVING THE ACCESSIBILITY AND AFFORDABILITY OF ITS PRODUCTS

PERFORMANCE INDICATORS

Bel's objectives	KPI	2019	2020	2020 pro forma ^(a)	2021	2025 objective	Progress
Improve the accessibility and affordability of its products	Number of people participating in a Bel inclusive business program	10,120	7,450	7,450	4,027	40,000 ^(b)	
	<i>Sharing cities</i>	8,998	6,487	6,487	2,892		
	<i>Inaya</i>	1,122	963	963	1,135		

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

(b) Target reviewed in 2021.

CHAPTER SUMMARY

HIGHLIGHTS OF 2021

- Successful launch of The Laughing Cow® Blends (hybrid version of The Laughing Cow) in the U.S., Germany, U.K., Canada and Australia.
- Launch of the Nurishh brand in northern and southern Europe and the United States, with 13 products introduced in 2021 in three key segments: slices, grated and spreadable.
- Roll-out of Bel products in new distribution channels through partnerships with Disneyland Paris, McDonald's France and Starbucks.
- Rebuilding the street vendors network in Madagascar, which was severely affected by the health crisis in 2020.

PRIORITIES FOR 2022

- Continue to develop hybrid and plant-based products launched in 2021.
- Launch Babybel Vegan in the United Kingdom.
- Continue to develop new distribution channels with particular emphasis on On the Go and e-commerce.
- Continue to develop loyalty programs with retailers in Egypt and Jordan and launching the program in new countries.
- Support the rebuilding of the street vendor network in Vietnam, heavily impacted in 2021.





EUROPEAN GREEN TAXONOMY

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 road map to achieve carbon neutrality by 2050. By implementing a classification system for sustainable activities, the Taxonomy Regulation aims to redirect capital flows towards 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

Companies subject to the NFRD (Non-Financial Reporting Directive) must implement a Taxonomy reporting as from January 1, 2022 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:

- contributes substantially to one or more of the environmental objectives;
- does not significantly harm any of the environmental objectives;
- is carried out in compliance with the minimum safeguards;
- complies with technical screening criteria that have been established by the Commission.

The Taxonomy regulation contemplates a phased implementation: up until December 31, 2022, only the first two Climate Change Objectives will be considered, and

companies will have to report on whether their activities qualify, without taking into account their alignment.

2021 RESULTS

The key performance indicator disclosure requirements for the 2021 financial year relate solely to “eligibility”: Bel is required to disclose the indicators that highlight the proportion of its eligible revenue, capital expenditure (CAPEX) and operating expenditure (OPEX) resulting from products and/or services associated with economic activities identified as sustainable in Appendices I & II of the Climate Delegated Acts⁽¹⁾.

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 greenhouse gases 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 greenhouse gas reductions, as defined in the EU Taxonomy Regulation⁽²⁾.

CAPEX

The share of eligible Capex is 5.2% of the total Capex reported, the calculation of which is described in the methodology note below. In 2021, the denominator was €71 million. The eligible CAPEX, shown in the numerator, includes investments in biomass boilers, heat pump installations, wastewater and water treatment plants.

(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 undertakings 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.



EUROPEAN GREEN TAXONOMY

OPEX

In accordance with the taxonomy regulation, the OPEX denominator consists mainly of selling and distribution costs, research and development costs, and general and administrative costs. These OPEX do not qualify as eligible under the taxonomy regulation. The work carried out regarding the OPEX ratio therefore concluded that this indicator is not material for Bel.

METHODOLOGY NOTE

Capex investments at Bel are typically classified by type of OSE project (Obsolescence/Safety/Environment), and are all reported in SAP.

Taking into account the NACE codes, an inventory of all investments of more than €300,000, disbursed in 2021, was carried out by the Environment and Finance Departments to identify eligible projects. The Capex reported are individual Capex. As part of this first taxonomy reporting, MOM investments are not included in the calculation of the share of eligible Capex.





CSR SCORECARD

HEALTHIER FOOD

Commitments	KPI	2020	2021	2025 target	Progress
Continuously improve the nutritional quality of products	Children & family product portfolio meeting "Bel Nutri +" criteria* (Bel nutritional profiling system)	72% 	72% 	80% 	
Foster healthy consumption habits and lifestyle	Key countries where a program is implemented for consumers ("Educanut")	6 	7 	10 	
	Share of subsidiaries where a program is implemented for their employees ("Healthy smiles")	73% 	83% 	100% ^(a) 	

RESPONSIBLE PACKAGING

Commitments	KPI	2020	2021	2025 target	Progress
Work towards 100% recyclable-ready and/or biodegradable packaging	Recyclable-ready and/or biodegradable packaging ^(b)	95%** 	95%** 	100% 	

ACCESSIBILITY AND AFFORDABILITY OF PRODUCTS

Commitments	KPI	2020	2021	2025 target	Progress
Improving the accessibility and affordability of products	Number of people participating in a Bel inclusive business program	7,450 	4,027 	40,000 ^(a) 	
	<i>Sharing Cities</i>	6,487	2,892		
	<i>Inaya</i>	963	1,135		

WELL-BEING FOR ALL

Commitments	KPI	2020	2021	2025 target	Progress
Work toward Zero accidents at sites	Bel AFR (Accident Frequency Rate)	4.73 	3.78 	3 	
Promote gender diversity and inclusion	Share of women in top management	25%* 	30%* 	35% ^(a) 	

*Excluding MOM

**Excluding MOM and subcontracting

In line with the plan

Not in line with the plan

Stabilization

SUSTAINABLE AGRICULTURE

Commitments	KPI	2020	2021	2025 target	Progress
Contribute to better quality of life and working conditions for partner farmers	Farmer access to innovative social models	63%	77%	100%	😊
Encourage good practices to promote animal welfare	Share of farms abiding by the Animal Welfare Charter certified by a third party	8%	14%	100%	😊
Foster non-GMO feeding of the cows providing milk	Milk collected from non-GMO-fed cows	51%	51%	100%	😐
Guarantee the responsible procurement of the vegetable fats used in products	Procurements which are certified or honor the commitments of the Charter (where there is no certification)	95%	90%	100%	😞

FIGHT AGAINST CLIMATE CHANGE

Commitments	KPI	2020	2021	2025 target	Progress
Achieve net zero emissions in Scopes 1 and 2	Greenhouse gas emissions (Scopes 1 & 2) (kg CO ₂ eq./metric ton produced)	200,487	182,500	0	😊
Reduce the Group's global carbon footprint to meet the Paris Agreement targets	Global carbon footprint (Scopes 1,2 and 3) vs 2017 (kg CO ₂ eq./metric ton produced)	-5.34%	NA ^(c)	-15%	😊
Preserve natural ecosystems and fight deforestation through supply chains	Zero deforestation (area of at-risk land/total area needed for production of monitored raw materials)	39%	44%	0% ^(a)	😐
Reduce the water footprint of production sites	Water consumption per ton produced <i>versus</i> 2008	-49%	-47%	-55% ^(a)	😞

WELL-BEING FOR ALL

Develop our employees' talent	Employees who completed at least one training course during the year	76%	81%	100%	😊
Promote good social and environmental practices among suppliers	Average EcoVadis supplier score (/100) ^(d)	51.8	52.8*	55	😊
Offer positive products to consumers	Share of revenue generated by the sale of positive products ^(e)	74%	74%	NA ^(f)	😐

(a) Target or calculation method updated in 2021

(b) Excluding wax

(c) Because there is a one-year lag in determining the Scope 3 carbon footprint, only the 2020 performance can be reported

(d) Excluding collected milk

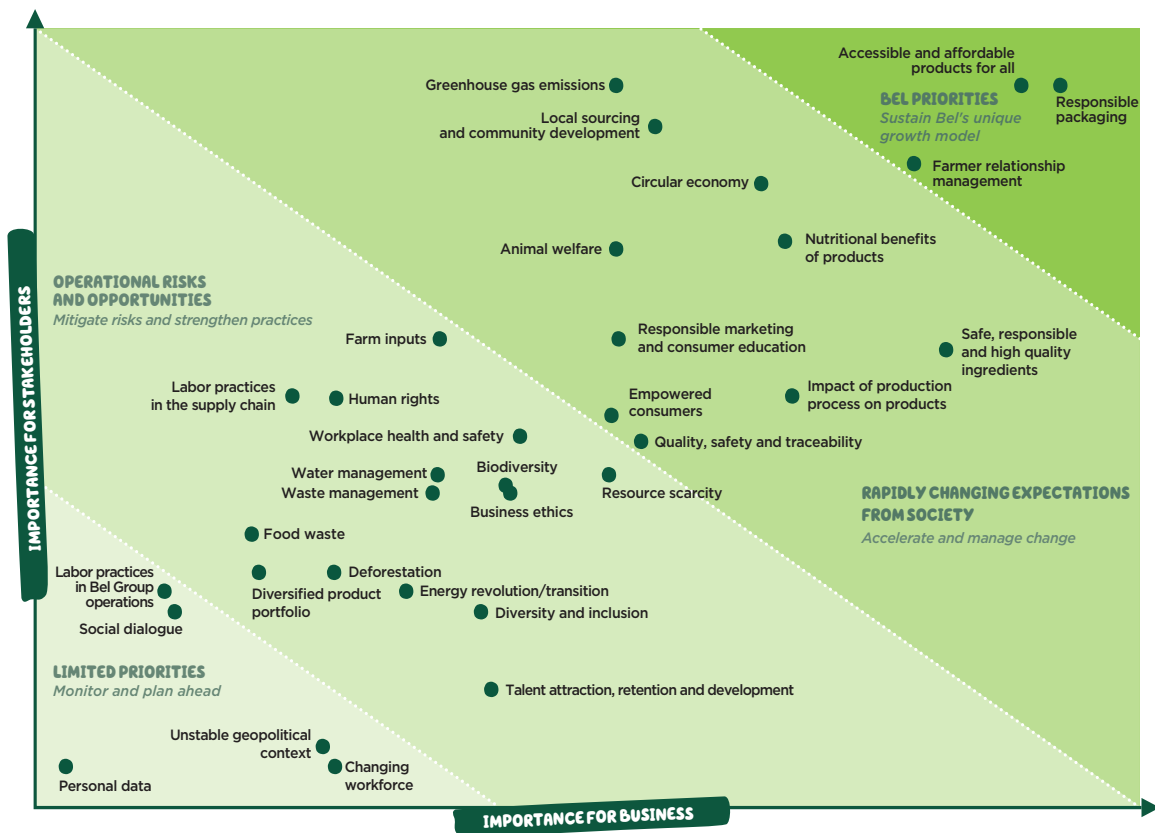
(e) Positive products are those that have at least one of the following characteristics: organic, "Bel Nutri+" compliant, contain no more than one additive or made from milk from non-GMO-fed cows

(f) This indicator is currently in development and a target will eventually be defined.



APPENDIX

APPENDIX 1 – MATERIALITY ANALYSIS



APPENDIX 2 – SUMMARY TABLE – BEL’S MATERIAL NON-FINANCIAL RISKS AND CHALLENGES AND REMEDIATION POLICIES AND CORRESPONDING OBJECTIVES

Non-financial risks and opportunities	Corresponding material challenges ⁽¹⁾	Remediation policies																			
Risk of environmental impact from Bel’s direct and indirect operations and the priority challenge of fighting climate change	<ul style="list-style-type: none"> • Deforestation • Greenhouse gas emissions • Waste management • Biodiversity • Water management • Responsible packaging 	<ul style="list-style-type: none"> • Farming practices to reduce the environmental impact of upstream agricultural activities (see sections 4.1 “Taking action for a sustainable upstream dairy” through 4.3 “Delivering the goodness of fruits”); • Environmental policy (see section 6.3 “Using water sustainably”); • Programs intended to protect biodiversity and fight deforestation and ecosystem conversion (see section 6.2 “Preserving biodiversity and fighting deforestation and ecosystem conversion”); • Promotion of the circular economy for packaging (see section 6.2 “Preserving biodiversity and fighting deforestation and ecosystem conversion”). 																			
			<table border="1"> <thead> <tr> <th>Bel’s objectives</th> <th>KPI</th> <th>2030</th> </tr> </thead> <tbody> <tr> <td>Reduce its global carbon footprint to meet Paris Agreement targets⁽²⁾.</td> <td>Global carbon footprint (kg CO₂ eq./metric ton produced).</td> <td>-27.5%⁽³⁾</td> </tr> <tr> <th>Bel’s objectives</th> <th>KPI</th> <th>2025</th> </tr> <tr> <td>Preserve natural ecosystems and fight deforestation through its supply chain.</td> <td>Zero deforestation (area of at-risk land/ total area needed for production of monitored raw materials).</td> <td>0%⁽⁴⁾</td> </tr> <tr> <td>Achieve net zero emissions in Scopes 1 and 2.</td> <td>Scopes 1 and 2 greenhouse gas emissions after offsetting (kg CO₂ eq./metric ton produced).</td> <td>0</td> </tr> <tr> <td>Reduce the water footprint of production sites.</td> <td>Water consumption per ton produced versus 2008.</td> <td>-55%⁽⁴⁾</td> </tr> <tr> <td>Work towards 100% recyclable-ready and/or biodegradable packaging.</td> <td>Recyclable-ready and/or biodegradable packaging.</td> <td>100%</td> </tr> </tbody> </table>	Bel’s objectives	KPI	2030	Reduce its global carbon footprint to meet Paris Agreement targets⁽²⁾.	Global carbon footprint (kg CO ₂ eq./metric ton produced).	-27.5% ⁽³⁾	Bel’s objectives	KPI	2025	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).	0% ⁽⁴⁾	Achieve net zero emissions in Scopes 1 and 2.	Scopes 1 and 2 greenhouse gas emissions after offsetting (kg CO ₂ eq./metric ton produced).	0	Reduce the water footprint of production sites.	Water consumption per ton produced versus 2008.	-55% ⁽⁴⁾
Bel’s objectives	KPI	2030																			
Reduce its global carbon footprint to meet Paris Agreement targets⁽²⁾.	Global carbon footprint (kg CO ₂ eq./metric ton produced).	-27.5% ⁽³⁾																			
Bel’s objectives	KPI	2025																			
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).	0% ⁽⁴⁾																			
Achieve net zero emissions in Scopes 1 and 2.	Scopes 1 and 2 greenhouse gas emissions after offsetting (kg CO ₂ eq./metric ton produced).	0																			
Reduce the water footprint of production sites.	Water consumption per ton produced versus 2008.	-55% ⁽⁴⁾																			
Work towards 100% recyclable-ready and/or biodegradable packaging.	Recyclable-ready and/or biodegradable packaging.	100%																			

Code de bonnes pratiques des affaires.

Non-financial risks and opportunities

Corresponding material challenges⁽¹⁾

Remediation policies

Risks related to human resources, health and safety of Group employees and labor relations

- Workplace health and safety
- Labor practices in operations
- Diversity and inclusion
- Labor relations
- Talent attraction, retention and development
- Changing workforce

- Health and safety programs (see section 2.1.1).
- Diversity and talent development programs (see sections 2.1.2 and 2.1.3).
- Labor relations (see section 2.1.4).

Bel's objectives	KPI	2025
Work towards zero accidents at sites.	Bel AFR (Accident Frequency Rate).	3.0
Promote gender diversity and inclusion.	Share of women in top management.	35%
Develop its employees' talent.	Employees who attended training during the year.	100%

Risks related to suppliers and the priority challenge to promote sustainable agriculture

- Producer relationship management
- Local sourcing and community development
- Animal welfare
- Farm inputs

- Sustainable Purchasing Charter, supplier assessments and supplier risk mapping (see section 2.2 "Promoting responsible practices with its business partners").

Bel's objectives	KPI	2025
Promote sound social and environmental practices among its suppliers.	Average EcoVadis supplier score (/100), excluding collected milk.	55

- Bel Global Sustainable Upstream Dairy Charter (see section 4.1 "Taking action for a sustainable upstream dairy").

Bel's objectives	KPI	2025
Contribute to better quality of life and working conditions for partner producers.	Producer access to innovative social models.	100%
Encourage good practices to promote animal welfare.	Share of farms abiding by the Animal Welfare Charter certified by a third party.	100%
Foster non-GMO feeding of the cows providing milk.	Milk collected from non-GMO fed cows.	100%

Quality, food safety and product regulation risks

- Safe, responsible and high-quality ingredients
- Quality, food safety and traceability
- Impact of manufacturing process on products

- Organization and dedicated processes (see section 3.1 "Offering products with optimal quality and safety").

Bel's objectives	KPI	2025
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).	100%



APPENDIX

Non-financial risks and opportunities

Corresponding material challenges⁽¹⁾

Remediation policies

Risks related to innovation and consumer expectations and the priority challenge to contribute to healthier food

- Responsible consumers
- Diversified product portfolio
- Responsible marketing and consumer education
- Nutritional benefits of products

- Product offers that meet consumer needs (see section 3 “Contributing to healthier food”);
- Programs to promote better eating habits and healthier lifestyles (see sections 3.2 “Improving the nutritional quality of its products” and 3.3 “Promoting better eating habits and healthier lifestyles”);
- Actions to improve the accessibility and affordability of its products (see sections 7.1 “Adapting its products to the needs of everyone” and 7.2 “Improving the accessibility and affordability of its products by developing innovative and inclusive distribution models”).

Bel’s objectives	KPI	2025
Offer positive products to consumers.	Share of revenue generated by the sale of positive products.	NA ⁽⁴⁾
Continuously improve the nutritional quality of its products.	Children and family product portfolio meeting <i>Bel Nutri+</i> criteria (Bel nutritional profiling system).	80%
Foster healthy consumption habits and lifestyle.	Key countries where a program is implemented for consumers (“ <i>Educanut</i> ”).	10
	Proportion of subsidiaries where a program is implemented for their employees (“ <i>Healthy Smiles</i> ”).	100%

Risks related to corruption, human rights abuses and tax evasion

- Human rights
- Labor practices in the supply chain
- Business ethics

- Risk mapping exercise and training program (see section 1.6 “Vigilance plan”).
- Internal and external alert system (see sections 1.5 “Ethics: a common foundation for conducting business” and 1.6 “Vigilance plan”).

Priority challenge to improve the accessibility and affordability of its products

- Accessible and affordable products for all

- Adapt recipes to the nutritional needs of everyone, see section 7.1 “Adapting its products to the needs of everyone”.
- Develop innovative and inclusive distribution models, see section 7.2 “Improving the accessibility and affordability of its products by developing innovative and inclusive distribution models”.

Bel’s objectives	KPI	2025
Improving the accessibility and affordability of its products.	Number of people benefiting from Bel’s inclusive business programs.	40,000 ⁽⁵⁾



APPENDIX

Non-financial risks and opportunities	Corresponding material challenges ⁽⁵⁾	Remediation policies
Risks related to the sustainability of natural resources and climate change	<ul style="list-style-type: none"> • Greenhouse gas emissions • Circular economy • Energy transition • Sustainability of resources • Food waste 	<ul style="list-style-type: none"> • Farming practices to reduce the environmental impact of upstream agricultural activities (see sections 4.1 “Taking action for a sustainable upstream dairy” through 4.3 “Delivering the goodness of fruits”). • Programs to reduce the impact of operations on climate change and to adapt to climate-related risks (see section 6.1 “Fighting climate change”). • Programs intended to fight the risk of biodiversity loss and deforestation (see section 6.2 “Preserving biodiversity and fighting deforestation and ecosystem conversion”). • Promotion of the circular economy for packaging (see section 6.2 “Preserving biodiversity and fighting deforestation and ecosystem conversion”). • Fighting food waste (see section 6.4 “Fighting food waste”).

(5) The material challenges are taken from the materiality matrix. Two challenges – identified in the materiality matrix “unstable geopolitical conditions” and “personal data” – are excluded from this table because they are covered and managed by other policies at the Group level.

(6) The Group’s carbon footprint corresponds to Scopes 1, 2 and 3.

(7) Objective for 2030 compared to the benchmark year 2017.






(8) This indicator is currently in development and an objective will eventually be defined.

(9) Objective updated in 2021.

APPENDIX 3 – 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 agriculture 5. Designing responsible packaging 6. Fighting climate change and reducing its environmental footprint
8. Businesses should undertake initiatives to promote greater environmental responsibility	4. Promoting sustainable agriculture 5. Designing responsible packaging 6. Fighting climate change and reducing its environmental footprint
9. Businesses should encourage the development and diffusion of environmentally friendly technologies	4. Promoting sustainable agriculture 5. Designing responsible packaging 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 4 – APPENDIX 1: CONTRIBUTING TO THE UNITED NATIONS’ SUSTAINABLE DEVELOPMENT GOALS

DOCUMENT SECTION(S)	THE SUSTAINABLE DEVELOPMENT GOALS
2. A model that creates value for all its stakeholders Building a sustainable future with its employees 2.1 Promoting responsible practices with its business partners 2.2 Communicating responsibly and transparently with its consumers 2.4	
3. Contributing to healthier food 3.1 Offering products with optimal quality and safety 3.23.3 Improving the nutritional quality of its products Promoting better eating habits and encouraging healthier lifestyles	
4. Promoting sustainable agriculture 4.1 Taking action for a sustainable upstream dairy 4.2 Using plant-based raw materials within strict limits 4.3 Delivering the goodness of fruits	
5. Designing responsible packaging 5.1 Eco-designing its packaging and using more sustainable materials 5.2 Encouraging and facilitating the recycling of its products	
6. Fighting climate change and reducing its environmental footprint 6.1 Fighting climate change 6.2 Preserving biodiversity and fighting deforestation and ecosystem conversion 6.3 Using water sustainably 6.4 Fighting food waste	
7. Improve the accessibility and affordability of its products 7.1 Adapting its products to the needs of everyone 7.2 Improving the accessibility and affordability of its products by developing innovative and inclusive distribution models	

APPENDIX 5 – GRI CROSS-REFERENCE TABLE

1 – GENERAL PROFILE ELEMENTS

GRI SECTIONS	GRI CODE:	DISCLOSURE	REFERENCE - TOTAL MATCH WITH 2021 URD CHAPTER
ORGANIZATION PROFILE	102-1	Organization name	Chapter 8.2 - Information on the Company
	102-2	Activities, brands, products and services	Chapter 1 - The Bel Group in 2021
	102-3	Geographic location of the head office	Chapter 8.2 - Information on the Company
	102-4	Geographical locations of activity sites	Chapter 1 - The Bel Group in 2021 Chapter 8.3 - Information on subsidiaries and interests
	102-5	Capital and legal form	Chapter 8.2 - Information on the Company
	102-6	Markets served	Chapter 1 - The Bel Group in 2021
	102-7	Organization size	Chapter 1 - The Bel Group in 2021
	102-8	Organization's workforce	Chapter 1 - The Bel Group in 2021
	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 - Shared Values
	102-11	Precautionary principle	Chapter 3 - Vigilance Plan
	102-12	Charters, principles and other external initiatives	Chapter 3 - Promoting responsible practices with its business partners
	102-13	Membership in national or international associations	Chapter 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 - Joint interview
	102-15	Description of key impacts, risks and opportunities	Chapter 1 - A global risk management 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 - Ethics: a common foundation for conducting business
	102-17	Internal and external mechanisms for guidance on ethical and law-abiding behavior	Chapter 3 - Ethics: a common foundation for conducting business
GOVERNANCE	102-18	Governance structure of the organization, including committees of the highest governance body.	Chapter 1 - Governance of CSR issues at every level of the Company Chapter 4 - Corporate governance
	102-19	Process for delegating authority from the highest governance body to senior executives and other employees	Chapter 4 - Corporate governance Chapter 6 - Shareholding
	102-20	Senior executives designated to oversee CSR related issues and whether they report to the highest governance body.	Chapter 1 - Governance of CSR issues at every level of the Company Chapter 4 - Corporate governance



APPENDIX

GRI SECTIONS	GRI CODE:	DISCLOSURE	REFERENCE - TOTAL MATCH WITH 2021 URD CHAPTER
GOVERNANCE (CONTINUED)	102-21	Consultation between stakeholders and the highest governance body on CSR issues.	Chapter 1 - Governance of CSR issues at every level of the Company 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 Board of Directors & Executive Committee Chapter 4 - Corporate governance
	102-23	Chair of the highest governance body	Chapter 1 - Our Board of Directors & Executive Committee 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 - Ethics: a common foundation for conducting business
	102-26	Role of the highest governance body in defining purpose, values and strategy.	Chapter 1 - Our Board of Directors & Executive Committee Chapter 4 - Corporate governance
	102-27	Shared knowledge of the highest governance body	Chapter 1 - Our Board of Directors & Executive Committee Chapter 4 - Corporate governance
	102-28	Evaluation of the highest governance body	Chapter 1 - Our Board of Directors & Executive Committee Chapter 4 - Corporate governance
	102-29	Identification of economic, environmental and social impacts	Chapter 1 - A global risk management 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 1 - A global risk management Chapter 2 - Risk factors and insurance policy
	102-31	Review of economic, environmental and social issues	Chapter 1 - Governance of CSR issues at every level of the Company Chapter 4 - Corporate governance Chapter 3.1.2 Analysis of primary non-financial risks
	102-32	Role of the highest governance body in sustainability reporting	Chapter 1 - Governance of CSR issues at every level of the Company Chapter 4 - Corporate governance
	102-33	Communicating critical concerns	Chapter 1 - A global risk management Chapter 2 - Risk factors and insurance policy
	102-34	Type and total number of major complaints	Chapter 3.3.1 - Offering products with optimal quality and safety
	102-35	Current remuneration policies for the highest governance body and senior executives	Chapter 4.2 - Remuneration and benefits
	102-36	Process for determining remuneration	Chapter 4.2 - Remuneration and benefits
	102-37	Stakeholder engagement in remuneration	Chapter 4.2 - Remuneration and benefits
	102-38	Total annual remuneration ratio	Chapter 4.2 - Remuneration and benefits
	102-39	Percentage increase in total annual remuneration ratio	Chapter 4.2 - Remuneration and benefits



APPENDIX

GRI SECTIONS	GRI CODE:	DISCLOSURE	REFERENCE - TOTAL MATCH WITH 2021 URD CHAPTER
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 4.11 - Employee benefits
	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 - Our responsible and profitable business model Chapter 3.2 - A model that creates value for all its stakeholders
REPORTING PRACTICE	102-45	Entities included in the financial consolidation: including reasons for exclusion	Chapter 8.3 - Information on subsidiaries and interests Chapter 3.9 - Methodological note
	102-46	Defining the content of the report and the scope of the issues	Chapter 8.3 - Information on subsidiaries and interests Chapter 3.9 - Methodological note
	102-47	List of relevant issues	Chapter 1 - Our responsible and profitable business model 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 2021
	102-52	Reporting cycle	January to December 2021 (FY2021)
	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



APPENDIX

2 – SPECIFIC ELEMENTS

GRI SECTIONS	GRI CODE MATERIALS	DISCLOSURE	REFERENCE - TOTAL MATCH		
ECONOMY - 200	201 – Economic performance	201-1	Direct economic value generated and distributed	1 - A positive business model	
		201-2	Financial implications and other risks and opportunities due to climate change	3.1.2 - Analysis of primary non-financial risks Appendix 3: Correlation table with the 11 TCFD recommendations	
	202 – Market presence	202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	3.2.1 - Building a sustainable future with its employees	
		202-2	Proportion of senior executives hired from the local community at the main operating sites	3.2.1 - Building a sustainable future with its employees	
	205 – Anti-corruption	205-1	Operations assessed for risks related to corruption	2.1 - Risk management policy 3 - Ethics: a common foundation for conducting business	
		205-2	Communication and training about anti-corruption policies and procedures	2.1 - Risk management policy 3 - Ethics: a common foundation for conducting business	
	ENVIRONMENT - 300	301 – Materials	301-1	Materials used by weight or volume	3.5 - Designing responsible packaging
			301-2	Recycled materials used	3.5 - Designing responsible packaging
			301-3	Recovered products and packaging materials	3.5 - Designing responsible packaging
		302 – Energy	302-1	Energy consumption within the organization	3.6 - Fighting climate change and reducing the environmental footprint
302-3			Energy intensity	3.6 - Fighting climate change and reducing the environmental footprint	
302-4			Reduction of energy consumption	3.6 - Fighting climate change and reducing the environmental footprint	
303 – Water and Effluents		303-1	Water withdrawal by source	3.6 - Fighting climate change and reducing the environmental footprint	
		303-2	Water sources significantly affected by withdrawal of water	3.6 - Fighting climate change and reducing the environmental footprint	
		303-3	Percentage and total volume of water recycled and reused	3.6 - Fighting climate change and reducing the environmental footprint	
304 – Biodiversity		304-2	Significant impacts of activities, products, and services on biodiversity	3.6 - Fighting climate change and reducing the environmental footprint	
	304-3	Habitats protected or restored	3.6 - Fighting climate change and reducing the environmental footprint		



APPENDIX

GRI SECTIONS	GRI CODE MATERIALS	DISCLOSURE	REFERENCE - TOTAL MATCH	
ENVIRONMENT - 300 (CONTINUED)	305 - Emissions	305-1	Direct (Scope 1) GHG emissions	3.6 - Fighting climate change and reducing the environmental footprint
		305-2	Energy indirect (Scope 2) GHG emissions	3.6 - Fighting climate change and reducing the environmental footprint
		305-3	Other indirect (Scope 3) GHG emissions	3.6 - Fighting climate change and reducing the environmental footprint
		305-4	GHG emissions intensity	3.6 - Fighting climate change and reducing the environmental footprint
		305-5	Reduction of GHG emissions	3.6 - Fighting climate change and reducing the environmental footprint
		305-6	Emissions of ozone-depleting substances (ODS)	3.6 - Fighting climate change and reducing the environmental footprint
		305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.6 - Fighting climate change and reducing the environmental footprint
	306 - Effluents and Waste	306-1	Total water discharge by quality and destination	3.6 - Fighting climate change and reducing the environmental footprint
		306-2	Total weight of waste by type and disposal method	3.6 - Fighting climate change and reducing the environmental footprint
		306-3	Number and total volume of significant spills	3.6 - Fighting climate change and reducing the environmental footprint
		306-4	Transport of hazardous waste	3.6 - Fighting climate change and reducing the environmental footprint
		306-5	Water bodies affected by water discharges and/or runoff	3.6 - Fighting climate change and reducing the environmental footprint
	307 - Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	2.1 - Risk management policy 3.1.5 - Ethics: a common foundation for conducting business
	308 - Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	3.2.2 - Promoting responsible practices with its business partners
308 - Supplier Environmental Assessment (continued)	308-2	Negative environmental impacts in the supply chain and actions taken	3.6 - Fighting climate change and reducing the environmental footprint	
SOCIAL DISCLOSURES - 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



APPENDIX

GRI SECTIONS	GRI CODE MATERIALS	DISCLOSURE	REFERENCE - TOTAL MATCH	
SOCIAL DISCLOSURES - 400 (CONTINUED)	403 - Occupational Health and Safety	403-1	Worker representation in formal joint management-worker health and safety committees	3.2.1 - Building a sustainable future with its employees
		403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	3.2.1 - Building a sustainable future with its employees
		403-4	Health and safety topics covered in formal agreements with trade unions	3.2.1 - Building a sustainable future with its employees
	404 - Training and Education	404-1	Average number of hours of training per year, broken down by employee, gender and professional category	3.2.1 - Building a sustainable future with its employees
		404-3	Percentage of employees receiving regular performance and career development reviews, by gender and professional category	3.2.1 - Building a sustainable future with its employees
	405 - Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	3.2.1 - Building a sustainable future with its employees 1 - Our Board of Directors & Executive Committee 4 - Corporate governance
	408 - Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	3.2.2 - Promoting responsible practices with its business partners 2.1 - Risk management policy 3 - Ethics: a common foundation for conducting business
	412 - Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	3.2.2 - Promoting responsible practices with its business partners 3.1.5 - Ethics: a common foundation for conducting business
		412-2	Employee training on human rights policies or procedures	3.2.1 - Building a sustainable future with its employees
	414 - Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	3.2.2 - Promoting responsible practices with its business partners 3.1.5 - Ethics: a common foundation for conducting business
	416 - Customer Health and Safety	416-1	Assessment of the health and safety impacts of products and services on consumers	3.3.1 - Offering products with optimal quality and safety
	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 6 – CORRELATION TABLE WITH THE 11 TCFD RECOMMENDATIONS

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	Board and Committee organization and workings	Bel's Executive Committee and Board of Directors are committed to the profound and proactive transformation of the Group's business model, where profitability and climate responsibility go hand in hand. Our organization makes it easier to take climate issues into account, from the management bodies to the operational teams. The Group's commitment to combining responsibility with performance is reflected in its decision in 2020 to merge CSR and Finance within a single division.
	b) Describe management's role in assessing and managing climate-related risks and opportunities	2.1	Risk management policy	
		4.3.2 4.3.3	Internal control environment of the Company Management of primary risks	
Strategy	a) Describe the climate-related risks and opportunities identified by the Company in the short, medium, and long term.	3.6.1	Fighting climate change	Bel has undertaken to more thoroughly assess all of the climate-related risks and opportunities that the Group faces. We are currently working on using climate-related scenarios to assess the resilience of all our activities, based on two adaptation scenarios (global warming of 1.5°C or 4°C compared to pre-industrial levels). This ongoing work includes a quantification of the possible financial impacts for the Group. The Bel Group has also undertaken to review its strategy for alignment with the Paris agreements by working on a new carbon trajectory that adheres to the 1.5°C warming limit, and which has been submitted for review to the Science-Based Targets Initiative.
	b) Describe the impact of climate-related risks and opportunities on the Company's business, strategy and financial planning.	3.6.1	Fighting 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.	3.6.1	Fighting climate change	
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 led by the Legal and Risk Department, which itself reports to the General Secretary. In order to strengthen climate risk management at all levels of the company and across all business lines, Bel has undertaken to roll out training programs for employees via La Fresque du Climat, starting with top management.
		2.2	Hierarchy of risks	
		2.3	Risks related to the external environment	
		2.4 3.6.1	Risks related to the business Fighting climate change	
	b) Describe the Company's procedures for managing climate-related risks.	2.3	Risks related to the external environment	
		2.4 3.6.1	Risks related to the business Fighting climate change	
		2.1 2.2 2.3	Risk management policy Hierarchy of risks Risks related to the external environment	
	c) Describe how procedures for identifying, assessing and managing climate-related risks are integrated into the company's overall risk management.	2.4	Risks related to the business	



APPENDIX

TCFD Recommendations	Corresponding section in the URD	Progress	Achieved and areas of work	
Metrics/ targets	a) Disclose the metrics used by the Company to assess climate-related risks and opportunities in line with its strategy and risk management process.	3.6.1 3.14	Fighting climate change Appendix 4: Summary of environmental data	<p>We have an ambitious goal to reduce our carbon footprint by 27.5% per ton of product between 2017 and 2030. This goal is validated by the Science-Based Targets initiative and is in line with the Paris Agreement. 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.</p>
	b) Disclosure of Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas (GHG) emissions and related risks.	3.6.1 3.14	Fighting climate change Appendix 4: Summary of environmental data	
	c) Describe the targets used by the company to manage climate-related risks and opportunities, and provide a comparison of performance against targets.	3.6.1 3.1.2	Fighting climate change Analysis of primary non-financial risks	<p>In accordance with the latest TCFD recommendations (Guidance on Metrics, Targets and Transition Plan, October 2021), a series of indicators specific to climate-related risks is being studied in order to facilitate reconciliation with financial performance data.</p> <p>The Group has developed the Bel Carbon Impact tool to ensure regular and accurate monitoring of the Group's carbon performance. This new tool is in addition to the ongoing roll-out of a carbon footprint measurement process for investment and innovation projects.</p>





APPENDIX

APPENDIX 7 – SUMMARY OF ENVIRONMENTAL DATA

Bel Group with MOM and Safilait	Units	2019	2020	2020 pro forma ^(a)	2021
CIRCULAR ECONOMY					
Recovered by-products					
Substandard cheeses or similar recovered internally or externally	mt	16,025	15,638	10,079	11,199
Dry whey extract recovered internally or externally	mt	107,205	92,179	48,326	45,280
Cream recovered internally (production site or within the Group) or externally	mt	52,655	49,595	21,045	21,036
Quantity of recovered by-products	mt	175,885	157,412	79,450	77,516
WATER CONSUMPTION					
Water consumption in vulnerable zone	m ³	1,625,749	1,919,629	1,748,876	1,759,804
Water consumption in scarcity zone	m ³	241,258	236,110	236,110	759,081
Water consumption in water shortage zone	m ³	870,305	865,877	865,877	883,320
Water consumption in non-vulnerable zone	m ³	2,435,742	2,220,252	1,867,476	1,435,446
Total water quantity	m ³	5,173,054	5,241,868	4,718,339	4,837,651
ENERGY					
Electricity					
Consumption of grid electricity from non-renewable source	MWh	180,935	176,105	169,300	96,962
Consumption of self-generated electricity from fuel oil or gas	MWh	323	106	106	302
Electricity consumption from a certified renewable energy source	MWh	152,260	155,194	112,616	195,270
Total electricity consumption	MWh	333,196	331,405	282,345	292,912
Fuels					
Fuel oil	MWh_LHV	87,551	83,574	83,574	85,832
Gas	MWh_LHV	430,657	429,710	341,692	369,458
Biomass	MWh_LHV	70,604	65,846	65,846	74,469
Total stationary combustion	MWh_LHV	588,812	579,130	491,112	529,758
GREENHOUSE GAS EMISSIONS^(b)					
GHG					
GHG emissions linked to electricity consumption	tCO ₂ eq.	80,730	79,475	76,807	50,323
GHG emissions linked to fuel oil and gas consumption	tCO ₂ eq.	131,450	129,668	108,740	116,094
GHG emissions linked to biomass consumption	tCO ₂ eq.	1,723	1,607	1,607	1,817
GHG emissions linked to refrigerants	tCO ₂ eq.	7,004	4,864	4,282	5,526
GHG emissions linked to the Group's own vehicle fleet	tCO ₂ eq.	9,505	9,318	9,051	8,159
GHG emissions, Scopes 1 and 2	tCO ₂ eq.	230,412	224,932	200,487	182,500

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

(b) The Group's past emissions were recalculated in 2021 in order to take into account changes in the scope of consolidation (sale of Royal Bel Leerdammer NL, Bel Italia, Bel Deutschland, the Leerdammer brand and all its related rights, as well as Bel Shostka Ukraine) in order to maintain a comparable scope of consolidation between 2017 and 2020, as required by the SBTi framework.




APPENDIX

Bel Group with MOM and Safilait	Units	2019	2020	2020 pro forma ^(a)	2021
DISCHARGES INTO WATER					
Discharge into the natural environment					
Volume of water purified internally with discharges into the natural environment	m ³	2,143,434	2,194,538	2,188,497	2,253,558
Discharged chemical oxygen demand	kg	81,580	96,933	96,806	102,078
Discharged phosphorous	kg	5,211	3,289	3,182	3,436
Discharged suspended matter	kg	36,761	45,690	45,690	33,208
Discharged nitrogen	kg	12,854	24,670	24,614	14,432
Discharged to an urban wastewater treatment facility					
Volume of water treated by a third party with other effluents	m ³	2,403,209	2,408,437	1,471,584	1,544,127
DISCHARGES INTO SOIL					
Spreading of untreated water					
Volume of wastewater spread as untreated water	m ³	87,557	N.A.	N.A.	N.A.
Agricultural recovery of sludge from wastewater treatment facilities					
Nitrogen	mt	96	93	93	93
Phosphorous	mt	84	83	83	92
Dry matter	mt	1,116	1,080	1,080	1,123
DISCHARGES INTO WATER AND SOIL					
Total volume of discharges	m ³	4,634,200	4,602,974	3,660,080	3,797,685
Total cost of treatment of these discharges	EUR	5,730,607	6,173,361	5,100,399	6,158,237
OTHER EMISSIONS INTO THE AIR					
Nitrous oxide, nitrogen dioxide	mt	200	189	169	183
Sulfur dioxide	mt	198	127	127	133
NOISE POLLUTION					
Percentage of sites whose noise level at their boundaries and emergence level for the most at-risk residents is compliant	%	77	73	73	77
ENVIRONMENTAL DAMAGE					
Number of incidents	Unit	107	162	131	178
Corrective actions	Unit	106	152	131	178
PRODUCTION OF WASTE					
Quantity of non-hazardous waste sorted and sent for recovery	mt	28,439	36,707	30,748	33,167
Quantity of hazardous waste sorted and sent to appropriate treatment channels	mt	888	541	515	703
Waste incinerated to generate energy	mt	2,842	4,823	4,020	7,147
Waste incinerated without energy generation	mt	131	0	0	0
Waste deposited in landfills	mt	7,192	7,486	7,399	7,675
Total quantity of waste	mt	39,492	49,556	42,681	48,692
Cost of treatment	EUR	3,657,956	3,747,848	3,481,060	4,451,374
Income from sale	EUR	813,823	729,401	721,229	1,112,541

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

Follow Bel news at

www.groupe-bel.com

 [@belcorporate](https://twitter.com/belcorporate)

 [Bel](https://www.linkedin.com/company/bel)

 [Bel Group](https://www.youtube.com/BelGroup)

Photos: @Bel - Getty Images
Design and production: HAVASPARIS.





This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



**2, allée de Longchamp
92150 Suresnes**

A French limited company (*société anonyme*)
with share capital of €10,308,502.50
Nanterre Trade and Companies Register 542 088 067
APE/NAF code: 1 051C