2022
ANNUAL REPORT

INCLUDING THE INTEGRATED REPORT, NON-FINANCIAL PERFORMANCE DECLARATION, MANAGEMENT REPORT, CORPORATE GOVERNANCE REPORT, ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS, AND STATUTORY AUDITORS' REPORTS

bel
for all for good

CONTENT

ANNUAL REPORT 2022

INCLUDING THE INTEGRATED REPORT, NON-FINANCIAL PERFORMANCE DECLARATION, MANAGEMENT REPORT, CORPORATE GOVERNANCE REPORT, ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS, AND STATUTORY AUDITORS' REPORTS

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

Registred office
2 allée de Longchamp
92150 SURESNES (France)

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

1.

INTEGRATED REPORT

A YEAR OF EXPANSION

2022 INTEGRATED REPORT

bel
for all for good

It is our belief that access to healthier and more sustainable food is everyone's basic right.

We have turned this conviction into our mission and made it our Company motto: *For All. For Good*.

By being **determined and daring,** we strive to contribute to the transition of global food models in order to preserve planetary resources.

With an **expansive and inventive** approach, we continue to develop our historical dairy territories, while exploring the new territories of fruit and plant-based products.

Because we are **optimistic and socially committed,** we believe in our ability to mobilize our entire ecosystem to rethink the value of food, renew agricultural practices and decarbonize our entire value chain, today and for future generations.

The Bel group in 2022

5
generations of family management

3 values:
DARE
CARE
COMMIT

Nearly **10,800**
employees

6,730(1)
suppliers

Nearly **1,200**
dairy producers

126
countries of sale

29
production sites

56
subsidiaries in 32 countries

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

99/100(2)
on the gender equality index

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

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

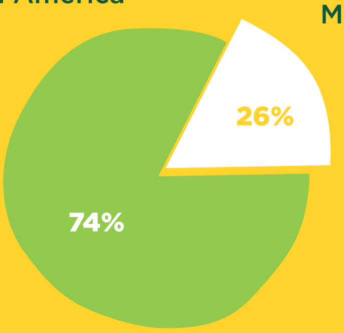
78.3%
of children's and family products have positive(3) recipes

(1) With annual revenue over €10,000.
(2) Bel (cheese business only).
(3) See p. 29.

OUR MARKETS

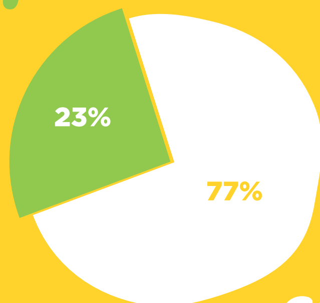
€2,654M
Mature Markets
Europe, Near and Middle East, North Africa, North America

€941M
New Territories
MOM, Sub-Saharan Africa, China



OUR PRODUCTS

€826M
Fruit- and plant-based products

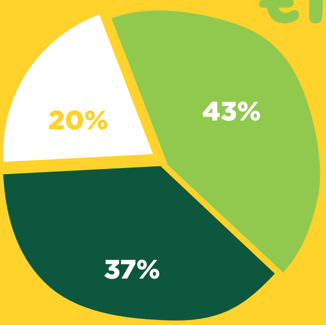


€2,767M
Dairy products

OUR GROWTH AREAS

€707M
Middle East, Greater Africa

€1,542M
Europe



€1,347M
The Americas, Asia-Pacific

€3,593M
REVENUE IN 2022

WE ARE AN INNOVATIVE INDUSTRIAL GROUP DEEPLY ROOTED IN OUR MARKETS

With some 30 production plants around the world, Bel is first and foremost an industrial group that produces as close to its markets as possible and in conjunction with its local partners. Wherever it operates, the Group invests in modernizing its industrial equipment to develop innovative products, while enhancing the safety and well-being of its people. As a responsible business, it aims to reduce its carbon footprint as much as possible, starting with it aims to reduce its production sites.

SITES IN TRANSFORMATION, IN SUPPORT OF ITS STRATEGY

The deployment plan for Bel plants around the world is designed to increase the Group's production capacity to support its strategic roadmap, and in particular the development of its core brands, such as GoGo squeeZ® at Nampa, Idaho (United States) and Babybel® at Michalovce (Slovakia). Another objective is to foster innovation: Plant-based Boursin® Végétal at Pacy-sur-Eure, The Laughing Cow® Plant-Based at Lons-le-Saunier and Babybel Plant-Based at Évron. And finally, the Group continues to strengthen its international positions with a new plant in China in 2022 from the acquisition of Shandong Junjun Cheese Co., Ltd and a joint venture in India enabling the Group to add to its networkin strategic regions.

This corporate development is taking place as part of a responsibility and decarbonization program that leverages several efforts: lowering consumption at its production sites through time-trend monitoring and optimization programs (Wasabel for water and Esabel for energy); increasing the energy efficiency of the plants, with the installation of heat pumps (two were commissioned in 2022 in Dole), and transitioning to renewable forms of energy. The installation of biomass boilers continues (three have already been installed, two are under construction in 2023, and two are under study), as does the installation of photovoltaic collectors. Two sites, in Vietnam and the Azores, are already equipped, and a project is under study for Pacy-sur-Eure.

89%
of the electricity consumed by its sites comes from renewable sources


CANADA
Sorel-Tracy
UNITED STATES
Leitchfield (KY)
Little Chute (WI)
Brookings (SD)
Nampa (ID)
Traverse City (MI)
FRANCE
Dole
Lons-le-Saunier
Pacy-sur-Eure
Sablé-sur-Sarthe
Évron
Mayenne
Vendôme
Saint-Nazaire (All In Foods)
Boué
Chef-du-Pont
SPAIN
Ulzama
PORTUGAL
Ribeira Grande
Vale de Cambra
CZECH REPUBLIC
Želetava
POLAND
Chorzele
SLOVAKIA
Michalovce
TURKEY
Corlu
MOROCCO
Tangier
ALGERIA
Koléa
EGYPT
Cairo
IRAN
Qazvin
VIETNAM
Ho Chi Minh City
CHINA
Shandong

OUR FY2022

February

1.5°C

A NEW CARBON GOAL

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

A SURGE OF SOLIDARITY WITH UKRAINE FROM ITS EMPLOYEES

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

May

BEL BUYS THE REMAINING EQUITY OF MOM

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

CÉCILE BÉLIOT IS APPOINTED CHIEF EXECUTIVE OFFICER

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

October

ESTABLISHMENT OF A SUSTAINABILITY-LINKED FINANCING FRAMEWORK

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

October

10 YEARS OF PARTNERSHIP WITH WWF FRANCE

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

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

July

SIGNATURE OF AN EXCLUSIVE STRATEGIC PARTNERSHIP WITH SUPERBREWED FOOD

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

August

MAJORITY OWNERSHIP ACQUISITION IN CHINA

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

November

SIXTH AGREEMENT BETWEEN BEL AND APBO PRODUCERS

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

MEETING THE CHALLENGE OF PROTEINS FOR THE FUTURE WITH STANDING OVATION

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

November

IN INDIA, A JOINT VENTURE WITH BRITANNIA INDUSTRIES

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

December

IN MOROCCO, DISPOSAL OF SAFILAIT

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

ANIMAL-FREE DAIRY PROTEINS

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

SIGNING OF A SUSTAINABILITY-LINKED SCHULDSCHEIN LOAN

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

che qui rit
LE GOÛT UNIQUE
ORIGINAL
RECETTE CLASSIQUE
32
CHANGEMENT DE RECETTE

A family-owned group in transformation

Evolving governance, several major acquisitions, strengthened commitments to positive impact: 2022 saw an acceleration of our strategy in line with our DNA. Amidst economic and geopolitical uncertainty, we combine the long-term vision of a family-owned group with excellent short- and medium-term operational execution.

WE ARE GOING TO ACCELERATE OUR TRANSFORMATION TOWARD A SUSTAINABLE AND RESPONSIBLE BUSINESS MODEL

Message from Antoine Fiévet, Chairman at Bel group

The effective implementation in May 2022 of a dissociated governance structure at the head of Bel, with the appointment by the Group's Board of Directors of Cécile Béliot as Chief Executive Officer, marks the beginning of a new chapter in the Group's history and development. Governance is a key topic for businesses today; and this model, which separates the functions of Chairman of the Board of Directors and CEO, has proven itself in many international groups.

Combining the short and long terms

In an increasingly unpredictable and complex world, the complementary pairing formed with Cécile Béliot allows us to better face the strategic challenges ahead and makes us even more resilient. It strengthens Bel's ability to transform itself in the short term and also to produce sustainable performance in the long term, in line with the values of the family model represented by myself. Announced, prepared and deployed effortlessly, this transition allows us to pursue, with genuine continuity and great confidence, our ambition: to become the leader in healthy snacking, in the three complementary areas of milk, fruit and vegetables, by relying on fun, strong and popular brands.

Guaranteeing the continuation of the family model

As Chairman of the Board of Directors, it is now my responsibility to work with the Board to define Bel's long-term strategic vision and ambitions, while remaining the guardian of the values of our family business. Bel will thus continue and accelerate its transformation toward a sustainable and responsible performance model, with one ambition: to have a positive impact on our entire ecosystem and, more broadly, to contribute to the development of new models for food throughout the world.

NOW AT THE HEAD OF BEL THERE IS A COMPLEMENTARY PAIR CARRYING OUT THE STRATEGIC VISION


TO INVENT
NEW FOOD
MODELS
WE ARE PUSHING
BACK ALL
BOUNDARIES

Interview with Cécile Béliot, Chief Executive Officer at Bel group

What is your mission as Chief Executive Officer?

More than twenty years ago, Bel began its pioneering efforts in the pursuit of total performance – economic, social and environmental. Alongside Antoine Fiévet, I have been part of this transformation since 2018; and today I am responsible for accelerating it, along with all Bel employees worldwide, in the service of a positive vision of the food of tomorrow.

What are the highlights you recall from 2022?

The first is the completion of the acquisition of MOM with its strong, popular brands. This transaction marked the successful completion of the first stage of our merger. It also paves the way for a second stage, which will enable us to continue our acceleration on fruit, and thus contribute to the strategy of rebalancing our portfolio between dairy and non-dairy products. Our very similar DNAs suggest great synergies between Bel's expertise and that of MOM, which has achieved great successes in the healthy snacking market in recent years. The other hallmark of 2022 is the expansion of our international footprint, with two major operations: the acquisition of a majority stake in the Chinese company Shandong Junjun Cheese Co., Ltd, which gives us an industrial base in this key country, and the creation of a joint venture with India's leading agri-food company Britannia Industries. Finally, as we announced, we also accelerated the pace of disruptive innovation through our cutting-edge partnerships.

Why is it necessary to push back the boundaries of innovation?

Because our vision of healthy eating is not just about providing consumers with a quality experience. We want to improve our products but also to provide a real nutritional response to the food issue worldwide by working with new, very high-quality proteins. We want to offer consumers new experiences, to show them that cheese can be a modern, healthy and functional food, that is fun and accessible. We are reconsidering our traditional approaches – by updating our product matrix, by being more responsible, by being more guided by consumer expectations, by working with new partners, universities, start-ups and competitiveness clusters. We continue to develop cheeses, and we are also introducing products based on plants or alternative proteins. Finally, we take into account our impact on our entire value chain, and we help our partners in the dairy and agricultural sectors to commit to more sustainable approaches that respect people, animals and the planet.

With #BeLowCarbon, another boundary was pushed back in 2022. Why that decision?

This new, more ambitious carbon trajectory, in line with the +1.5°C trajectory of the Paris Agreement, engages all of our stakeholders, from farm to fork, so as to guarantee a significant impact, for everyone. It allows us to raise the awareness of each of our employees by giving them the keys to understand the real carbon impact of their actions and to act in concrete terms to reduce this impact.

The Group is growing fast, so how does one preserve its family and human dimension?

Bel has a strong culture, and we are committed to making it grow and evolve with the business. Making all our employees "Actors for Good" is a way of telling them that they are the real heroes of the adventure we are on together. Their business is changing; their work is transforming; we are integrating new teams, especially this year from MOM and Shandong Junjun Cheese Co., Ltd, but the core of our community remains the same.

ACCELERATING DECARBONIZATION IS THE KEY TO OUR COMPANIES' RESILIENCE: OUR #BELOWCARBON COMMITMENT IS FULLY IN LINE WITH THIS MOVEMENT

Executive Committee

CÉCILE BÉLIOT
CEO

CÉCILE BÉLIOT IS APPOINTED CHIEF EXECUTIVE OFFICER
The Group's Board of Directors appointed Cécile Béliot as Bel Chief Executive Officer and renewed Antoine Fiévet as Chairman of the Board of Directors. Cécile Béliot is now in charge of executing the Group's vision, as well as managing the Group's strategy and performances. In this capacity, she and the Executive Committee continue the transformation of the Group and the activation of its new drivers of sustainable growth, including accelerating innovation, strengthening the Group's international positions (in the United States of America, China and India) and the continued development of plant-based products in addition to the Group's fruit and dairy products.

STÉPHANE DUPAYS
Chief Operations Office

JÉRÔME GARBI
Chief Markets Officer

CAROLE JAIS
Trust & Ethics Chief Officer

FRÉDÉRIC MÉDARD
Chief Impact Officer

FRÉDÉRIC MOULIN
Chief People Officer

CÉCILE ANGRAND
Chief Growth Officer

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

PASCAL COLAS
Chief MOM Business Officer

Board of Directors

ANTOINE FIÉVET
Director and Chairman ●

THIERRY BILLOT
Lead Independent Director

FATINE LAYT
Director ●

NATHALIE ROOS
Director

FLORIAN SAUVIN
Director

Unibel SA,
represented by
ÉRIC DE PONCINS
as of September 2, 2022 and replacing Bruno Schoch
Director ●

ALEXANDRE VERNIER
as of May 12, 2022 and replacing Philippe Perche
Director ●

Non-director members

ERNST PANKERT ●
JOËLLE PACTEAU ●
CÉCILE TANDEAU DE MARSAC ●

43%
Proportion of independent members

33%
Percentage of women on the Board

93%
Average attendance rate at meetings of the Board of Directors

55 YEARS
Average age

THE MAIN TOPICS ADDRESSED BY THE BOARD OF DIRECTORS IN 2022

In 2022, as part of its duties, the Board of Directors reviewed the interim and annual financial information, (including the annual financial statements, consolidated financial statements and interim consolidated financial statements), and the processes used to prepare this information. Each Board meeting called to approve the financial statements was preceded by a meeting of the Audit Committee. The Directors systematically reviewed the press releases relating to this information before their release. The state of business was assessed at each meeting. Regular attention was given to the economic and geopolitical situation of the markets and its impact on the Group's business. In addition to reviewing organizational issues relating to acquisitions and disposals, the directors also discussed the Group's industrial investments and financing. The Board of Directors also approved the evaluation process for its work.

Audit Committee: Members ●
Appointments and Compensation Committee: Members ●

Building a new social model

TO SUCCEED IN THE POSITIVE TRANSFORMATION OF A BUSINESS, THE COMMITMENT OF THE EMPLOYEES IS ESSENTIAL. BY DEVELOPING CHANGE MANAGEMENT PROGRAMS, BEL ENABLES EVERY EMPLOYEE TO IDENTIFY THE CONTRIBUTION THEY MAKE AND TO PURSUE THEIR PROFESSIONAL DEVELOPMENT.

"NURTURE" TO SUPPORT CHANGE

Launched in 2021, the "Nurture" program defines the commitments Bel wishes to make to its employees, and the Group's strategic vision for its human resources requirements. It also spells out the behaviors expected and the new management model in place to achieve this ambition. Built around the Group's three key historical values - Dare, Care, Commit - "Nurture" expresses the fundamental values that Bel wishes to bring to its employees.

THE NURTURE COMMITMENTS CENTER ON SIX THEMES

Give greater individual recognition by guaranteeing a common base of social guarantees and a decent salary for all Bel employees, by valuing people's skills and celebrating their successes.

Offer family care by making several of the Group's programs available to employees' families.

Promote the development of individuals, with evaluations, skills development, career management and opportunities for transfers.

Provide workplace safety and well-being by ensuring compliance with health and safety standards, but also by improving the quality of life at work and the work-life balance.

Increase self-fulfillment by emphasizing team autonomy and accountability, enabling each employee to receive training and engage in social responsibility projects, and by increasing employee satisfaction.

Strengthen the feeling of belonging by relying on the employer brand, employee shareholding, and employee diversity and inclusion.

"Our world is increasingly complex, increasingly fluid. It requires us to adapt quickly and continuously. With the Bel Forward program, which began in late 2022, we aim to become more agile and simplify our processes. We will equip ourselves with easy-to-use technology to move faster and build a powerful operating model for the new Bel and MOM entity."

FRÉDÉRIC MOULIN
Chief People Officer
at Bel group

WE @Bel

VALUES, CULTURE AND BEHAVIOR

The Group's cultural transformation is based on Bel's three historical core values. It is supported by We@Bel, a program that translates these values into new leadership behaviors, in line with the Group's changing markets and environment. We@Bel is first and foremost a support for people, through training for all employees and a program specifically for managers. These changes are all the more necessary as the Group's scope of consolidation changes with the disposals and acquisitions it is making. In 2022, the arrival of the MOM teams in the Group after Bel acquired the remainder of the company's equity was a major event. The consolidation of MOM has resulted in a dozen internal transfers for positions with strong expertise in marketing or purchasing.

78%
of employees have signed up to Bel's corporate mission

WE@BEL OFFERS PEOPLE SUPPORT, THROUGH TRAINING FOR ALL EMPLOYEES

Nourishing each person's commitment

BY LISTENING TO ITS EMPLOYEES, BEL IS BUILDING ITS CULTURAL TRANSFORMATION ON THREE FUNDAMENTALS: INDIVIDUAL COMMITMENT, WELL-BEING AND FULFILLMENT. AS A RESPONSIBLE BUSINESS, IT BUILDS CONSTRUCTIVE DIALOG WITH ITS EMPLOYEES AND THEIR REPRESENTATIVES.

HEAR THE EMPLOYEES SPEAK

As part of Nurture, Bel launched "Your Voice", an employee commitment program, in 2021. This includes an internal survey of commitment conducted each year among all employees. Your Voice is included in the **Group's unique positive impact index*** and is one of the major tools for understanding and managing Bel's performance. Analyzed by site, by team or by geographical area, the findings lead to action plans for making progress on issues such as diversity and inclusion, well-being at work and process simplification. In 2022, the findings of the second round of the Your Voice survey show a very high level of commitment as well as progress on a number of topics, such as feeling safe at work, employee buy-in to the company's mission and work-life balance.

NEW WAYS OF WORKING

The Hybrid Work policy signed in 2021 promotes employee autonomy and flexibility around work organization, striking the right balance between Group performance and employee well-being. In France, any employee who so desires can work a combination of days at headquarters and others remotely, either telecommuting or in one of the 800 co-working spaces of the platform with which Bel has formed a partnership. For this innovative approach, constructed jointly by managers and their teams, the Group was awarded a Special Mention in the "Hybridization of work modes" category by the jury of the *Victoires des Leaders du Capital humain* in 2022.

your VOICE speak listen act

IN FIGURES

76%
engagement rate (up 2 points from 2021)

12,000
qualitative comments collected

84%
participation rate

For Bel, hybrid working is an important factor in attracting and retaining talent. Our Hybrid Work policy allows each employee to find the right balance between personal life and professional effectiveness and performance. This is how the Group demonstrates its confidence in the individual and collective responsibility of its employees. It is the innovative approach that was singled out with an award at the *Victoires des Leaders du Capital Humain*."

DENIS GAYOUT
People Engagement Director
at Bel group

INCLUSION AND RESPECT

For Bel, welcoming, respecting and valuing all employees also means proactively fighting against all forms of discrimination or harassment, and promoting diversity and inclusion. In 2022, the Group launched its Diversity and Inclusion Charter, in which it commits to:

- **educate** and train its executives and managers;
- **guarantee** non-discrimination and promote inclusion;
- **foster** the representation of diversity, in all its differences and richness;
- **communicate** its commitment to all employees;
- **make the development** and implementation of its diversity policy a topic of discussion among its stakeholders;
- **evaluate** the progress made on a regular basis and report that to the employees.

In 2022, the Group introduced two e-learning training modules: "What is diversity and inclusion?" and "Understanding unconscious biases." In France, it also signed *La Charte de la Diversité* of the *Les Entreprises pour la Cité* network.

WELCOME AND SUPPORT

The Group places a high priority on the acquisition and retention of talent. In 2022, Bel updated its onboarding program to welcome and support new employees from the moment they sign their contract until the end of their first year with the company. It is thus customized according to the needs of the business and the specific characteristics of each employee's country. The annual performance review is also a valuable opportunity for discussion with the line manager and for assessing leadership, personal and technical skills. This is an opportunity to collaborate, based on the employee's professional aspirations, on an individual development plan tailored to the employee's needs, through training, work experience or mentoring. In France, Bel has committed to supporting the *1 jeune, 1 mentor* program initiated by the Ministère du Travail (Ministry of Labor) and the *Haut-Commissariat à l'Emploi et l'Engagement des entreprises* (High Commission for Employment and Business Commitment), and also reactivated in-house mentoring in 2022 so that volunteers can support another employee who expresses a need.

* See p. 37.


Babybel
GoGo
SQUEEZ

A model combining profitability with responsibility

We firmly believe that responsibility and profitability are mutually supportive. Every decision we take is therefore based on these two imperatives, and Bel's model moves forward on "two legs." By placing CSR issues at the center of our overall performance management, we are setting ourselves on a path of progress for everybody. Our ambition? To ensure the sustainability of our business by generating a positive impact in the long run.

A positive business model

OUR RESOURCES

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

Our values
- Dare, Care, Commit

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

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

A solid financial base
- €1,592 million in equity

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

Committed partners working alongside Bel
- 1,200 farmers
- 6,730 suppliers
- Coalitions for a positive, collaboration-based dynamic: Carrefour's Food Transition Pact, the UN's Race to Zero campaign, the Science-based Targets Network for biodiversity and the Too Good To Go pact

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

OUR AMBITION

To establish a responsible and profitable growth model

OUR FARM-TO-FORK VALUE CHAIN

OUR MISSION
TO CHAMPION HEALTHIER AND RESPONSIBLE FOOD FOR ALL

OUR IMPACTS

FOR OUR EMPLOYEES

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

FOR OUR CONSUMERS

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

FOR OUR CUSTOMERS

Innovative distribution models and a presence in over 126 markets
- Bel ranks among the top three suppliers preferred by its customers in seven countries: France, Belgium, Spain, Portugal, the Netherlands, the United States and Canada

FOR OUR PARTNERS

Sustainable and responsible relationships throughout the value chain
- Its partners' average EcoVadis score: 54.6/100 for Dairy, 61.4/100 for Fruit

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 its value chain by 2035 (as compared to 2017, controlling for growth)

FOR OUR FAMILY SHAREHOLDERS

A sustainable growth model creating long-term value

FOR NGOs AND SCIENTIFIC EXPERTS

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

FOR OUR LOCAL COMMUNITIES

A solid local presence
- Taxes representing 33.4% [1] of income, paid in 26 countries
- Economic and social support for communities

(1) Excluding non-recurring transactions.

Integrated management for positive impact

BY PROVING IN 2022 THAT CSR IS THE KEYSTONE OF ITS FINANCING STRATEGY, BEL ONCE AGAIN SHOWED THE PIONEERING NATURE OF ITS COMMITMENT.

A SINGLE FRAMEWORK FOR SUSTAINABLE FINANCING

In line with its responsible business model and ESG challenges, Bel instituted a sustainability- linked financing framework in 2022. This innovative financial framework allows Bel to structure all its future sustainable financing in a sustainability- linked format. When independently assessed by Moody's ESG Solutions, it received a positive opinion, attesting to the ambition of the objectives set. Financing transactions can now be indexed to four key CSR performance indicators selected by Bel (see opposite page).

To learn more about the sustainability-linked financing framework

A LINE OF CREDIT BASED ON IMPACT

Starting in 2017, Bel was the first dairy industry group and the fifth company in the world to voluntarily index its credit lines to its sustainability performance. In September 2022, the Group concluded the refinancing for five years of an environmental and social impact credit line of €550 million. This multi-currency credit line is provided by a syndicate of eleven banks or banking groups, thereby confirming their confidence in Bel's commitments. The facility is based on the Group's achievement of three objectives: to reduce its Scope 1 and 2 greenhouse gas emissions as part of its total Science-Based Targets +1.5°C commitment, to develop carbon diagnostics and action plans for milk producers and to contribute to healthier food for its core brands dedicated to children and families.

CONFIDENCE OF INTERNATIONAL INVESTORS

Finally, under the new framework, Bel successfully closed a Sustainability-Linked Schuldshein Loan (SSD) in early 2023, for €195 million and US$120 million. The success of this transaction demonstrates the confidence lenders have in the financial and responsible commitments of the Bel group. With the equivalent of €315 million subscribed for an announced target of €200 million and an average maturity of more than five years, this transaction was largely oversubscribed and attracted the interest of a considerable number of European and international investors, from Germany, the Netherlands, Belgium, Spain and China. This loan will be used to finance the Group's general needs, including industrial investments to pursue its decarbonization strategy and increase its production capacity.

PERFORMANCE INDICATORS SUPPORTING DECARBONIZATION

INDICATORS OF THE SUSTAINABILITY-LINKED FINANCING FRAMEWORK

- Reduce Scope 1 and 2 greenhouse gas emissions
- Reduce Scope 3 greenhouse gas emissions (in absolute terms) by 25% between 2017 and 2035
- Develop carbon diagnostics and action plans for dairy producers
- Contribute to a healthier diet on its core brands for children and families

3 QUESTIONS FOR

FRÉDÉRIC MÉDARD
Chief Impact Officer
at Bel group

YOU HAVE BEEN THE GROUP'S CHIEF IMPACT OFFICER SINCE MAY 2022. WHAT DOES THAT JOB ENTAIL AT BEL?
The Chief Impact Officer leads the performance of the Group as a whole. For Bel, this approach to performance serves all of the company's stakeholders. It requires a thorough transformation so that decisions at all levels can be made using financial and non-financial criteria, with Finance and CSR as facilitators.

HOW DO YOU APPROACH YOUR ROLE?
Finance and CSR are the mainstays of transforming businesses, which are where the medium-term transformation of our societies is centered. I am convinced that CSR performance has to be managed with the same rigor, expertise and energy as financial performance, making CSR figures speak as clearly as financial figures.

WHAT IS YOUR TOP PRIORITY AT THIS POINT?
Implementing our commitments on an operational level. For us to truly accelerate, every employee must understand and have access to the right information on his or her scope of action, i.e., to all indicators – financial and non-financial.

A new carbon goal

WHILE COMMITTED TO THE SCIENCE-BASED TARGETS INITIATIVE SINCE 2017, BEL TOOK A NEW STEP IN 2022 BY MAKING DECARBONIZATION A DRIVER OF ITS FINANCIAL AND NON-FINANCIAL PERFORMANCE, AND BY STRENGTHENING ITS REDUCTION TARGETS UNDER THE BANNER OF A PROGRAM CALLED “#BELOWCARBON.”

The latest IPCC scenarios speak for themselves: keeping global warming below 1.5°C is essential for our survival. The time to act is now. In response to this emergency, in 2022 the Group announced its intention of reducing its carbon footprint more rapidly and assumed an even more ambitious trajectory, in line with the target of limiting global warming to less than 1.5°C. This commitment implies a net reduction by 2035 of one quarter of its greenhouse gas (GHG) emissions across its entire value chain as compared to 2017, controlling for growth. This ambitious goal was endorsed by the SBTi (Science-Based Targets initiative) in March 2022.
The Group has also announced that carbon is now part of its decision-making toolkit for operations management, in the same way as financial criteria.

REDUCING THE GROUP'S CO_2 EMISSIONS BY 1/4 BY 2035

To learn more about the BeLowCarbon web series

MAKING UPSTREAM DAIRY A PRIORITY

Upstream dairy accounts for 67% of Bel's carbon footprint. The Group has long striven to reduce this footprint by working with its milk producers to develop more sustainable agricultural practices. Bel assists them chiefly in carrying out decarbonization plans. In France, 100% of farms (barring some exemptions) performed their first carbon diagnosis in 2022 in order to identify the main opportunities for reducing emissions at the farm level.

At the same time, the Group has initiated a pilot program with DSM in Slovakia and France on cow feed, designed to reduce methane emissions from herds by 20 to 30%. The program was introduced in the fall of 2022 on two Slovakian farms and in the winter of 2022–2023 on five French farms.

GIVING CONSUMERS THE CHOICE TO REDUCE THE CARBON IMPACT OF THEIR DIET

To help consumers reduce the carbon footprint of their meals, Bel intends to balance its product offering so that the Group will eventually offer 50% dairy products and 50% fruit and vegetable products. To meet this objective, the Group will rely on the fruit-based products it offers, Pom'Potes® and GoGo squeeZ. The Group is also stepping up the development of its plant-based products by developing plant-based recipes for its core brands, such as Babybel Plant-Based, by launching Nurishh, its first 100% plant-based brand, in 2021, and by working with innovative start-ups to envision foods of the future.

ENLISTING ALL OUR STAKEHOLDERS

Bel wants to make a positive impact all along its value chain. To do so, the Group works hand in hand with its partners to minimize the environmental impact of its operations, from the production of raw materials to the end-of-life of products, including their transportation and distribution. For example, Bel has joined the FRET 21 collective in France to optimize the transportation of its products by adjusting its practices. This has already resulted in an 8% reduction in emissions in 2022 vs. 2020. Bel also strives to devise joint greenhouse gas emissions reduction strategies with its customers. With this in mind, Bel has, for example, joined Carrefour's Food Transition Pact, a cross-industry working group launched on biodiversity, and is also participating in the 20 Megatonne Platform, also launched by Carrefour, on indirect Scope 3 emissions.

Our leverage for accelerating the food-model transition

FROM FARM TO FORK, BEL HAS SEVERAL WAYS TO LEVERAGE FOOD MODEL TRANSFORMATION BY SEEKING POSITIVE IMPACT AND ENLISTING ALL OF ITS STAKEHOLDERS.

1 CONTRIBUTING TO HEALTHIER FOOD

418 million consumers, including a large percentage of children, enjoy Bel products each year. Bel also pays the greatest attention to portions so as to meet everyone's nutritional needs with a nutritious and balanced diet.

EVEN MORE NUTRITION AND NATURALNESS IN 2022

Bel is in a continual process of improving its recipes. Thus, in 2022, 52 recipes were revamped to improve their nutritional quality and/or naturalness (over 350 recipes revamped since 2012). Among the leading upgrades:

- Kiri recipes in Japan and Morocco have been optimized to reduce fat without compromising taste;
- The Laughing Cow has received a makeover. In Spain, it has less fat and salt, but more protein and calcium. In parallel, the recipe is now enriched with calcium in the Czech Republic and Slovakia, and with vitamins A and D in the United States.
- As to Nurishh, the line of grated products has been revised and their nutritional profile has been improved by the addition of sunflower oil. The brand has also launched, in Europe and Canada, Tartinables, a specialty spread made from sunflower seeds, a source of fiber with an excellent nutritional profile.

"We are convinced of the importance offortifying our recipes with vitamins and minerals to help fight against deficiencies. In addition, food education is an important lever to change behaviors toward healthier lifestyles, which is why we support nutritional education programs."

CAROLINE CHESNEAU
Nutrition Director at Bel group

To learn more about the Group's Nutrition strategy

The two challenges for improving the Group's nutritional quality are grouped under the "Positive Recipes" strategic indicator. It measures the share of products in the children and families portfolio whose recipe is "positive," i.e., either compliant with the Bel Nutri+ nutritional profiling system, or containing a maximum of one additive. As a result, in 2022, 78.3% of children's and family products have a positive recipe.

EFFECTIVELY COMBAT NUTRITIONAL DEFICIENCY

Significant levels of malnutrition persist, particularly in Morocco, with documented nutritional deficiencies in iodine, iron, zinc, vitamin D, and calcium, especially among children. Bel is committed to help combat malnutrition around the world through its product fortification policy, adapted to local recommendations and needs. To assess the impact of this fortification on the nutritional intake of Moroccan children (6–12 years old), Bel launched a study with research teams from the University of Zaragoza, led by Dr. Luis Aznar Moreno and Dr. El Larbi Rjimati, involving children aged 6 to 12. Objective: to determine the quantity of The Laughing Cow to be consumed by a child to cover their daily nutritional needs in calcium, iron, iodine and zinc.

2 PROMOTING SUSTAINABLE AND REGENERATIVE AGRICULTURE

The future of the world's food supply depends on its ability to build, with farmers and producers, innovative, sustainable and regenerative agriculture.

WITH LAND O'LAKES, A GROUND-BREAKING PILOT PROGRAM

In the United States, Bel launched the "Truterra" program in collaboration with the Land O'Lakes cooperative to encourage regenerative agricultural practices. This program will be rolled out over the next few years with the Group's main dairy suppliers. Phase one was a three-year pilot with one of the Brookings plant's major milk suppliers, a pilot that received the Supply Chain Collaboration award from the Innovation Center for US Dairy. This marked the first time that this type of initiative, involving key stakeholders in the value chain in the adoption of sustainable farming and feeding practices, was launched on a dairy farm in the United States.

Faced with the climate emergency and the collapse of biodiversity, we need to act quickly, collectively, and boldly. WWF and Bel are celebrating 10 years of partnership, 10 years of working hand in hand to transform the Group's value chain through the development of sustainable dairy and plant-based products upstream, 10 years of investing in the field to protect and restore ecosystems, 10 years of raising awareness among the Group's employees, key stakeholders and consumers to encourage them to adopt more sustainable practices. This partnership demonstrates that a transition is possible and that we can no longer wait."

MARIE-CHRISTINE KORNILOFF
Director of Relations with the Business Community at WWF France

10 YEARS OF PARTNERSHIP BETWEEN BEL AND WWF FRANCE

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

The solution is right under our feet! As an agri-food business, we are dependent on what nature offers us. By putting living soil at the forefront of our thinking, our practices and those of our partners, we are working together to feed a growing population on a planet with limited resources. It is to achieve this ambitious goal that we are working today for regenerative agriculture, in collaboration with all our stakeholders."

ÉLODIE PARRE
Sustainable Development Director at Bel group

A PIONEERING APPROACH TO BIODIVERSITY

Bel is one of the pioneering businesses to have joined the Science-Based Targets Network for Nature (SBTN) and the Corporate Engagement Program in 2020. In this way, the Group is contributing to a collaborative effort to design and test a robust calculation methodology that will enable businesses to define biodiversity objectives that respect planetary boundaries. This work is regularly shared within the scope of the *Lab Capital Naturel*, co-founded by WWF France and the *Chaire Comptabilité Écologique* (Ecological Accounting Chair), supported by the AgroParisTech Foundation. In 2022, Bel testified alongside other pioneering companies to encourage other businesses to get involved. In the run-up to COP 15 on biodiversity, the Group also signed the "Make it Mandatory" campaign, initiated by Business For Nature, to encourage public authorities to make it mandatory for all major companies and financial institutions to assess and report on the impact of their activities on biodiversity.

3

DESIGNING SUSTAINABLE PORTIONS AND FIGHTING FOOD WASTE

At the heart of Bel's model, the individual portion serves the Group's mission by making products more accessible, providing the right nutritional amount and avoiding food waste. As a result, there is a strong responsibility to implement a committed and innovative packaging management and waste prevention policy.

ECO-DESIGN WITH BABYBEL AND BOURSIN

The first lever for responsible packaging is eco-design. By using the eQopack life cycle assessment tool, Bel simulates and evaluates the impact of its packaging. Since its introduction in 2021, 145 innovations have been evaluated and have resulted in innovations such as the Babybel Plant-Based pack, which is 97% paper, saving 18 tons of plastic per year.

RESPONSIBLE ALUMINUM AT THE SABLÉ-SUR-SARTHE PLANT

Aluminum accounts for only 6% of the Group's packaging tonnage, but occupies a symbolic place in its brand portfolio. Since June 2022, the Sablé-sur-Sarthe plant, where aluminum foil-wrapped Kiris are produced, is ASI Performance Standard and ASI Chain of Custody Standard certified, guaranteeing responsible sourcing. It is the first Bel plant and the second agri-food plant in the world to be certified to these two standards.

RECYCLABLE POUCHES AT POM'POTES

For a package to fit into the circular economy, 100% of the plastic used in it must be recyclable-ready. In 2022, five machines at the Boué plant were upgraded to offer a single-material, recyclable compote pouch, combined with a 40% lighter cap allowing for a 35% reduction in production-related CO_2 emissions as compared to 2018. The goal is to produce recyclable pouches on all the plant's lines by 2025.

THE SABLÉ-SUR-SARTHE PLANT, THE 2ND AGRI-FOOD PLANT CERTIFIED ASI PERFORMANCE STANDARD AND ASI CHAIN OF CUSTODY STANDARD IN THE WORLD

COMBATING FOOD WASTE TOGETHER

Close to 40% of the food produced in the world for human consumption is wasted. Combating food waste is a major social, ethical and environmental issue. It is Bel's intention to be part of the solution and tackle food waste everywhere, starting with its plants. The Group has teamed up with various partners, such as the start-up Too Good To Go, to raise consumer awareness of expiration dates through The Laughing Cow, Apéricube®, Kiri, Pom'Potes and GoGo squeeZ products in various European countries. The Group has also joined the Consumer Goods Forum's 10x20x30 initiative, pledging to reduce food waste by 50% by 2030 as compared to 2021. Lastly, in 2022 the Group translated its commitments into its "Bel Charter to fight against food waste," thereby giving greater visibility to all the initiatives carried out by the Group.

"As a responsible manufacturer, we have always sought to limit the environmental impact of our plants. For over 15 years, we have made reduced energy consumption and decarbonization, pillars of our industrial development strategy. Today, in the face of the inflationary crisis, we see the true impact of the bold choices we have made."

AUDE BOUCHERY
Environment Director
at Bel group

4 FIGHTING AGAINST CLIMATE CHANGE

CONTRIBUTE TO THE CARBON NEUTRALITY OF PRODUCTION SITES BY 2025

Bel has always sought to limit the environmental footprint of its plants as much as possible. To that end, the Group has developed an approach based on three points:

1. reducing consumption through continuous improvement programs for water: Wasabel (Water Saving at Bel) and for energy: Esabel (Energy Saving at Bel). Each site has a compilation of best practices to track its consumption and develop action plans to reduce it;
2. improving energy efficiency: the Dole site, for example, is equipped with two heat pumps. The waste heat from production is recovered to heat the plant's administrative buildings and so reduces gas and water requirements;

AT THE DOLE PLANT, WITH THE HELP OF TWO HEAT PUMPS, THE WASTE HEAT FROM PRODUCTION IS RECOVERED TO KEEP THE ADMINISTRATIVE BUILDINGS WARM

3 accelerating the transition to renewable energy: the Bel group has three biomass boilers, and two projects are planned for 2023 in Morocco and the Azores. Two Bel sites are also equipped with photovoltaic collectors (Vietnam and Portugal) and a third project is being studied at the Pacy-sur-Eure site. A plan to convert plants to the purchase of renewable energy is under way. Eighty-nine percent of the Group's total electricity consumption already comes from renewable sources, owing to the conversion in 2022 of the MOM sites in the United States and Bel's sites in Morocco, Vietnam, Portugal and Turkey.

GIVE EMPLOYEES THE RIGHT INFORMATION TO ACT ON

The Group has developed an educational tool, Bel Carbon Impact, which provides a consolidated, analytical view of the Group's carbon footprint in all its markets, brands, segments and products, and makes it possible to track its emissions throughout the value chain. In 2022, for the first time, Bel produced carbon plans specific to each brand anvd to the businesses that contribute the most carbon – upstream dairy, transportation and packaging. Then, as part of the budgeting process, the countries submitted their commitments on priority issues. The purpose of these discussions was twofold: to enable the teams concerned to obtain better visibility of the emissions within their scope of action and to operationalize Bel's carbon plan at all levels of the organization.

The carbon strategy and its development tool, Bel Carbon Impact, enabled the Group to win the 2022 Project of the Year award at the Future of Finance Digital Finance Awards, the LSA Innovation Trophy, Environmental Responsibility Development-Industrial category, and the Local Commitment Trophy from the city of Suresnes, Environment category. This carbon metric incorporates the **Group's Positive Impact Index***, an innovative positive impact indicator that consolidates five criteria, including accessibility and the contribution to regenerative agriculture.

DEVELOP FIELD PROJECTS WITH A POSITIVE IMPACT ON CARBON, BIODIVERSITY AND LOCAL AREAS.

Bel is attempting to sequester its incompressible emissions in order to contribute to the carbon neutrality of the entire value chain before 2050, starting with its first perimeter of responsibility, its plants, by 2025.

Since 2022, Bel has been supporting new carbon sequestration projects, as close as possible to its activities and the territories where it operates. For example, the Group has signed a partnership with the forestry cooperative *Alliance Forêt Bois* (AFB) to finance reforestation projects in France, with the aim of focusing these projects on biodiversity. All these investments will be certified "low-carbon" and ensure the issuance of carbon credits over a period of thirty years. The Group also participates, through a sponsorship with WWF France, in the application of a variety of approaches, such as developing tree farms, in collaboration with the *Chambre d'agriculture des Pays de la Loire*. A total of 40,000 trees will be planted as part of this initiative.

* See p. 19.

1,444 STREET VENDORS BENEFIT FROM SHARING CITIES, AN INCLUSIVE DISTRIBUTION PROGRAM

5 IMPROVING ACCESSIBILITY AND AFFORDABILITY OF OUR PRODUCTS

The individual portion has been the Bel group's signature since 1921 and the launch of The Laughing Cow. This product feature gives everyone access to healthy and balanced snacks that are easily transportable, by offering the right dose of good food for all eating occasions, both in and out of the home.

MAKE THEM AVAILABLE TO EVERYONE

Bel has made accessibility of its products one of its priority strategic commitments, with the goal of offering quality products to as many people as possible, all around the world. Today, the Group offers its products to more than 400 million consumers. By 2035, Bel's ambition is to reach 600 million consumers. To this end, Bel has defined a "For all consumers" indicator, which determines the number of consumers who have access to its products.

The degree to which this commitment is being met, can be assessed in two major ways:

1. the adaptation of products to the needs and means of all via price accessibility, portion size and the development of products that meet nutritional needs,
2. the geographic accessibility and availability of Bel products through a number of innovative and supportive distribution channels.

ADAPT THEM TO THE NUTRITIONAL NEEDS AND FINANCIAL MEANS OF ALL

The Group is actively working to make its products affordable, particularly in areas where purchasing power can make access to healthy food difficult, even more so in the current inflationary economic climate. In Japan, for example, the Kiri format has been slightly redesigned to allow the greatest number of people to continue to have access to healthy, quality products and to offer a better balance between format, price and added value for the consumer. At the same time, in certain countries, Bel is developing partnerships to improve the accessibility of its products. In France, Pom'Potes participates in the MALIN program, in partnership with the *Caisse d'allocations familiales* (family allowance agency) offering coupons to low-income people to make mass consumption products more accessible. As for the United States, GoGo squeeZ bottles are now sold in a special format in dollar channels (discount stores where everything was originally priced at one dollar), enabling the Group to serve disadvantaged people.

BE ACCESSIBLE EVERYWHERE

Bel launched its Sharing Cities inclusive distribution program in 2013. This program aims 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 four major cities in emerging countries. In exchange, the Group helps these vendors develop and stabilize their business and revenue and offers them access to health coverage and professional training. The consequences of Covid-19, followed by the inflationary situation, led to a sharp falloff in the number of participants and complexities in rebuilding the networks. However, the Group maintains its intention to develop this type of program and is working to adapt its action plans to achieve this.

6 MAKING USE OF CURRENT EMPLOYEES

Committed today, active tomorrow, Bel's 10,738 employees play a central role in Bel's responsible transformation. Bel hopes to make each of them a full-fledged participant in the necessary changes.

FIRST EDITION OF DAYS FOR GOOD

In May 2022, more than 1,000 Bel employees in 15 countries participated in the first ever Days for Good. This internal initiative, organized jointly by the Group's human resources and internal communications departments and the Bel Foundation, offered employees a chance to get involved in community service. During this week of solidarity, they got involved with local associations, working for vulnerable groups or defense of the environment. They collected clothing and food, built greenhouses or planted vegetables, echoing both the long-standing actions of the Bel Foundation and the tagline adopted by the Group in 2019, For All. For Good.

DAYS for good

400 PROJECTS SUPPORTED BY THE BEL FOUNDATION SINCE 2008

bel FOUNDATION

The Bel Foundation will celebrate its 15th anniversary in 2023. Since its creation, it has now supported more than 400 projects in over 40 countries. It focuses particularly on the development of school canteens, a key place in the lives of children. In 2022, the foundation supported associations working in this area in Senegal, Morocco, Egypt and Madagascar. In France, the foundation focuses on food insecurity among young children and in 2022, in collaboration with the participatory financing platform Ulule, launched a special call for proposals that led to supporting four new local associations.

A SOCIAL ACTION TROPHY

At the ninth *La Conso s'engage* awards from the French magazine LSA, which recognize the best CSR initiatives in the areas of gender equality, social and societal responsibility, diversity and responsible purchasing, Bel was awarded the "Employee Commitment to Strong Values" award for its Actors for Good program.

ACTORS for good

AWARENESS AND INVOLVEMENT

As part of the Actors for Good program, launched in 2021, Bel is committed to training all of its employees regarding climate change, in particular through the Climate Fresk. These collaborative workshops, based on the IPCC reports, aim to raise awareness and develop individual or collective solutions. With more than 1,500 employees trained, the Group is one of the very first companies to have obtained the new Fresque du Climat certification. Some 80 in-house facilitators have already been trained to run the program all around the world. In 2022, the approach was rolled out to all the Executive Committees of its subsidiaries (France, Belgium and the Nordic countries actually trained 100% of their employees) and in two pilot plants (Lons-le-Saunier and Pacy-sur-Eure). In 2023, the roll-out will continue with renewed high ambitions.

2022 Positive Impact Index

BEL'S POSITIVE IMPACT INDEX AIMS TO REFLECT THE GROUP'S ABILITY TO FULFILL ITS CORPORATE MISSION AND IMPACT ITS ECOSYSTEM. AS A PIONEER IN THE AGRI-FOOD INDUSTRY, THIS UNIQUE-SCORE INDEX CONVEYS BEL'S COMMITMENT TO ITS KEY STAKEHOLDERS AND MEASURES THE GROUP'S PROGRESS BASED ON SET OBJECTIVES.

COMMITTED CUSTOMERS

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

OBJECTIVE FOR 2025

To be ranked in the Top 5 in terms of customer satisfaction in its largest distribution countries.
In 2022, 10 out of 12 studies place the Group in the Top 5, achieving 83% of its objective.

2020 83% 2025

ENVIRONMENTAL FOOTPRINT

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

OBJECTIVE FOR 2025

To emit a maximum of 4.4 million metric tons of CO_2 throughout the value chain.
In 2021(2), the Group's emissions totaled 4.4 million metric tons of CO_2, i.e. 100% of the objective.

2020 100% 2025

REGENERATIVE AGRICULTURE

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

OBJECTIVE FOR 2025

To achieve an aggregate score of 100% on three key stakes: people, planet and animals(1).
In 2022, the Group achieved 61% of its objective.

2020 61% 2025

PRODUCTS FOR ALL

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

OBJECTIVE FOR 2025

To reach 440 million consumers.
In 2022, the Group has reached 401 million, achieving 90% of its objective.

2020 90% 2025

COMMITTED EMPLOYEES

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

OBJECTIVE FOR 2025

To have 77% of employees committed to the Group's mission, as measured by the annual Your Voice survey.
In 2022, the Group is at 76%, or 99% of its objective.

2020 99% 2025

BEL'S COMMITMENT

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

(1) Upstream dairy indicators have been selected pending the release of the first figures on Regenerative Agriculture.
(2) As the Scope-3 carbon footprint is measured with a one-year delay, only the 2021 performance can be presented.


Babybel
Bio

A strategy for expansion in support of a bold mission

In the support of a positive and accessible vision of healthy food, our growth strategy is based on four pillars: building positive brands, earning space in stores and all distribution channels, accelerating positive innovation and developing in key geographies. To feed 10 billion people tomorrow, we are expanding our areas of action, rebalancing our portfolio by developing plant-based products, and pushing back the boundaries of innovation to imagine the future of food.

Markets and business challenges of 2022

THE GROUP'S PERFORMANCE IN 2022 SHOWS THE SOUNDNESS OF ITS STRATEGIC CHOICES FOR DEVELOPMENT, ALL DESIGNED TO STRENGTHEN ITS POSITION AS A MAJOR PLAYER IN THE FOOD INDUSTRY.

DOUBLE-DIGIT GROWTH

The Group once again demonstrated its resilience in a volatile macroeconomic and financial environment. It produced revenue of €3,595.3 million, for organic growth of +13.2%. This robust performance was driven by strong volume growth in the new areas, particularly in the fruit business across all regions, very strong growth in China, positive sales momentum in North America, and by the responsible management of price increases. Organic growth in annual revenue was driven by higher sales of GoGo squeeZ and Pom'Potes, as well as the Group's other core brands, in particular Babybel and Pom'Potes. In general, all brands and all geographical areas showed positive revenue growth for the year 2022.

+13.2%
organic sales growth in 2022

INNOVATION CONTINUES IN DAIRY

In 2022, Kiri continued to progress on its innovation roadmap to respond to consumer preferences, uses and tastes. As a result, it is now available in France in an organic version. In Asia, Kiri Goûter unveiled a new blueberry flavor. Finally, in Saudi Arabia, the new jar format was released, making this delicious product easy to spread and ideal for breakfast.

THE WONDERFUL TREND IN PLANT-BASED PRODUCTS

The plant-based Babybel and Boursin lines achieved excellent sales performances in North America, confirming the strong potential of these alternatives.

PLANT-BASED BABYBEL, NO. 1 IN ITS CATEGORY IN THE UNITED STATES IN 1 YEAR

ANOTHER YEAR OF RECORD GROWTH IN THE FRUIT BUSINESS

Organic growth in annual revenue was especially buoyed by double-digit growth in sales of GoGo squeeZ and Pom'Potes.

IN MATURE MARKETS, RESILIENCE IN EUROPE AND ACCELERATION IN NORTH AMERICA

In Europe, Bel achieved organic growth of +8% thanks to a positive price effect and resilient volumes of the Group's core brands. In particular, the United Kingdom, Portugal and Spain recorded double-digit growth, while France maintained a positive trend. In North America, Bel continued its positive growth momentum with double-digit growth in the cheese business thanks to the excellent performance of the Babybel and Boursin brands. Canada also saw another year of accelerating sales. Finally, the economic situation stabilized in most markets in the Near and Middle East and North Africa, enabling the Group to post organic growth of +9.8%.

IN THE NEW AREAS, GROWTH IN THE FRUIT BUSINESS AND EXCELLENT PERFORMANCE IN CHINA

In 2022, the new areas posted strong growth of +28.5% from 2021. The strong growth trajectory of the fruit business continues with double-digit sales growth, supported by a continued positive volume effect and excellent performance in the US, Canada, France and China. China continued to accelerate significantly, with very strong double-digit revenue growth for the third consecutive year, across the entire product line and all distribution channels, despite a contraction of the market in the wake of the zero-Covid policy.

The Group is getting stronger internationally

IN 2022, BEL EXPANDED INTO NEW AREAS AS A FASTER WAY TO FOLLOW ITS STRATEGIC ROADMAP.

CONFIRMING ITS LEADERSHIP IN MATURE MARKETS

Resilient in Europe, with brands that generate organic growth, the Group is accelerating its expansion in North America, a strategic geographic area, relying in particular on the Group's flagship cheese brands Babybel and Boursin, and fruit brands GoGo squeeZ and Pom'Potes. In the United States, Bel is capitalizing on MOM's operational excellence and the creativity of the Boursin brand, which launched several products in 2022, including Boursin Garlic & Herbs Bites, Boursin Garlic & Herbs Cream for Cooking and Boursin Dairy Free. In Canada, where Bel is aiming for leadership in the plant-based category, the Group launched Babybel Plant-Based in 2022, which was also launched in the United States and Great Britain.

DIVESTING AND CONSOLIDATING ITS POSITIONS IN MOROCCO

The Group has been operating in Morocco for over five decades. There it has strong positions and brands including The Laughing Cow, *Les Enfants*, and Kiri. In July 2022, Bel announced that it had signed an agreement with the Polmlek Group to sell its stake in Safilait, held since 2015, in order to focus on its historical business: cheese. This transaction was completed in December 2022. Morocco remains a key market for Bel, which will continue to invest there, particularly in its Tangier plant.

70%

majority ownership of the Chinese group Shandong Junjun Cheese Co., Ltd in 2022

EXPANDING INTO ASIA

In India and China, Bel continues to develop its global brands by adapting to the expectations of local consumers, in particular through its The Laughing Cow and Kiri products. The acceleration of its expansion strategy is also based on external growth transactions in India (see box) and China. In 2022, the Group acquired a 70% majority stake in the Chinese group Shandong Junjun Cheese Co., Ltd. Based in Northeast China, the fourth largest milk-producing area in the country, Shandong Junjun Cheese Co., Ltd operates mainly as a co-manufacturer with its financial, industrial and R&D resources. Founded in 2017, the company has a product portfolio consisting of a wide range of cheeses and achieving annual growth of over 100% since 2018. Bel's acquisition also includes the permits and licenses required to operate the Shandong Junjun Cheese Co., Ltd plant, a valuable local manufacturing base.

"Britannia's partnership with Bel group will enable consumers to enjoy international quality cheese products that will now be made in India. Cheese is an under-penetrated category and this partnership will help expand the nascent but fast-growing cheese category by delivering innovative products and being a leader in fulfilling evolving consumer needs."

VARUN BERRY
Executive Vice-Chairman
and Managing Director,
Britannia Industries

1.4 BILLION INDIANS TO ENTICE

To accelerate the development of the nascent cheese market in India, Bel announced in November 2022 the creation of a joint venture, Britannia Bel Foods Private Ltd, with India's leading agri-food business, Britannia Industries Ltd. Together, the two partners intend to offer Indian consumers a range of world-class cheese products that are nutritious, delicious and affordable. Bel brings its brand and cheese know-how and Britannia, its own brand, its understanding of the local consumer and its distribution network, unmatched in India. Bel holds a 49% stake in the joint venture, which will market its cheeses under the Britannia and the Laughing Cow brands.

The Group operates in all distribution channels

IN 2022, BEL CONTINUED ITS DEVELOPMENT IN THE MAIN DISTRIBUTION CHANNELS TO MEET THE "FOR ALL" PROMISE THAT IS PART OF ITS MISSION.

THE CHALLENGE OF ACCESSIBILITY

From e-commerce to Out-of-Home food service and mass retailers, expanding distribution channels is one of the pillars of Bel's growth strategy. The Group adapts to the different distribution methods, purchasing power and eating habits of the markets in which it operates. Goal: to make its products and brands accessible, wherever consumers are.

In 2022, e-commerce and Out-of-Home achieved remarkable sales growth for the second consecutive year. E-commerce continues to progress well in China, the United States, the United Kingdom and Ireland. As for Out-of-Home sales, in France, China and the United States they are growing rapidly.

EXPANDING INTO ALL CHANNELS

Bel continues to grow in e-commerce thanks to a steady acceleration in the United States and Canada, the emergence of new markets such as the Gulf States and Turkey, and disruptive launches in certain regions, such as Egypt, with The Laughing Cow® Spread.

The brands' expansion strategy also and inevitably takes form on the major delivery platforms. In China, Kiri was featured in a dessert on Meituan, the country's largest home delivery platform, with a potential 650 million consumers. In France, Pom'Potes pouches are now available on Amazon.

"While the global e-commerce market declined in 2022, Bel continued to grow. This excellent performance can be attributed in particular to the development, with our partners, of new and daring initiatives, and the attention paid to content creation and quality campaigns."

ARNAUD VALETTE
E-Commerce Director
at Bel group

Meituan amazon talabat mart

GAINS IN THE "OUT-OF-HOME" SECTOR

In the Out-of-Home sector, a highlight of the year was also the continued presence of organic Babybel in the Happy Meal menu of 1,490 McDonald's restaurants in France, as well as several new international partnerships:

- in South Korea, with the launch of a Kiri branded ice cream in Baskin-Robbins' 1,400 outlets;
- in the US and Canada, adding GoGo squeeZ to the children's menu at Subway as a healthy dessert option;
- in France, The Laughing Cow and Babybel are now available in Relay stores, offering healthy alternatives to the millions of travelers and consumers who visit the chain.

In the food service world, Babybel Original and Mini Rolls have been listed in Canada by the Breakfast Club. This school nutrition program, supported by the Canadian government, aims to provide breakfast to children in schools.

Aspiration plays an essential role in nurturing the image and visibility of the brands inthe portfolio. In 2022, Bel entered into a partnership with Jean-François Piège. The celebrity chef, an ambassador of the great Boursin competition, invited commercial restaurant/catering establishments to reinterpret the burger through creative recipes with a touch of Boursin.

Finally, the Group is also developing co-branding. In France, the Daunat brand offers a salad with a Boursin sauce. Internationally, a major contract was signed with Bridor for a puff pastry made with The Laughing Cow.

BEING DISRUPTIVE IN EGYPT

In Egypt, The Laughing Cow Spread was initially launched via e-commerce. To do so, Bel entered into an exclusive partnership with Talabat Mart, one of the leaders in home delivery. The launch benefited from a special activation plan deployed on all the partner's platforms and social networks, maximizing the impact and success ofthe operation.

"The Bel group has always been in my life, from my earliest childhood until today. This reflects perfectly what I love about French food. Cooking is something that must evolve, using ingredients that have always been there to make the cuisine of today and perhaps the one that will remain tomorrow, and that's what we're making happen with the people at Bel."

JEAN-FRANÇOIS PIÈGE
Chef

Toward a new balance in the portfolio

FEEDING NEARLY TEN BILLION PEOPLE TOMORROW WILL REQUIRE A REBALANCING OF ANIMAL AND PLANT FOOD SOURCES. AWARE OF THIS CHALLENGE, THE GROUP IS WORKING TO TRANSFORM ITS PORTFOLIO TO EVENTUALLY INCLUDE 50% DAIRY PRODUCTS AND 50% NON-DAIRY PRODUCTS[1].

FRUIT, A PROMISING SECTOR

In 2022, Bel took a decisive step by completing the acquisition of the MOM group. MOM brings to Bel the extremely strong momentum of the fruit-based products market and a culture of innovation, in line with that of Bel's own teams: about 70% of its growth is currently fueled by innovation. Finally, its arrival allows Bel to diversify its product line for its traditional target groups of children and families, and also to win new consumers among teenagers, with Pom'Potes Battle 2 Fruits, original duos of recipes with three fruits, and adults, with Materne® Flaxseed and Chia or Materne Onctueux® Végétal. The MOM line also reinforces Bel's "positive" nutrition focus, notably with Pom'Potes Yogurtz+, an enriched dairy line with no added sugar for China, or with two nutrient-enriched lines for children in the United States, GoGo squeeZ Happy BrainZ and GoGo squeeZ Happy Immunez, and with Materne's prebiotic fruit and fiber pouches in France.

NUTRIENT-ENRICHED LINES

THE PLANT-BASED REVOLUTION

Bel uses various levers to balance its portfolio. The Group is extending its line of plant-based products by leveraging its international brands, such as Boursin Plant-Based in Europe, Babybel Plant-Based in the United States and the United Kingdom, and the arrival in 2023 of The Laughing Cow Plant-Based in the United States, and by developing its international 100% plant-based brand, Nurishh. These innovations have met with real success among consumers: in one year, Babybel Plant-Based has become number one in its category in the United States and number five in the United Kingdom.

In France, the in-store and digital collaboration initiative "Veggie Mondays," led by the Consumer Goods Forum's Collaboration for Healthier Lives (CHL) action coalition, by the co-chairs of Carrefour and Danone, and with the engagement of Barilla, Bel, Bonduelle, Fleury Michon, Happyvore, Labeyrie, Nutrition Santé, Savencia and Unilever, won the Sirius Award.

In February 2022, Bel also launched a pilot project at its headquarters, #WednesdayVeggieTasty, which will be rolled out throughout the Group. In partnership with its food service provider, Bel offers its employees a gourmet, balanced, 100% vegetarian menu once a month.

(1) In sales volume.

NAMPA DOUBLES ITS CAPACITY

To meet the growing demand for the GoGo squeeZ brand in the United States, the Bel group has initiated a US$140 million expansion project at its US plant in Nampa, Idaho. As a result of this investment, the plant will double its production capacity and welcome 150 new employees as early as the fall of 2023.

“The integration of MOM is being done in a very pragmatic way, with two objectives: to preserve our existing strengths and to pool our forces. The former MOM personnel have been able to draw on Bel’s experience in engineering and industrial management to successfully double the capacity of the Nampa plant. This is a strategic acceleration that allows us to forge ahead into the future. And this is just the beginning. In France, North America and China as well, we have great prospects for acceleration.”

PASCAL COLAS
Chief Executive Officer, MOM

FRANCE RELANCE
Entreprise lauréate
RÉPUBLIQUE FRANÇAISE

PLANT-BASED, THE WAY OF THE FUTURE

The Bel group has received support from the government’s France Relance program to develop and industrialize new generations of cheeses made from plant proteins. This subsidy enabled the Group to carry out an exploratory study aimed at identifying innovative raw materials and proteins, studying production technologies and methods, investigating plant material maturation and fermentation processes, and analyzing consumer expectations. Seventeen innovations and improvements (sliced, grated, portioned, spreadable, etc.) based on vegetable proteins have been developed and marketed under the Nurishh, Boursin, The Laughing Cow and Babybel brands. This subsidy also contributed to the hiring of new employees at its industrial sites producing these innovations and within its Research, Innovation and Development teams.

Innovation to invent the foods of the future

BEL JOINS FORCES WITH LEADING-EDGE TECHNOLOGY PARTNERS. WITH THEM, WE ARE PUSHING BACK THE BOUNDARIES OF INNOVATION TODAY TO INVENT THE FOODS OF THE FUTURE.

How can we sustainably meet the current challenges of world food production (population growth, nutrition and food sovereignty issues, environmental impact of production) and feed nearly 10 billion people by 2050? For Bel, the answer lies in research and innovation.

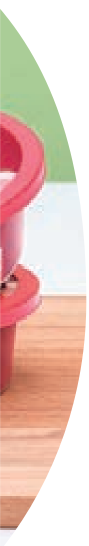
ON THE ROAD TO THE ENZYMES OF THE FUTURE

Enhancing the naturalness of foods, improving their sensory properties and nutritional profile, especially for specific segments of the population, and contributing to the health of consumers' intestinal microbiota are just some of the challenges that the "Cultures of the Future Grand Challenge" intends to meet. Under the impetus of INRAE[(1)] and ANIA[(2)], some thirty public and private partners–including Bel–have decided to join forces to remove the scientific and technological barriers that are slowing down innovation in the field of enzymes and, in this way, accelerate the agricultural and food revolution for safe, healthy and sustainable food. For Bel, a better understanding of the mechanisms of food fermentation will make it possible to offer even tastier plant-based products, by improving their recipes, tastes and textures.

FOOD TECH PARTNER OF CHOICE

Proteins are essential to human health. Bel's vision is to integrate innovative, high-quality proteins into its products in order to offer accessible products with a lower environmental impact. In 2022, the Group entered into a strategic collaboration with the start-up Superbrewed Food to develop a line of cheese products incorporating Superbrewed Protein. This nutrient-rich protein ingredient is derived from the fermentation of biomass. It is produced from naturally occurring microorganisms that transform plant fibers.

This year the Group also entered into an exclusive partnership with Standing Ovation. This French start-up has developed an innovative precision fermentation process that produces caseins of non-animal origin. These proteins are identical in all respects to those naturally present in milk and offer all the nutritional qualities and characteristics of cheese, as well as its traditional good taste. They pave the way for more accessible products with a lower environmental impact. The collaboration is very hands-on; the Bel teams at the Vendôme site will work with those of Standing Ovation on the application of these technologies to the Group's needs.



"The alternative protein market is growing exponentially, and we are determined to play a key role in it. We are very proud to collaborate with Bel, a group with proven cheese expertise, iconic brands and a collaboration model that is ideal for start-ups."

FRÉDÉRIC PÂQUES AND ROMAIN CHAYOT
respectively President and Scientific Director, co-founders of Standing Ovation

"Thinking up innovative and groundbreaking solutions for healthier and more sustainable food is what we are working on at Bel. By working hand-in-hand with the best start-ups, we are paving the way for next-generation plant-based recipes and products that combine nutritional quality, accessibility and responsibility for our consumers."

CAROLINE SORLIN
Chief Venture Officer at Bel group

"At Bel, we choose an open collaboration model with food tech startups. Combining their knowledge and skills with ours is the guarantee that together we will be able to offer products that will meet the needs of all consumers tomorrow."

ANNE PITKOWSKI
Research and Applications Director at Bel group

IN THE UNITED STATES, FIRST STEPS TOWARD THE FOOD OF THE FUTURE

Finally, in the United States, Bel is partnering with Perfect Day, a leading start-up in the field of food technology, which produces and markets animal-free milk proteins obtained through precision fermentation. Since January 2023, Bel has been offering the American market "Nurishh Incredible Dairy," its first line of animal-free milk proteins alternatives to cream cheese spreads. This product introduction makes it possible to offer consumers plant-based alternatives while preserving the taste and creaminess of dairy cheeses and with a reduced environmental footprint. Compared to traditional production methods, the life cycle assessment of Perfect Day protein shows a 97% reduction in greenhouse gas emissions.

(1) *Institut national de la recherche agronomique*.
(2) *Association nationale des industries alimentaires*.

2.

RISK FACTORS AND INSURANCE POLICY

2.1 | RISK MANAGEMENT POLICY

RISK MANAGEMENT SYSTEM

TARGETS

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

ORGANIZATION

This policy is based on the Group's Enterprise Risk Management (ERM) system, which is structured, steered and led by the Risk Management Department, which in turn reports to the Trust and Ethics Department. The Risk Management Department relies on a network of risk management contacts (financial directors for clusters and markets, and plant management controllers and quality managers) and deploys its risk management system within the functions, brands, clusters and markets, as well as the plants. As part of the crisis management system, the Risk Management Department coordinates a network of crisis contacts (in particular Quality Managers) within the Group's entities.

The Group's Risk Management Committee meets at least twice a year. It reviews the Group's policy, general risk management system and risk mapping. In addition to risk mapping, the Risk Management Department presents the overall risk management system to the Group's Executive Committee. This is reviewed at least once a year to ensure the effectiveness of the risk management systems. The Executive Committee may be required to take a position on certain risks in order to strengthen certain action plans, as part of the Group's general development policy and associated investments.

MAIN PROGRAMS OF THE RISK MANAGEMENT SYSTEM

| Risk mapping and associated action plans

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

The Group's risk map was updated and validated by the Executive Committee on January 23, 2023. Action plans associated with the risks identified in the Group, cluster, market and plant risk maps are managed by the Risk Management Department (for the Group) and the local risk management contacts (for the clusters, markets and plants).

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

| Mapping of corruption risks

The corruption risk mapping process is a response to changes in the regulatory environment. It includes risk mapping exercises dedicated to fighting corruption and respecting human rights and the environment (see section 3.1.5 "Vigilance plan"). The risk universe used in the risk management approach also covers non-financial risks.

In 2018, the materiality analysis was updated to include both internal and external stakeholders. This update aimed to confirm priority challenges and those of the future, relevant for both the Group and its external stakeholders. In particular, this analysis made it possible to identify issues related to business ethics. The materiality matrix obtained is presented in chapter 3 "Corporate social responsibility – Non-financial performance report".

| Crisis management system

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

This procedure is deployed and applied by all Group entities. Crisis units for each entity are set up and prepared should a crisis arise. Finally, a training module is deployed within the organization, and crisis simulation exercises are organized.

2.2 | RANKING OF RISKS

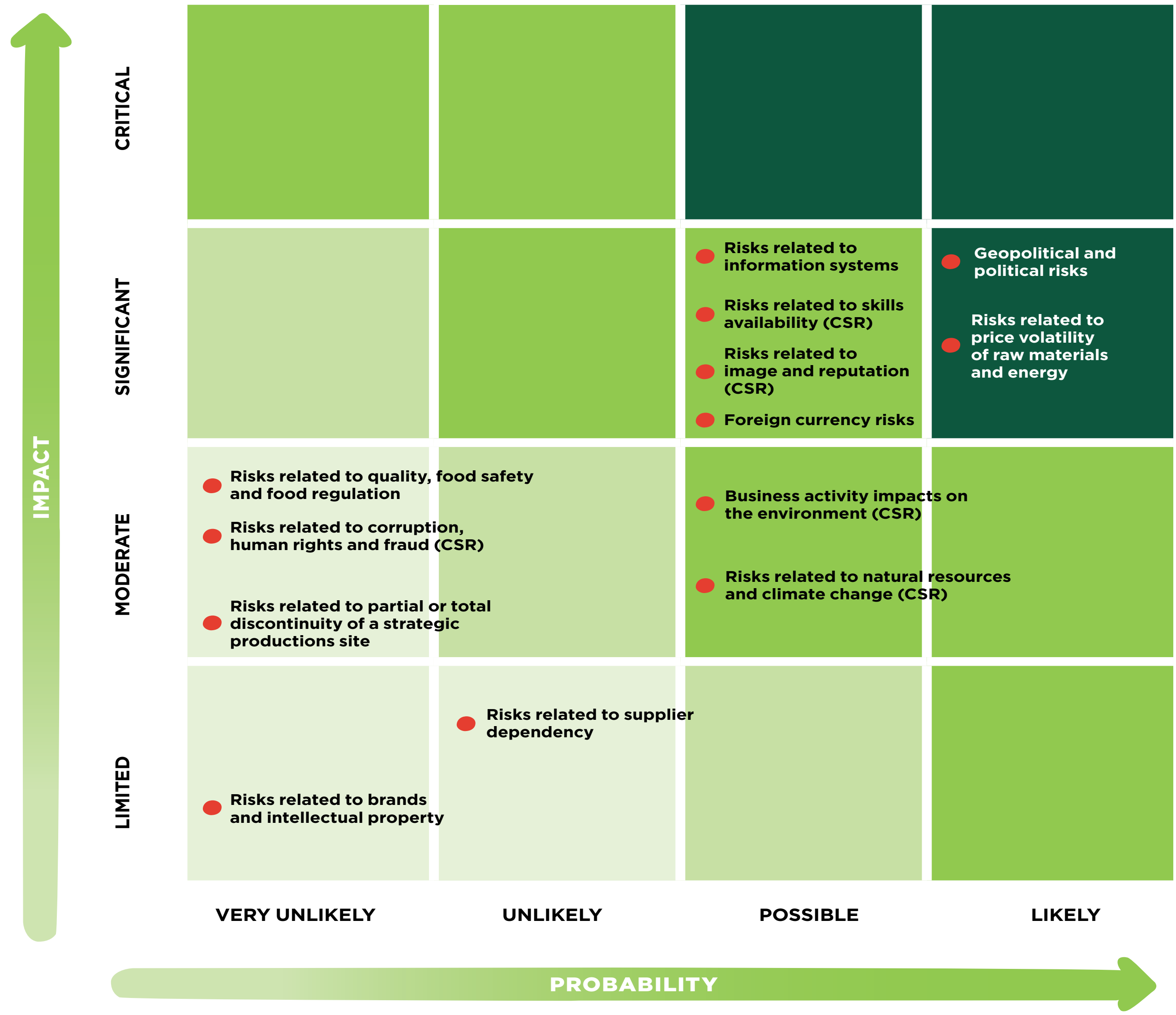
The Group operates in a constantly changing environment, which may give rise to exogenous risks that could affect the company's risk profile. The main risks presented below and discussed in sections 2.3, 2.4 and 2.5 are considered by the Group to be likely to have a material impact on its activities,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

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

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

Category	Risk factors	Trend
Risks related to the external environment in which the Group operates	Geopolitical and political risks	↗
	Risks related to raw materials and energy price volatility	↗
	Risks related to image and reputation	=
	Risks related to the sustainability of natural resources and climate change	↗
	Risks related to corruption, human rights abuses and tax avoidance	=
Operational risks	Risks related to information systems	=
	Risks related to the availability of skills	↗
	Risk of environmental impact from operations	=
	Quality, food safety and product regulation risks	=
	Risks related to supplier dependency	↘
	Risk of total or partial shutdown or destruction of a strategic production site	=
	Risks related to trademarks and intellectual property	=
Financial risks	Foreign exchange risk	=

RISK MATRIX



Methodology

The Group's risk map was updated and validated by the Executive Committee on January 23, 2023 using the methodology described in section 2.1 "Risk mapping and associated action plans"). The risk matrix takes into account the dual materiality of some risks (noted as "CSR" in the matrix). Indeed, the Group's business model is built around the latter, with the Group's performance linking the financial and economic aspect to social, environmental and societal responsibility issues (mentioned in Chapter 3).

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

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

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

2.3 | RISKS RELATING TO THE ENVIRONMENT IN WHICH THE GROUP OPERATES

GEOPOLITICAL AND POLITICAL RISKS

DESCRIPTION OF RISK	RISK MANAGEMENT
The Group's worldwide industrial and commercial presence exposes it to certain risks that could impact its business, reputation, employees, financial position, results and assets. The Group is not directly exposed to the war in Ukraine; however the impacts related to raw materials and energy price volatility remain. In spite of the geographic diversification strategy, the impact of geopolitical events in some regions in which the Group operates is still partly unpredictable.	The Group's regional diversification strategy is intended to cushion the impacts of these risks by limiting the effects of complex local situations, while maintaining the possibility of offsetting them with more favorable situations in other markets. Geopolitical events and the economic protectionist measures implemented in North Africa and the Near and Middle-East continue to have an impact on the Group's commercial activities and results in this region. The sharp deterioration of the political, economic, social and security situation led the Group to reduce or slow its business in one or more of these countries and to step up its development in other more stable and favorable markets. Protecting Group employees working in these countries is our main concern. The Group provides them with the means, procedures and services to ensure their safety. As a signatory of the United Nations Global Compact, the Group is committed to protecting the essential rights of its employees in the workplace in all countries where it operates and is particularly vigilant in countries where there is a significant risk of human rights abuse (see sections 3.2.1 "Building a sustainable future with its employees" and 3.2.2 "Promoting responsible practices with its suppliers").

CORRELATED RISKS

- Risks related to raw materials and energy price volatility
- Risk of corruption, human rights abuses and tax avoidance
- Foreign exchange risk

RISKS RELATED TO RAW MATERIALS AND ENERGY PRICE VOLATILITY

DESCRIPTION OF RISK	RISK MANAGEMENT
Price volatility in the raw materials the Group uses to make its products is likely to have a material impact on its results. The influence of milk prices on volumes produced, as well as weather and global and regional demand fluctuations, all affect the price of milk-based raw materials (milk, powder, butter and cream). Markets continue to be heavily impacted by the health crisis and the war in Ukraine, with strong volatility and a rise in inflation driving up prices of raw materials, particularly in the second half of 2021 and the first quarter of 2022. The strong recovery in economic activity in mid-2021, the context linked to the war in Ukraine and the reduced production of nuclear energy in France had an impact on the increase and volatility of energy prices in 2022. Against this background, the Group continues to be exposed to the local economic, political and regulatory conditions that could influence its ability to pass along fluctuations in the prices of the raw materials it needs to make its products.	The Group regularly conducts market reviews in order to best assess the impact of expected price volatility over the year. It then uses this information to guide the Group's management. In France, the agreement on milk purchase conditions with the West Producers Association (APBO) that the Group works with helped limit this volatility. Aside from the agreements reached with its customers and retailers, the Group's ability to pass on changes in the prices of raw materials is dependent on economic conditions and on local political and regulatory conditions for certain markets (see section 3.2.3 "Being a key and committed partner for its customers"). In some countries, price increases are subject to approval by the authorities. In addition, the Group is now committed to the healthy snacks sector and has diversified its supply to become present in both dairy and plant-based raw materials, including fruit (see section 3.4.2 "Using plant-based raw materials within strict limits" and 3.4.3 "Delivering the goodness of fruits"). As part of its energy sobriety plan, the Group has in particular strengthened the energy efficiency of its sites by reducing electricity consumption, capping the temperature for headquarters in Europe (at 19°C) and appointing ambassadors of "energy sobriety."

CORRELATED RISKS

- Risk of total or partial shutdown or destruction of a strategic production site
- Foreign exchange risk

RISKS RELATED TO IMAGE AND REPUTATION

DESCRIPTION OF RISK	RISK MANAGEMENT
The image and reputation/e-reputation (perception of the Company by its stakeholders) of the Group's brand and its commercial brands are an integral part of the Company's value. In this respect, any harm caused to the Group's image and its brands may have repercussions on its sales activities, financial results and consequently, its growth. Given its international presence and the strong recognition of its brands, the Group is exposed to varied risks that could harm its image and reputation. These attacks may or may not be founded, may or may not be the result of an actual situation, and may concern a very wide range of issues, such as the quality and safety of its food products, the Company's ethics and its social and environmental commitments, or may be linked to geopolitical tensions. In addition, the Group's international communication strategy, particularly through social networks, is likely to amplify the impact of criticism of the Group and its commercial brands.	The Group conducts its business in an ethical manner. It therefore aims to ensure that its employees and partners adhere to the principles and rules defined in its Code of Good Business Practices, all around the world and in all circumstances (see section 3.1.4 "Ethics: a common foundation for conducting business"). The Group is especially vigilant concerning its brands' communication. It has joined the EU Pledge voluntary initiative and is a signatory to the FAIRe program led by the Union des Annonceurs, the French association representing advertisers (see section 3.2.4 "Developing positive products and responsible consumption among its consumers"). In 2022, the Group in France announced that it would become the first agri-food company to adopt the Responsible Influence Certificate in 2023. By deploying this initiative of the Autorité de Régulation Professionnelle de la Publicité [French advertising regulatory body] (ARPP), the Group has committed to working only with content creators who have obtained the certificate, to ensure that its chosen partners know all the rules of responsible practice in their sector. The Group's brands are stepping up their communications on issues that may help consumers make informed food choices. They seek to capitalize on the trust that they have forged with consumers to guide them toward balanced and more environmentally friendly behaviors. The Group also takes care to ensure that its messages accurately reflect its practices (see section 3.2.4 "Developing positive products and responsible consumption among its consumers"). At the same time, the Group has strengthened its crisis management measures in order to better detect weak signals, rapidly mobilize the organization in the event of a crisis, and provide suitable responses to various crisis scenarios. Since December 2017, the Group has measured its reputation on a quarterly basis, using the Reputation Institute method in France. This method has also been used in the United States and Morocco since 2021. Finally, the Group joined the European Union's transparency register in 2014 (see section 3.2.2 "Promoting responsible practices with its suppliers").

CORRELATED RISKS

- Risks related to trademarks and intellectual property

RISKS RELATED TO THE SUSTAINABILITY OF NATURAL RESOURCES AND CLIMATE CHANGE

DESCRIPTION OF RISK	RISK MANAGEMENT
As a food manufacturer, the Group is highly exposed to the sustainability of natural resources and the consequences of climate change, and to the growing scarcity of fresh water worldwide in particular. The increase in extreme weather events such as heat waves, droughts and floods is coupled with underlying trends such as rising temperatures and changing rainfall patterns. These phenomena have profound consequences for the agricultural sector and food security at the global level. The availability of natural resources and the consequences of climate change require ongoing adaptations of farming and food models on an international scale, the impacts of which are still difficult to anticipate.	Because of the danger of water scarcity, the Group conducts an annual risk analysis according to the criteria of the "Water Risk Filter" to assess the level of water stress in the areas where it is based. In 2020, 58% of the Group's production sites (restated for the exit of Leerdammer from the consolidation scope) were located in areas where the availability of water resources was identified as being at risk. Elsewhere, in order to reduce its dependence on fossil fuels and its greenhouse gas emissions, the Group is working on its entire value chain to develop programs improving the resilience of its raw materials supply (protein self-sufficiency of farms, choice of renewable materials etc.), optimizing its energy requirements (logistics chain, energy efficiency program for the factories, eco-design approach etc.) and the use of renewable energy (see section 3.6.2 "Fighting against climate change"). As part of its energy sobriety plan, the Group has in particular strengthened the energy efficiency of its sites by reducing electricity consumption. In addition, the Group also began to study the workings of residual carbon capture, notably by joining the Livelihoods Funds and exploring other projects with multiple positive impacts (economic, social and environmental). The Group is also diversifying its product portfolio to rebalance the share of plant and animal protein through fruit and plant-based products (see section 3.4.2 "Using plant-based raw materials within strict limits"). These products require fewer natural resources to make them and emit lower levels of greenhouse gases (see section 3.6.2 "Fighting climate change"). Finally, to limit the use of new resources, the Group aims to adopt a circular economy approach for its packaging and in the fight against food waste (see sections 3.5.1 "Fighting food waste", 3.5.2 "Eco-designing its packaging and using more sustainable materials" and 3.5.3 "Encouraging and facilitating the recycling of its products").

CORRELATED RISKS

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

RISKS OF CORRUPTION, HUMAN RIGHTS ABUSES AND TAX EVASION

DESCRIPTION OF RISK	RISK MANAGEMENT
Given the location of its production, export and distribution activities, as well as the location of more than half of its employees in at-risk countries, the Group is naturally faced with exogenous risks of corruption, tax avoidance or human rights abuses. These risks may concern employees, but also relations with local communities and authorities, as well as the Group's partners, and in particular farmers. Despite such ongoing vigilance, the exposure to a risk of isolated, marginal acts that are counter to the Group's practices and commitments in this cannot be totally ruled out. If such a risk were to occur, the necessary sanctions and actions would be taken without delay.	The Executive management continually monitors compliance with its policies to control the risks related to corruption, human rights abuses and tax avoidance. It is conscious of these issues at all times and has long-standing commitments to tackle them (see section 3.1.4 "Ethics: a common foundation for conducting business" and 3.1.5 "Vigilance plan"). The Group has carried out an in-depth mapping exercise of its related risks in accordance with the provisions of the "Sapin II" and "Duty of Vigilance" laws, covering its own activities and those of its suppliers, to identify these risks and formulate appropriate action plans (see section 3.1.5 "Vigilance plan"). This exercise is updated regularly in accordance with legal requirements. The supplier and customer assessment tool has also been strengthened (see section 3.2.2. "Promoting responsible practices with its suppliers"). In the area of taxation, the Group has a measured and well-controlled tax policy. It is not present in countries considered as tax havens. The Group has implemented a sound price transfer policy and negotiates advance transfer pricing agreements with various tax authorities so as to secure its most important inter-company transactions.

CORRELATED RISKS

- Risks related to image and reputation

2.4 | OPERATIONAL RISKS

RISKS RELATED TO INFORMATION SYSTEMS

DESCRIPTION OF RISK	RISK MANAGEMENT
The Group relies on data from integrated IT systems to make decisions concerning operational management and traceability. Although these applications are continuously monitored and upgraded, any failure of the applications or communication networks could adversely affect some decision-making processes and the profitability of operations. The Group is also exposed to cyberattacks and hacking that can lead to data loss, theft or leaks. Against a backdrop of increased digitalization and following the emergence of the health crisis, the number of cyberattacks and hacking attempts has also risen considerably. Despite all the measures taken, an IT systems failure or a malicious intrusion remains possible.	To mitigate these risks, the Group makes use of specialist operators to manage its critical infrastructure (IT systems and telecommunication networks). The contracts governing the Group's relationship with these firms have been drawn up to ensure a high level of availability and security compatible with maintaining centralized applications in operational condition. These contracts and their associated services are reviewed on a regular basis, and the business recovery procedures to be implemented in the event of a major incident at the Group's processing center are tested periodically. At the same time, the Group has systems and procedures in place to track and manage fraud risks, hacking attempts and the spread of computer viruses. Procedures and tools are continuously updated to mitigate threats that arise from changes in technology. Measures aimed at reducing the Group's exposure to cyberattack risks include an increased focus on IT system security with priority given to cybersecurity projects, a faster roll-out of the strategy at the management level, and changes in governance. These security measures are audited and tested, and awareness campaigns are held. Additional information is provided in section 4.3.4 "Procedures for preparing and processing the Company's accounting and financial information".

CORRELATED RISKS

- Risk of total or partial shutdown or destruction of a strategic production site
- Risks related to image and reputation

RISKS RELATED TO THE AVAILABILITY OF SKILLS

DESCRIPTION OF RISK	RISK MANAGEMENT
The "Great Resignation" phenomenon, which initially started out in the United States before spreading to Europe, may cause the Group to face difficulties in recruiting, managing and retaining its human resources, which are essential to ensuring that the Group can continue to run its operations.	The Group is continuously adapting its human resource management and compensation policy to the market practices where the Group operates, in order to limit and anticipate the potential impacts of the Great Resignation phenomenon on its ability to recruit and retain talent. In addition to compensation, at the end of 2020 the Group outlined a new, innovative and ambitious social model dedicated to employees, which is organized around six principles: • strengthening a sense of belonging based on the employer brand, employee share ownership, and employee diversity and inclusion; • increasing personal fulfillment by emphasizing team autonomy and accountability and by fostering work-life balance (in particular via the remote working policy); • promoting personal development by assessing and developing employee skills, managing career paths and fostering internal mobility; • improving individual recognition by ensuring a common base of benefits and a fair wage for all Group employees; • providing safety and well-being in the workplace by ensuring compliance with health and safety rules, but also by improving quality.

CORRELATED RISKS

- Risks related to image and reputation

RISK OF ENVIRONMENTAL IMPACT FROM OPERATIONS

DESCRIPTION OF RISK

The Group's activities can cause environmental risks to its ecosystem: greenhouse gas emissions in particular related to the upstream dairy, water resource use, in particular in certain areas with water scarcity, risks of a negative impact on the environment and biology, and deforestation through its supply chain.

Some agricultural practices may also have an impact on natural resources or the climate, in particular the use of animal feed or raw materials that may be linked to deforestation.

The Group's long-standing commitments to fight climate change and reduce its environmental footprint have yielded compelling results (see section 3.6 "Fighting against climate change and reducing the environmental footprint"), but Bel cannot claim today that it is entirely neutral in its impact on the ecosystem.

RISK MANAGEMENT

To meet these challenges, the Group has specifically assessed the risks mentioned in the environmental risk mapping exercise (see section 3.1.5 "Vigilance plan").

As part of this work, the Group implements continuous improvement plans or encourages these plans when it is not directly in charge.

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

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

This approach is described in section 3.6 "Fighting climate change and reducing the environmental footprint".

CORRELATED RISKS

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

QUALITY, FOOD SAFETY AND PRODUCT REGULATION RISKS

DESCRIPTION OF RISK	RISK MANAGEMENT
Food safety is of utmost importance for the Group. Any alleged or proven food safety risk for the Group's products could harm its reputation, business and results. Risks depend on the type of product concerned, but exist at every stage of the production cycle, from raw materials purchases to retailers and consumers (end-to-end vision necessary). Upstream risks are mainly chemical and physical in origin (foreign bodies) or related to fraud (origin/composition), and could affect the Group's raw materials, inputs and packaging, among other things. Downstream risks are mainly bacteriological for the most fragile products (dairy cheeses). Furthermore, like all agri-food products, dairy products could be exposed to contamination by tampering. Any crisis affecting the dairy industry and the naturalness of milk could also adversely impact Bel's business through negative media coverage, even if the crisis is not directly linked to its activities. Finally, because it is present in many countries, the Group is subject to regulations established by governments or international organizations that apply to its food manufacturing, sale and import/export activities. In particular, it is subject to health, safety and environmental standards, customs systems and quality controls. The Group must comply with a host of ever-changing laws and regulations that are becoming increasingly restrictive. Any changes to these laws and regulations and any administrative decision may have a material impact on the Group's business and financial results. Numerous regulations may also indirectly limit the sale of its products. The quality and safety of the Group's products and strict compliance with the regulatory context in which it operates are its leading concern, as evidenced by the risk treatment policies described above. In spite of the constant attention and engagement of its teams, the emergence of a risk can never be completely ruled out. However, the system described should allow the Group to detect a risk as soon as possible and, in all cases, significantly limit its impact.	The Group has a monitoring structure in place to identify any emerging risks that directly or indirectly affect its production, as far upstream as possible (especially due to the rising sensitivity of consumers to food quality and safety). After weighing potential risks, it applies the best adapted and most effective measures at the time, depending on the seriousness of the risk. Since the level and the type of risk evolves along with changes in the Group's portfolio, the means of controlling risk are adapted accordingly. The Group has implemented an organization responsible for leading, coordinating and ensuring the effectiveness of all the processes, management systems, crisis management systems and structures dealing with: • food safety, regulations and customs; • quality, including management systems; • standards and certification; • technological expertise. *See section 3.3.1 "Offering high-quality, safe and healthy products."* It recommends the policies and strategic guidelines to be implemented, ensures the consistency of systems and reporting at the various levels, supports Group structures, and audits the organizations to assess the systems' effectiveness (including the product recall and withdrawal process). Its mission is to alert the Chief Executive Officer and the Executive Committee to any major situation relating to its fields of activity. **Food safety and product regulations and customs** This organization is responsible, via the subsidiaries' Quality and Regulations network, for: • the Group's food safety policies and preventive strategy, compliance and the coordination of resulting actions; • the processes for anticipating food safety risks and preventing crises as well as managing alerts and crises; • creating a monitoring system through multiple channels, including reporting by the subsidiaries; • participating in professional associations or government groups dedicated to food safety and customs, at all levels (national, European and global). It also ensures that regulations applying to products are followed, particularly in relation to composition, labeling, packaging, hygiene when it comes to processes and operations, safety and security of imported and exported goods, advertising, consumer information including nutrition information, and customs procedures. It also defines the monitoring and control plans implemented, as well as the quality of the upstream and downstream traceability system for components and compounds. It is also responsible for: • implementing defined policies, in particular in terms of the food safety risk analysis process during production (e.g. HACCP and hygiene standards, etc.) at Group, supplier and subcontractor sites; • the safety and security of incoming and outgoing goods through an Authorized Economic Operator certification process (securing of import/export flows); • implementing the ***Food Defense*** policy integrating processes for preventing risks of intrusion and/or tampering; • implementing the ***Food Fraud*** policy integrating processes for preventing risks related to raw materials, and monitoring plans implemented by industrial sites;

DESCRIPTION OF RISK	RISK MANAGEMENT
	• creating and steering a reporting system that continually assesses control of food safety processes. **Quality** The Quality Department is also responsible for defining the Group's quality policy and checking its implementation at every stage, from product design to final consumption. Its main missions are carried out through the quality network set up at the headquarters, platform and industrial site level, and include: • defining the Group's quality policy and making it available and implementing it once it is validated; • defining the rules, best practices and standards to be applied and making them available, as well as guaranteeing their implementation; • defining and enforcing process and product risk analysis procedures; • defining, making available and enforcing the HACCP (Hazard Analysis Critical Control Point) and Food Safety management regulations across the Group; • determining and deploying product conformity control measures (detection of foreign bodies, etc.); • assisting with the implementation of certification standards; • determining the means for certifying products and processes; • auditing organizations, whether internal (production sites) or external (subcontractors, suppliers and service providers), in terms of quality; • managing complaints and customer quality perception assessment tools (retailers or consumers); • analyzing performance, conducting quality reporting and implementing continuous improvement processes, using the SAP quality management module to guarantee consistency of information, consolidated control and optimal integration of information required for product traceability; • training and assisting the Group's teams and the industrial sites. Providing suitable training media, including statistical and problem-solving tools. **Regulatory framework** The Group's health, safety and traceability approach is governed by a very strict regulatory framework. A "reference guide" is drawn up following a detailed analysis of all the food quality and safety and hygiene regulations in all countries where the Group makes or imports products. At the European level, the "Hygiene Package" took effect on January 1, 2006. This regulation includes a number of legislative texts. It establishes a single and transparent policy for food hygiene and safety in all European Union countries, and concerns all operators throughout the food chain "from farm to store". To the greatest extent possible, the Group applies the strictest rules – mostly European Regulations – to all its stakeholders, from the production of raw materials to the consumer. The Group adheres to even stricter standards in certain cases: for example, it monitors 23 allergens instead of the 14 required by European Regulations. In its quest for harmonization, food safety and excellence, the Group shares its reference guides with all its production sites worldwide as well as with its suppliers and retailers.

CORRELATED RISKS

• Risks related to image and reputation

RISKS OF SUPPLIER DEPENDENCY

DESCRIPTION OF RISK	RISK MANAGEMENT
The Group's production requirements are met by external suppliers (mainly dairy raw materials and packaging). These supplies are provided by a limited number of operators in the market (see section 1.1.3 "Bel and its ecosystem: dependency and competitive position"). The Group could encounter difficulties in finding alternative sources if some of its suppliers were to fail to meet their obligations, in particular for raw materials, which could affect its results and business. Moreover, the Group is now faced with the challenges of agricultural sustainability and the risks associated with its supply chain. The procurements diversification policy, in combination with the contingency plans, safeguards the Group against major risks in its supply chain. Nevertheless, because some inputs are only available from a very limited number of suppliers, the chance of finding alternatives is reduced accordingly.	The Group's Purchasing Department has developed a policy aimed at limiting the risk of supply disruption by securing an increasingly large share of the Group's needs in goods and volumes through annual and multi-year framework agreements with a limited number of strategic suppliers. The Group has launched a risk management policy for packaging by establishing contingency plans. To meet the challenges associated with sustainability in the milk industry, the Group has developed a Global Sustainable Upstream Dairy Charter and defined a set of baseline commitments for 2025. In France, the Group renewed its partnership with the West Producers Association(APBO) in the form of an unprecedented agreement for better milk prices (see section 3.4.1 "Taking action for a sustainable upstream dairy"). In addition, as a player in the food industry through its healthy dairy, fruit and plant-based portions, and as one of the world leaders in the branded cheese sector, the Group diversifies its procurement. Finally, the Group has implemented a Sustainable Purchasing Charter and an assessment of its suppliers, especially in terms of respect of human rights and the fight against corruption. In 2018, the Group also conducted a supplier risk mapping (see section 3.2.2 "Promoting responsible practices with its suppliers").

CORRELATED RISKS

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

RISK OF TOTAL OR PARTIAL SHUTDOWN OR DESTRUCTION OF A STRATEGIC PRODUCTION SITE

DESCRIPTION OF RISK

The Group has 29 production sites in operation. Any incident (particularly if caused by the more frequent occurrence of extreme weather events, or the possibility of acts of vandalism) could lead to a total or partial site shutdown and affect the production and marketing of the products made there.

Of course, the prevention and business continuity plans do not entirely preclude the risk of total or partial loss of a production site, but they do make it possible to manage the impacts on the production and marketing of products manufactured at the affected site.

RISK MANAGEMENT

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

CORRELATED RISKS

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

RISKS RELATED TO TRADEMARKS AND INTELLECTUAL PROPERTY

DESCRIPTION OF RISK	RISK MANAGEMENT
The Group owns trademarks, patents, domain names and copyrights around the world. Intellectual property is a substantial share of its intangible assets and its brands are a fundamental part of its competitiveness. Any difficulties encountered in protecting and defending its intellectual property rights – mainly its trademarks and patents – and combating counterfeiting, could affect the Group's business and profits. In addition, the Group must secure its product launches so as not to infringe on prior rights.	The Group therefore makes considerable efforts to protect and defend its portfolio of brands, especially its core brands, all around the world. Given the reputation of these brands, Bel is objectively exposed to the risk of counterfeiting and unfair competition. Trademark and patent registrations worldwide are updated every year. The Group also conducts global monitoring of its major brands to ensure that no similar or infringing trademarks are registered by third parties. If products or trademarks that are counterfeit or that infringe its rights are discovered, all of the Group's legal resources in the country or countries concerned are put into action to halt the counterfeiting or unfair competition. The Group has introduced an Intellectual Property Policy to raise employee awareness of intellectual property issues and the dangers of counterfeiting. The Legal Department is tasked with ensuring the protection and effective defense of the Group's trademarks, patents, domain names and copyrights. It centralizes the entire portfolio of trademarks, patents, domain names and legal disputes and implements a coherent global protection and defense strategy. In addition, before being launched, new product and brand projects undergo a freedom to operate analysis with respect to the prior rights of third parties.

CORRELATED RISKS

- Risks related to image and reputation

2.5 | FINANCIAL RISKS

FOREIGN EXCHANGE RISK

DESCRIPTION OF RISK

Unibel and its subsidiaries are exposed to transactional foreign exchange risks due to significant sales and purchase commitments in currencies other than their functional currency. Unibel also holds assets, receives revenues, and incurs expenses and liabilities, either directly or via its subsidiaries, in a wide basket of currencies. Because the consolidated financial statements are presented in euros, the value of assets, liabilities, income and expenses will be impacted by fluctuations in the euro.

In the event of a local currency devaluation in a country where there is no financial instrument for budgetary hedging, such an incident could have an impact on the profitability of the concerned entity and could affect the Group's operating or financial income. Since the hedged, the foreign currency portion of the subsidiaries' contributions to the Group's consolidated results remains subject to changes in the euro against the local currency of these subsidiaries.

RISK MANAGEMENT

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

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

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

CORRELATED RISKS

- Risks related to raw materials and energy price volatility

2.6 | INSURANCE AND RISK COVERAGE POLICIES

INSURANCE AND RISK COVERAGE

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

Following a comparative analysis phase in 2017, the gradual integration of MOM's policies into the Group's master insurance program started in 2018 and is ongoing.

PROPERTY DAMAGE, OPERATING LOSSES AND TRANSPORTATION

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

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

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

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

CIVIL LIABILITY

The main contracts covering civil liability (particularly business liability, product liability and environmental liability) are arranged as part of a general insurance program, taking account of the specific features of frontline contracts entered into locally, mainly in the United States and Canada.

ADDITIONAL POLICIES

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

3.

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

CORPORATE SOCIAL RESPONSIBILITY

NON-FINANCIAL PERFORMANCE DECLARATION

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

3.1.1 | A POSITIVE BUSINESS MODEL

BEL[1], A COMMITTED PLAYER OF LONG STANDING

The Bel group has been a family business for over 150 years. Now a major global player in the food sector, it offers individually portioned dairy, fruit and plant-based products, with the aim of providing everyone with access to healthier and more sustainable food.

For the last 20 years, as shown in the historical timeline below, the Group has been shaping its CSR approach as it aims to respond to major social and environmental challenges with a new food model that positively impacts its ecosystem and creates value for all its stakeholders.

AN AMBITION DRIVEN BY VARIOUS LEVELS OF INDICATORS

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

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

The governance of the Bel group, combining responsibility and profitability under a Chief Impact Officer, enables a high level of integration between its growth strategy and its CSR commitments. This overall performance is measured by financial and non-financial indicators to which Bel has chosen to link its results.

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

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

The strategic indicators are intended to be monitored on the same schedule and reviewed alongside the financial indicators, ensuring that the model is supported by the twin pillars of CSR and finance. This innovative approach ensures that the CSR commitments are fully taken into account in the Company's operations and strategy.

Finally, in 2022, the Group will publish its Positive Impact Index to report on its ability to deliver on its corporate mission and have a positive impact on its ecosystem. A pioneer in the food sector, this single-score index is based on existing indicators and makes it possible to report on Bel's progress toward its 2035 objectives to its key stakeholders (see Chapter 1 "Integrated Report").

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

RESPONSIBILITY AT THE HEART OF OUR BUSINESS MODEL FOR OVER 20 YEARS

ANTOINE FIEVET

2001

CSR vision and beliefs

2003

Signing up to the United Nations Global Compact

United Nations Global Compact

COMMIT

2009

First EcoVadis supplier **assessment**

2012

Bel–WWF partnership for a more sustainable food model

WWF

TOGETHER TOWARDS A MORE SUSTAINABLE MILK PRODUCTION

bel for all for good

2013

Launch of *Sharing Cities* inclusive distribution model

2016

Acquisition of MOM group, diversification towards Fruit

GoGo squeeZ

Pom'Potes

2017

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

DEFINE

2018

- Bel and APBO strengthen their agreement for a profitable and sustainable dairy industry
- Definition of our action levers and 2025 farm-to-fork roadmap

Healthier food
Regenerative agriculture
Responsible packaging
Climate change
Accessibility and affordability of our products
Well-being for all

2019

New corporate mission and identity

bel for all for good

TO CHAMPION HEALTHIER AND RESPONSIBLE FOOD FOR ALL

OPERATIONALIZE

FRÉDÉRIC MÉDARD

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

2020

Toward a sustainable and responsible performance model

2021

- First employee survey Your Voice
- Nurishh, first 100% plant-based brand
- Bel wins EcoVadis Platinum Medal (top 1% in the sector)

your VOICE

nurishh

ecovadis

2022

Acceleration of carbon strategy

#BELOWCARBON

1,5°C

SCIENCE BASED TARGETS

LA FRESQUE DU CLIMAT

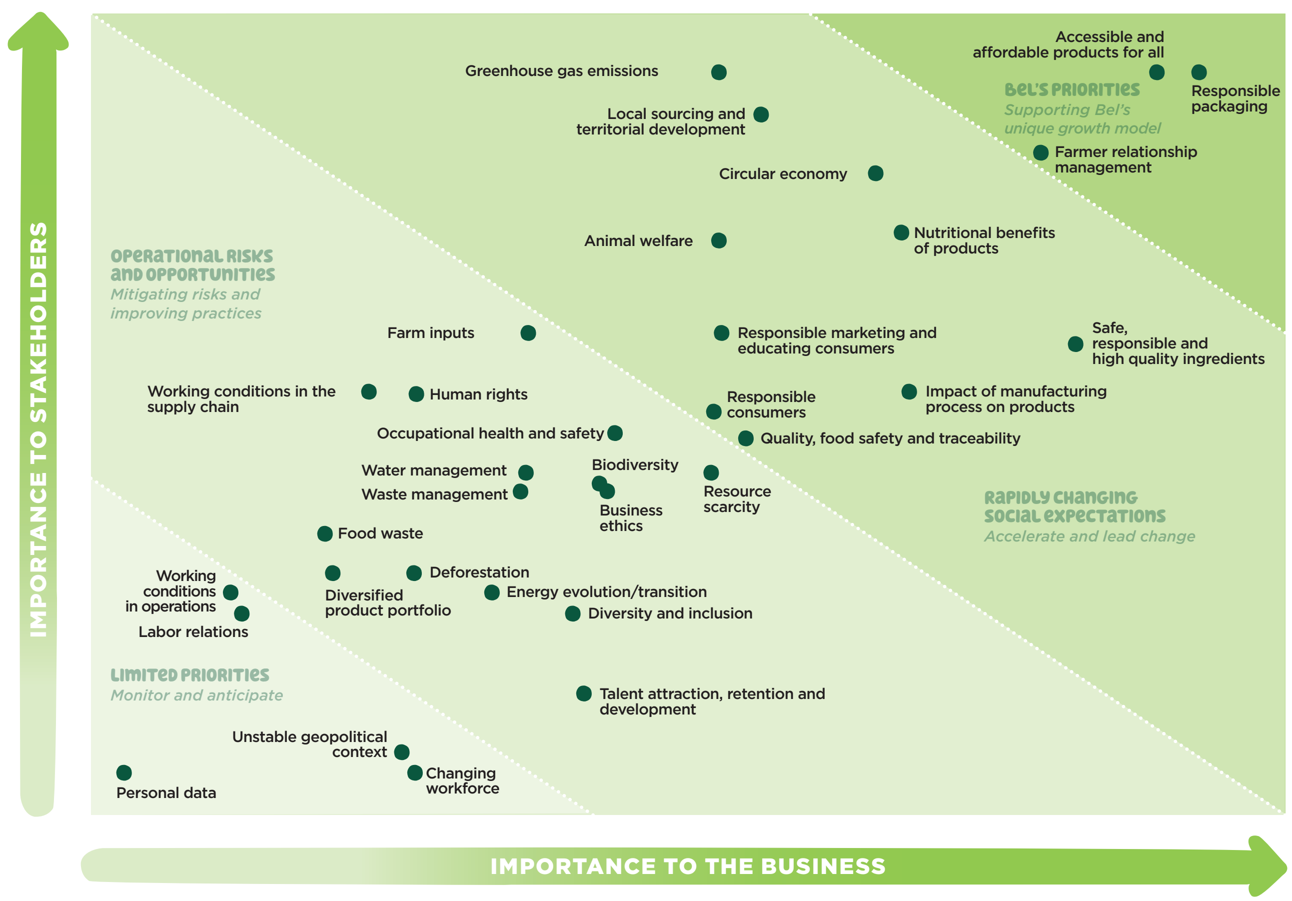
3.1.2 | ANALYSIS OF PRIMARY NON-FINANCIAL RISKS

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

- first, on the Group's risk management approach. Several non-financial risks were deemed significant (see Chapter 2 "Risk factors and insurance policy"):
- second, on its updated materiality analysis conducted in 2018 on a panel of internal and external stakeholders representing the diversity of the Group's ecosystem:

The analysis was reviewed in conjunction with the Risk Management Department in 2022 without identifying any new risks. A redesign of the matrix is planned for 2023 in conjunction with the preparation of the CSRD.

MATERIALITY ANALYSIS OF THE GROUP



The combined analysis of non-financial risks and the results of the materiality analysis thereby:

- confirmed the relevance of the Group's long-standing commitments to conducting its business ethically (see section 3.1.4 "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 3.2 "A model that creates value for all its stakeholders"); and
- highlighted the priority levers for future action by the Group, which are reflected in its new identity, *For All. For Good*:
  - contributing to healthier food,
  - promoting sustainable and regenerative agriculture;
  - designing responsible packaging and fighting food waste,
  - fighting against climate change and reducing its environmental footprint;
  - improving the accessibility and affordability of its products.

Based on this work, the Group identified priority non-financial risks and opportunities. This Non-Financial Performance Declaration aims to present all the policies and action plans implemented by the Group to manage these risks, as well as the results of these policies. As part of its CSR strategy, Bel has set around 20 objectives for 2025, which are grouped together in a CSR Scorecard (Appendix 1 – CSR Scorecard) and cover the Group's material risks and challenges.

OUR MAIN NON-FINANCIAL CHALLENGES AND THEIR PERFORMANCE MONITORING

Challenge	Risks	Scorecard indicators
A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS		
Building a sustainable future with its employees	• Risks related to occupational health and safety • Risks of discrimination • Risks related to the availability of skills and loss of critical know-how • Risks related to attracting and retaining talent	• Zero accidents[(a)] • Share of women in Top management • Annual training for every employee • Employee commitment
Promoting responsible practices with its suppliers	• Risks of labor and environmental abuses via the value chain	• Average EcoVadis supplier rating
Being a key and committed partner for its customers	• Risks related to market penetration and consumer expectations	• Strategic customer alignment
Developing positive products and responsible communication with consumers	• Risks related to image and reputation	• "Positive" products
Promoting responsible financing practices among investors	• Risks related to access to financing	• *Financing indexed to CSR indicators*
CONTRIBUTING TO HEALTHIER FOOD		
Offering high quality, safe and healthy products	• Risks related to product quality and consumer health	• "Positive" recipes • Bel Nutri + • Naturalness (0 & 1E)
Improving the nutritional quality of products		
Promoting better eating habits and encouraging healthier lifestyles		• Educanut
PROMOTING SUSTAINABLE AND REGENERATIVE AGRICULTURE		
Taking action for a sustainable dairy upstream	• Risks related to animal husbandry and farming practices	• Innovative social models • Animal welfare • Carbon diagnostics on the farm
Using plant-based raw materials within strict limits	• Risks of labor and environmental abuses via the value chain	• Responsible procurement
Delivering the goodness of fruits		
DESIGNING RESPONSIBLE PACKAGING AND FIGHTING FOOD WASTE		
Fighting food waste	• Risks related to food waste • Risks related to the sustainability of natural resources and climate change	• Rate of food loss and waste in our operations[(b)]
Eco-designing its packaging and using more sustainable materials	• Risks of environmental and regulatory impact of packaging	• Packaging that is recyclable and/or home compostable
Encouraging and facilitating the recycling of products		• Packaging that is recyclable and/or home compostable
FIGHTING AGAINST CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT		
Fighting against climate change	• Risks related to the sustainability of natural resources and climate change	• Greenhouse gas emissions (GHG) Scopes 1 and 2[(a)] • GHG emissions Scopes 1, 2 & 3 • Zero deforestation
Using water sustainably	• Risks related to water scarcity and quality	• Water consumption[(a)]
IMPROVING THE ACCESSIBILITY AND AFFORDABILITY OF ITS PRODUCTS		
Helping to make its offering accessible to as many consumers as possible	• Risks related to changing consumer expectations	• For all consumers
Improving the accessibility of its products in new regions by developing innovative and socially inclusive distribution models	• Risks related to consumer purchasing power	• Inclusive Business programs (*Sharing Cities* & *Inaya*)

SDGs*: A model that creates value for all its stakeholders: 1, 3, 5, 8, 17; Contributing to healthier food: 2, 3, 12; Promoting sustainable and regenerative agriculture: 1, 2, 8, 12, 15, 17; Designing responsible packaging and fighting food waste: 12, 15; Fighting against climate change and reducing its environmental footprint: 6, 9, 12, 13, 15; Improving the accessibility and affordability of its products: 1, 2, 10, 17

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

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

- promoting physical activity and sports (see section 3.3.3 “Promoting better eating habits and encouraging healthier lifestyles”);
- establishing collective bargaining agreements within the Company (see section 3.2.1.5 “Promoting a positive dialog”).

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

CSR is at the heart of the Group’s mission and is implemented at all levels of the Company and in all regions. It guides the strategic choices and activities of the Group and its brands. The Group’s structure facilitates the consideration of CSR challenges at all levels, from management bodies to operational employees.

The Group has chosen to combine responsibility and performance and to measure the overall performance of financial and non-financial indicators, based on the conviction that these two aspects are mutually reinforcing. In 2020, the Group created a department that brings together Finance and CSR, headed by the Chief Impact Officer (see section 3.1.1 “A positive business model”). This action underlines its determination to build on these two equally important pillars and thus ensure the sustainability of its activities and ecosystems.

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

THE BOARD OF DIRECTORS AS THE COMMITMENT WATCHDOG

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

THE EXECUTIVE COMMITTEE

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

THE ETHICS AND COMPLIANCE COMMITTEE

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

THE CSR OPERATIONAL COMMITTEE AS THE PROMOTER OF STRATEGIC CSR PRIORITIES

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

THE INVESTMENT COMMITTEE AS THE GUARANTOR OF SUSTAINABLE GROWTH

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

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

SPECIFIC COMMITTEES TO GUIDE PRIORITY ISSUES

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

CORE BRAND STEERING COMMITTEES

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

EMPLOYEE NETWORKS TO SUPPORT OPERATIONAL DEPLOYMENT

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

- a network of “Contributor” employees representing various Group functions whose main mission is to monitor and report on Group CSR indicators and to lead CSR initiatives in their functions and communities;

- a network of "Champion" employees, in particular from the Marketing and Regulatory Departments, deployed to all the Group's subsidiaries to further strengthen this system. The role of this network is to speed up the deployment of the CSR initiative to all the Group's functions and regions; and
- a network of "Actors for Good" employees who are involved in initiatives with a positive impact and thus participate in implementing the CSR strategy at local level (see section 3.2.1 "Building a sustainable future with our employees").

3.1.4 | ETHICS: A COMMON FOUNDATION FOR CONDUCTING BUSINESS

DEFINITION OF THE CHALLENGE AND RISKS

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

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

POLICIES

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

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

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

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

In order to adapt and clarify certain principles, the Code of Good Business Practices has been supplemented by policies dedicated to fighting corruption and to Group rules regarding gifts.

Finally, "business" policies or charters systematically include the principles of the Code of Good Business Practices and translate them for specific areas of activity. These are shared with the relevant stakeholders (see section 3.2.2 "Promoting responsible practices with its suppliers").

ACTION PLAN

Establishing strong governance

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

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

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

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

Taking part in international initiatives

In addition to vigilance measures and other actions taken to prevent the risks of corruption, human rights violations and environmental damage in all the companies where Bel operates (see section 3.1.5 "Vigilance plan"), the Group has historically participated in several voluntary ethics initiatives. Indeed, the Bel group signed on to the United Nations Global Compact in 2003, well before it adopted its Code of Good Business Practices. Since then, the Group has reaffirmed its commitments each year and reports on its progress regarding four fundamental principles: respect for human rights, respect for labor standards, the fight against all forms of corruption and respect for the environment. Bel pays particular attention to respect for children's rights given the positioning of most of its brands. The ten Children's Rights and Business Principles, drafted jointly by the United Nations Global Compact, UNICEF and Save the Children, are Bel's reference framework and are fully incorporated within its Code of Good Business Practices.

Alert system

In addition to the conventional alert reporting channels (contacting human resources officers, employee representative bodies or ethics officers), since 2015 Bel has operated a system which gives all employees access to an alert system that they can use to report any infringements of the principles enshrined in the Code of Good Business Practices. This alert system enables the Group's employees, partners and all third parties who do business with the Group to report any unethical incident of which they are a witness or victim. The alerts are processed in accordance with legal provisions, especially in terms of whistleblower protections. The procedures for handling alerts are described in a special guide written for this purpose. All alerts are handled by the local ethics officer, who has a strict requirement to inform the Group ethics coordinator of the investigation results and the proposed response measures. When the alert cannot be handled locally (due to the type of alert or the identity of the individuals involved), the alert is handled directly by the Group's Ethics and Compliance Committee. In 2022, seven alerts were submitted, four of which related to a violation of human rights.

Information on the risk of tax evasion

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

For the 2022 financial year, internal controls did not reveal any impact related to these matters on the Group's activities, and the Group's effective tax rate was 33.4%, an increase compared to 2021. (see Chapter 5 "Financial and Accounting Information" of the Universal Registration Document).

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

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

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

3.1.5 | VIGILANCE PLAN

The adoption in 2016 of the anti-corruption component of the "Sapin II" law and in 2017 of the "Duty of Vigilance" law has led the Group to strengthen its monitoring in the fight against corruption, violations of human rights and individual health and safety and environmental damage related to its activity.

The Group's longstanding commitment to the ethical conduct of its activities has enabled it to effectively draw on the policies and checklists already in place to construct and to continuously improve the vigilance plans required by these two laws.

3.1.5.1 – A SYSTEM FOUNDED ON RISK IDENTIFICATION

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

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

Relating to the Group's own activities

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

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

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

This first study phase was supplemented by a thorough analysis of the Group's applicable policies and checklists that limit these risks, in order to adopt appropriate action plans. In connection with the roll-out of these initial action plans, the Group also strengthened the mechanisms governing ethics and compliance (see section 3.1.4 "Ethics: a common foundation for conducting business") to put in place a model organization commensurate with the importance of the issues.

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

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

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

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

Finally, in 2019 the Group rolled out a digital risk mapping tool that enables it to update the corruption component of the risk map. Bel opted for a qualitative approach that essentially consisted in formalizing corruption scenarios specific to each of the Bel group's subsidiaries and taking into account aggravating exogenous factors, where applicable (see section 3.1.5.2 "Actions implemented"). The local Management Committees played an active role in determining the corruption risk scenarios, identifying aggravating factors and assessing the degree of control over those risks. Their involvement allowed local operational staff to become more confident and proficient in addressing these issues as they are responsible for defending the Group's ethical standards in their daily activities.

Relating to the activities of its business partners

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

The results of this initial mapping exercise led to the identification of the "purchasing category/country" combinations most at risk and the reinforcement of the vigilance measures taken prior to approving suppliers that fall within these categories.

In 2021, the Group acquired a digital tool enabling it to perform a mass analysis of its portfolio, which pinpoints suppliers for whom greater diligence is required, based on a theoretical risk level. The digital resource can then be employed to access detailed reports about this set of theoretically risky suppliers to make well informed decisions about whether to continue doing business with the partner in question. These reports and the content of due diligence work performed are stored and can be viewed on a dedicated digital platform. In this respect, subcontractors, intermediaries and other consultants are considered to be suppliers.

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

3.1.5.2 – ACTIONS IMPLEMENTED

To fight corruption

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

Relating to its internal stakeholders

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

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

This risk mapping exercise was conducted again in 2020 for all subsidiaries and is updated on a regular basis in accordance with legal requirements.

Moreover, in addition to the in-person trainings that have benefited more than 500 employees since 2015, an e-learning module on fighting corruption was launched in late 2018 and offered again in different waves thereafter. The module was completed by all Management Committee members at every Bel group subsidiary prior to carrying out the dedicated risk mapping exercise for their subsidiary. As a result, this e-learning was completed by 1,000 Group employees.

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

Relating to its external stakeholders

As regards its suppliers, and as indicated above, beyond the CSR risk mapping exercise, the Group further refined its risk identification process with a mapping focused on corruption risks. Its conclusions made it possible to base the degree of vigilance on the risk level identified by the "purchasing category/country" combination (see section 3.2.2 "Promoting responsible practices with its suppliers").

As regards its other external stakeholders, the Group has put in place measures to be notified if any of its retailers, customers or agents is found guilty of a crime, politically exposed or added to a blacklist or embargo. This continuous monitoring system was supplemented with in-depth assessments of the most exposed stakeholders. Digitization of the process is planned for 2023 (see section 3.1.5.1 "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 3.1.4 "Ethics: a common foundation for conducting business").

To fight violations of human rights and individual health and safety

In 2012, the Group launched a proactive human rights program with the adoption of its Code of Good Business Practices. Respect for human rights, including individual health and safety, is one of the seven principles set out in the Code; it refers specifically to the Universal Declaration of Human Rights and International Labor Organization conventions. The network of ethics officers who report to the subsidiary directors is responsible for implementation and compliance at each of the sites (see section 3.1.4 "Ethics: a common foundation for conducting business").

Relating to its internal stakeholders

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

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

In 2017, the Group ran a project aimed at detecting and measuring the risk of human rights violations, focusing on the risks of modern slavery, forced labor, child labor, and violations of individual health and safety, freedom of association, or the right to collective bargaining. This work also raised the awareness of the local Management Committees about these issues. In 2018, like the work carried out to fight corruption (see 3.1.5 "Vigilance plan"), self-assessment questionnaires covering the risks listed above were completed by the Group's subsidiaries. Dedicated action plans were drawn up after analyzing these self-assessments.

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

All mapping is scheduled to be updated in 2023 (see section 3.1.5.1 "A system founded on risk identification").

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

The Group also continued its long-standing labor initiatives and, at the end of 2020, adopted a new, innovative and ambitious people policy known as "Nurture," which sets out the strong commitments that the Company wishes to make toward its employees. This model is built on six key pillars: a sense of belonging, personal fulfillment, development, recognition, safety and well-being in the workplace, and support for employees' families (see 3.2 "Building a sustainable future with its employees").

Lastly, the Group further strengthened its continuous improvement approach aimed at ensuring the health and safety of its employees by adopting an ambitious Zero Accident Vision and, in particular, reviewing, harmonizing and compiling its 32 safety standards and 21 technical standards in a safety manual made available to all employees.

These health and safety criteria (accident frequency rate in particular) have also been directly incorporated into the calculation of managers' bonuses in order to ensure the proper implementation of such policies and to encourage the achievement of the Group's objectives in this area (see section 3.2.1.1 "Guaranteeing safety and well-being at work").

Relating to its external stakeholders

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

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

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

Lastly, in 2021, the Group selected five specific steering indicators within the EcoVadis assessment system, consistent with its CSR objectives in this area, and noted an improvement in the performance of suppliers with regard to these five indicators, thereby confirming the effectiveness of the policies and actions implemented with its partners (see section 3.2.2 "Promoting responsible practices with its suppliers")

To ensure respect for the environment

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

In its operations

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

To address these risks, the Group adopted highly ambitious objectives and is implementing continuous improvement plans designed to mitigate all the risks identified (see section 3.6 "Fighting against climate change and reducing its environmental footprint").

For example, the Group adopted a strict environmental policy a long time ago, which sets out the Group's goals and the guidelines for achieving them, and aims to ensure sustainable management of natural resources by reducing the Group's impacts along the entire value chain, from the production of raw materials to the consumption of the finished product.

This policy was revised in 2021 and is based on the *BeLowCarbon* strategy: reducing the greenhouse gas emissions of the Group and its products, adapting to the impacts of climate change and demands on natural resources, developing and rolling out environmental best practices and standards, and selecting suppliers that are aligned with Bel's sustainable commitments (see section 3.6 "Fighting against climate change and reducing its environmental footprint").

Furthermore, since 2017 the Group has participated in the Science-Based Targets (SBT) initiative started by the Carbon Disclosure Project (CDP), the World Resources Institute (WRI), the World Wildlife Fund (WWF) and the United Nations Global Compact. This initiative aims to reduce greenhouse gas emissions along its entire value chain (Scopes 1, 2 and 3).

In order to further bolster its contribution to the management of the climate emergency, Bel set new ambitious targets in 2022, in line with the recommendations of experts to limit the rise in temperature to below 1.5°C, and joined the United Nations Race to Zero initiative (see section 3.6 "Fighting against climate change and reducing the environmental footprint").

All the policies adopted are accompanied by targets, and the related action plans are rigorously monitored (for more details, see section 3.6 "Fighting against climate change and reducing its environmental footprint").

Along its entire value chain

In light of the significant impact of agricultural raw materials on the Group's overall carbon footprint (66.3%), Bel has made its commitment to a sustainable dairy sector a priority within its corporate social responsibility strategy, especially to achieve objectives set in connection with the Science-Based Targets initiative. The Group uses several nationally recognized tools (CAP2'ER, Cool Farm Tool, etc.) to identify and assess carbon reduction levers, jointly develop action plans to propose to its milk producers, and support them in this transformation (see section 3.4.1. "Taking action for a sustainable dairy upstream").

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

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

In addition to its direct actions to reduce its environmental impact, and aware of the full breadth of this impact (from upstream agriculture to the consumption of its products by the end consumer), the Group has rolled out policies enabling it to indirectly contribute to the reduction of GHG emissions at all levels of its value chain (see section 3.4.1. "Taking action for a sustainable dairy upstream," section 3.5 "Designing responsible packaging and fighting food waste," and section 3.6 "Fighting against climate change and reducing the environmental footprint").

3.1.5.3 – DEDICATED CONTROLS

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

Under the responsibility of their general managers, the Group's subsidiaries conduct an annual self-assessment against a control protocol. In addition to the pre-existing controls that help manage this risk, specific controls were added to the mechanism to fight corruption and human rights violations.

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

CHAPTER SUMMARY

HIGHLIGHTS OF 2022

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

PRIORITIES FOR 2023

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

3.2 | A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

Because the Group's business model and operations are founded on interactions amongst a large number of stakeholders, maintaining long-term, beneficial and sustainable relationships with those stakeholders is crucial.

This is why the Group has chosen to implement a model which creates shared value for its internal and external stakeholders, focused specifically on:

- its employees;
- its suppliers;
- its customers;
- its consumers.
- its investors;
- the planet (see section 3.6 "Fighting against climate change and reducing its environmental footprint").

WITH ITS STAKEHOLDERS

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

3.2.1 | BUILDING A SUSTAINABLE FUTURE WITH ITS EMPLOYEES

DEFINITION OF THE CHALLENGE AND RISKS

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

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

POLICIES

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

The commitments of the "Nurture" program were defined in 2021 and are organized around the six following principles:

- strengthening a sense of belonging based on the employer brand, employee share ownership, and employee diversity and inclusion;
- increasing personal fulfillment by emphasizing team autonomy and accountability, enabling each employee to receive training and engage in social responsibility projects, and strengthening employee satisfaction;
- promoting personal development by assessing and developing employee skills, managing career paths and fostering internal mobility;
- improving individual recognition by ensuring a common base of benefits and a fair wage for all employees, by valuing know-how, and by celebrating success;
- providing safety and well-being in the workplace by ensuring compliance with health and safety rules, but also by improving the quality of life at work and the work/life balance;
- supporting families by making various Group programs accessible to employees' families.

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

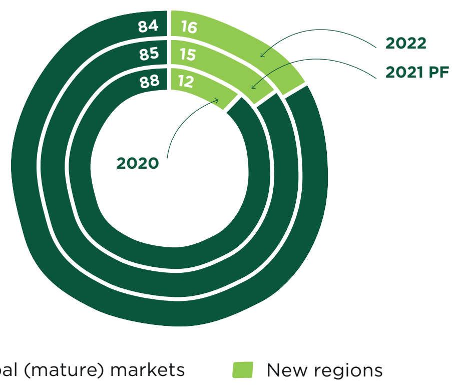
The program is structured in three phases:

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

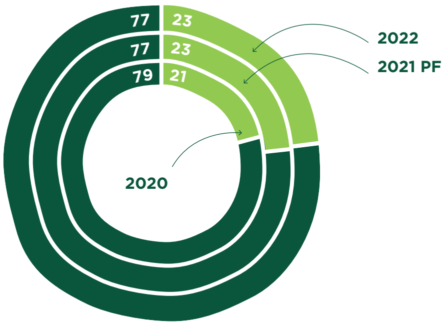
Workforce

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

WORKFORCE BY MARKET TYPE *(in %)*



WORKFORCE BY STATUS *(in %)*

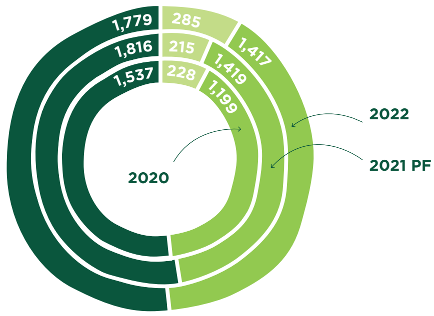


New hires and departures (excluding changes in the consolidation scope)

In a particularly demanding market environment, Bel is constantly adapting its business lines and human resources to match its needs to maintain its competitiveness, strengthen the Group's employer brand and fuel the growth of its brands on its historical dairy products market, while exploring new frontiers on the fruit and plant-based markets. The Group hired 1,779 people in 2022. The majority of the 1,702 departures in 2022 were voluntary (resignations and retirements).

The Group's average rate of job insecurity is 10% (calculated excluding temporary staff). This rate represents the number of fixed-term positions compared to the total number of staff (fixed-term + permanent + temporary staff). This average conceals significant local differences. For example, in some Middle Eastern and African countries, a fixed-term contract is standard legal practice and is not a sign of job insecurity.

HIRES AND DEPARTURES



Rate of job insecurity(b)	2020	2021	2021 pro forma(a)	2022
Global Markets	12%	11%	12%	11%
New regions(c)	37%	5%	5%	5%
TOTAL GROUP	**12%**	**11%**	**13%**	**10%**

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

Involving employees in positive impact initiatives

In 2022, Bel's roadmap includes the implementation of the Actors for Good program, which was launched in 2021 and aims to raise employees' awareness of social responsibility issues and involve them in initiatives with a positive impact.

To this end, in response to the challenge of raising awareness, the Group has committed to training as many of its employees as possible in climate change over three years, notably through La Fresque du Climat, a collaborative workshop based on the IPCC reports that aims to raise awareness and develop individual or collective solutions. A total of 1,253 employees were trained in 2022, and about 40 of them had the opportunity to go further by becoming workshop leaders themselves.

In 2022, Bel obtained the "Certified" label from La Fresque du Climat following an audit. This certification validates the plan's structure and ambitious roll-out as well as the quality of the Group's workshops.

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

- "Days for Good," which are the first social solidarity days organized by the Group, in partnership with the Bel Foundation. Employees can volunteer their time to a partner association with the aim of having a positive impact on their ecosystem and helping an association in a concrete way. In 2022, over 1,000 employees in 15 countries participated;
- the rounding of salaries, which enables several hundred employees in France to financially support one of three associations supported by the Foundation. Through an automatic deduction directly from their salaries and matched by the Bel group, these donations help fund projects for children in need. In 2022, the Banques Alimentaires association became the third association to benefit from these donations, helping to support its actions in Ukraine;

- use of the Vendredi social commitment platform in France, which invites employees to get involved in major social and environmental issues, at work or in their free time. The platform offers different options for taking action such as volunteering or skills sponsorship, team building around social solidarity, etc.

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

3.2.1.1 – GUARANTEEING SAFETY AND WELL-BEING AT WORK

POLICIES

Health and safety

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

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

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

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

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

Well-being at work

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

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

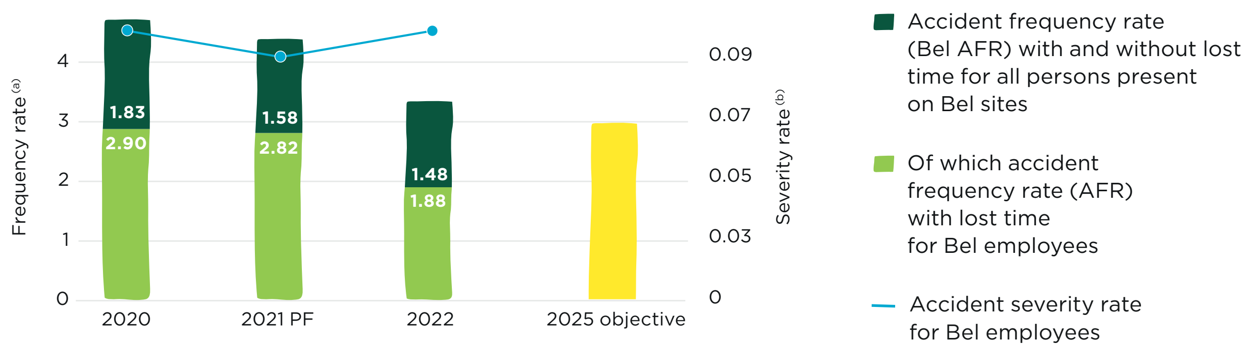
ACTION PLAN

Adopting exemplary practices and preventing the risk of accidents

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

While the accident frequency rate (AFR) has been in constant decline since 2013, it fell significantly faster in 2021 and 2022. The AFR was 3.36 in 2022, i.e. a drop of almost 30% compared to 2020 and almost 25% compared to 2021. This encouraging result, in view of the 2025 target of 3.0, was helped in particular by six plants that declared no accidents over the entire year.

ACCIDENT FREQUENCY AND SEVERITY RATE



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

People's behavior remains a major factor in preventing accidents and occupational illnesses. This is why Bel has set up a behavior safety visits (BSV) program on all of its sites. During these inspections, employees or subcontractors are observed at their workstations by one or two person(s), followed by a constructive discussion between the inspectors and the person "inspected." Each employee receives at least three BSVs per year at the industrial sites. The goal is to change behaviors and improve communication on safety and trust between employees and managers. In 2022, more than 1,300 people were trained in the Behavior Safety Program to conduct behavioral safety visits. This resulting in more than 32,260 BSVs being conducted in 2022.

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

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

- an *Intelex*[(1)] IT tool has been deployed to manage behavioral safety visits and to report incidents or near misses. It enables the Group to be very responsive and to monitor reports in real time in order to adapt procedures and defuse risky situations;
- a Road Safety training campaign was launched to address the risk of road accidents, which mainly affects sales teams.

Reducing discomfort and preventing occupational illnesses

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

Plants are gradually introducing action plans to reduce these sources of discomfort and to create a healthy working environment for all employees. In 2022, the teams were supported by a full-time ergonomist who visits all sites to identify priority ergonomic actions and define action plans to be implemented. Each site focuses on three priority actions per year. As a result, the entire engineering team responsible for new plants and equipment has been trained to put this issue at the heart of every Group project. Improving workstation ergonomics is included as a criterion when assessing all Group investment projects.

Providing an organization more conducive to well-being at work

Well-being at work is a key issue for Bel, whose ambition is to increase employee commitment and fulfillment.

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

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

In the context of the "Nurture" program, the Group launched the "Your Voice" employee commitment program, which includes an annual survey of all Bel employees. In 2022, the results of the survey showed a very high level of employee commitment, with a participation rate of 84% and more than 12,000 qualitative comments collected. The employee commitment rate was 76% in 2022, up 2 points from 2021. The results highlight several strengths of the Group, such as the feeling of safety at work, employees' buy-in to the Company's mission, and work-life balance, which is improving thanks to the introduction of hybrid working (see section 3.2.1.5 "Promoting a positive dialog").

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

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

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

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

SELECTED KEY PERFORMANCE INDICATOR

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

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

3.2.1.2 – PROMOTING DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY

POLICIES

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

- creating an inclusive corporate culture by publishing a Diversity & Inclusion Charter, which allows for the expression of individual differences within a framework that ensures collective performance, and by training and raising employees' awareness of the issue;
- attracting, retaining and developing diverse talents by adapting all its HR policies and processes to foster diversity and ensure equal opportunity (diversification of recruitment channels, career management for all, transfer opportunities between business lines, increased representation of women in management, etc.);
- effectively monitoring the Group's performance in these areas by organizing a mechanism to track employee perception through the Group's commitment survey and by giving local leaders (country general managers, plant directors, business line managers, etc.) the necessary management tracking and reporting tools to help them identify local issues and implement appropriate actions.

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

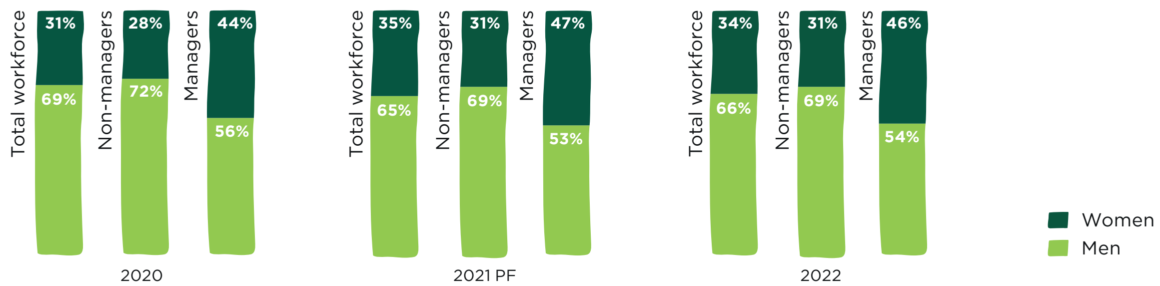
(1) bel-di-charte-fr.pdf (groupe-bel.com)

ACTION PLAN

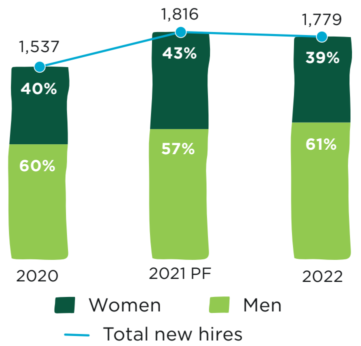
Gender equality

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

BREAKDOWN BY GENDER



BREAKDOWN OF NEW HIRES BY GENDER



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

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

(a) Values on a like-for-like basis.
(b) Absolute values.

In France, an agreement to promote skills development and diversity was negotiated and signed in 2021 for a three-year period. This agreement covers measures pertaining to gender equality in the workplace, the hiring of young people and retention of older employees, and employment and skills management planning. Under the new agreement, processes have been revised to avoid all forms of discrimination and to ensure inclusion and diversity in the recruitment of candidates. Several pilot plants have also received awareness training on gender-based misconduct.

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

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

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

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

Multi-culturalism as a means of promoting diversity and inclusion

Bel sells products in more than 30 countries and pays close attention to the diversity of the world in which it operates. The Group believes that diversity is a driving force for innovation and team agility and a source of wealth creation essential to achieving the ambitious goals it has set for itself. In 2022, the Group published cultural diversity training modules and provided a support platform for employees working in multi-cultural contexts. This helps create a better understanding of cultural differences and encourages dialog between teams on this topic. Finally, there is a greater focus internally on the languages used by multi-cultural teams and their working hours.

Disability

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

In 2011, the Group signed a partnership agreement in France with AGEFIPH (an association providing funding and assistance to integrate people with disabilities into the workplace) and, since 2014, it has signed three-year Disability Agreements with social partners. In 2020, Bel and its social partners renewed the agreement with the aim of achieving a minimum employment rate of 6% of employees with disabilities across all its sites in France and enabling persons who are disabled or likely to become disabled to work in an environment conducive to their professional and personal development. This agreement is driven by four main areas of action:

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

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

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

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

SELECTED KEY PERFORMANCE INDICATOR

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

(a) Values on a like-for-like basis.
(b) As part of the Nurture program, a study is under way to define a new indicator that takes into account other diversity-related issues.
(c) Group scope excluding Fruit.

3.2.1.3 – DEVELOP ITS EMPLOYEES' TALENT

ACTION PLAN

Training programs

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

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

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

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

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

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

SELECTED KEY PERFORMANCE INDICATOR

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

(a) Values on a like-for-like basis.
(b) The calculation methodology changed between 2020 and 2021.

Highlights for the year in building employee skills

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

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

Each year, the annual performance review[2] is an ideal occasion for employees to share the year's achievements and challenges with their line manager and to assess leadership, technical and soft skills. This meeting also affords an opportunity to discuss the employee's professional goals and to co-design a suitable individual development plan that can include training, mentoring and work placements. In this context, Bel is committed to supporting the "1 young person, 1 mentor" program launched by the French Ministry of Labor and the Haut-Commissariat à l'Emploi et l'Engagement des Entreprises to promote youth employment.

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

(1) Concerns employees who have access via a Bel email address or a personal email address.
(2) The annual review is mandatory for all salaried employees and managers. A paper form is also provided to workers.

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

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

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

3.2.1.4 – ENSURING A FAIR COMPENSATION SYSTEM

POLICIES

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

ACTION PLAN

Internal equality and external competitiveness

The Group always complies with the minimum levels set by local laws and strives to apply non-discriminatory wage policies. To attract and retain its employees, Bel ensures that it offers them competitive salaries and benefits. Accordingly, the Group's subsidiaries undertake regular salary surveys with specialized firms to identify the best market practices.

Employee benefits

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

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

(a) Values on a like-for-like basis.
(b) Permanent or fixed-term employees.

Recognition of individual and group performance

Individual performance is recognized based on merit. Many of the Group's managers are eligible for individual variable compensation. At least 20% of this variable compensation is contingent on meeting non-financial objectives in connection with its CSR strategy, 10% to the achievement of CO_2 emission reduction targets for scopes 1 and 2, and 10% to health and safety criteria, particularly the accident frequency rate and the completion of behavioral safety visits.

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

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

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

3.2.1.5 – PROMOTING A POSITIVE DIALOG

POLICIES

Bel has implemented a global Social Dialogue Charter since 2016. This Charter organizes the Group's approach around essential principles to be implemented or enhanced in each of its regions. The principles enshrined in the charter underscore the importance of compliance with legislation and of open, informed dialog with representative bodies and with managers and employees. In addition, collective bargaining agreements are regularly signed on priority issues for the Group and its employees. Such agreements have been signed on diversity and gender equality in recent years (see section 3.2.1.2 "Promoting diversity, inclusion and equal opportunity").

ACTION PLAN

Labor relations

A healthy, ongoing social dialog improves the workplace experience. The Group therefore encourages continuous exchanges between all the Company's stakeholders: employees, managers, personnel representatives and senior executives.

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

The framework may differ by region (employee committee, value committee, trade union, local representatives and so on), but the goal is always the same: to encourage dialog. A study is under way to map the professional bodies present at the Group's various sites. According to the initial mapping, the rate of employee representation achieved in our plants is 89%. In addition to local representative bodies, a European-level works council has been in place since 2019 to enable transnational dialog. It comprises 21 employee representatives from 11 countries.

Employee commitment survey

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

In 2022, the Your Voice survey posted a very high participation rate of 84%. The survey was based on 18 pillars and measured an employee commitment level of 76%, up two points compared to 2021, with 12,000 comments (see section 3.2.1 "Building a sustainable future with its employees").

SELECTED KEY PERFORMANCE INDICATOR

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

(a) Values on a like-for-like basis.
(b) New indicator defined in 2021.
(c) Excluding Fruit.

3.2.2 | PROMOTING RESPONSIBLE PRACTICES WITH ITS SUPPLIERS

DEFINITION OF THE CHALLENGE AND RISKS

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

POLICIES

For over ten years, the Bel Sustainable Purchasing Charter [(1)] has set forth the Group's commitments to its partner suppliers, as well as its expectations from them, in matters related to the environment, labor and business ethics. This charter was revised in 2019 to strengthen the process for selecting suppliers and monitoring their performance and to reinforce requirements related to suppliers' vigilance plans.

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

(1) For more information, the Bel Sustainable Purchasing Charter is available on the corporate website: (https://www.groupe-bel.com/wp-content/uploads/2019/11/sustainable-purchasing-charter.pdf [groupe-bel.com]).
(2) More information can be found in the Fruit Sustainable Purchasing Charter, available online at https://www.momgroup.com/wp-content/uploads/2021/03/group-sustainable-piurchasing-charter.pdf.

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

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

ACTION PLAN

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

In light of the specific nature of the issues related to the upstream dairy sector and their strategic importance for Bel, the measures taken to promote responsible practices among dairy producers are presented in a dedicated chapter (see section 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 3.1.5 "Vigilance plan"). A process to update these risk maps was launched in 2022.

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

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

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

Roll-out of a supplier evaluation and control system

From the start of the tendering process, suppliers receive a copy of the Group's Sustainable Purchasing Charter. To motivate suppliers to comply with this Charter and with the Code of Good Business Practices, a "CSR and ethics" clause is inserted in calls for tenders, contracts signed with suppliers and the Group's general terms and conditions of purchase. This clause was revised in 2019 to strengthen suppliers' compliance with ethical rules, their duty of vigilance within their own supply chain, and to set out the consequences in the event of a breach on their part. The criteria used by Bel when selecting suppliers and scoring their performance include the supplier's willingness to make a commitment and its ability to translate its commitments into suitable practices over time. Category-specific CSR requirements can also be added to the specifications defined in calls for tender and contracts depending on the main risks or challenges identified.

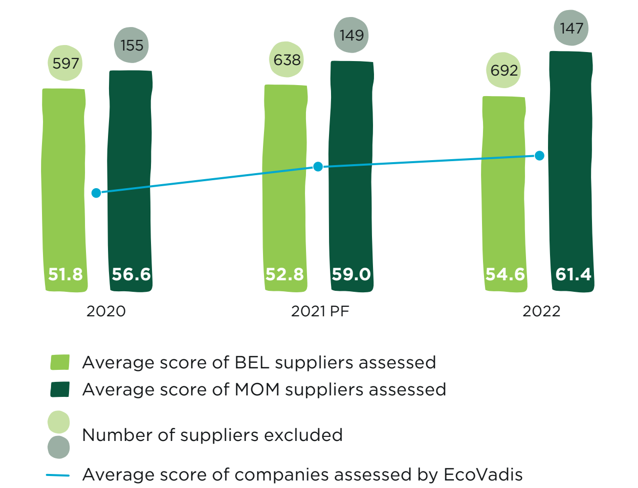
Furthermore, since 2009, the Group has been assessing the CSR performance of the suppliers and subcontractors that it deems key given their business volumes, the risks associated with the products/services supplied or their location. These assessments, carried out in cooperation with EcoVadis, a sustainable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

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

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

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

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



(1) For more information, the Code of Good Business Practices can be viewed on the Group's website (https://www.groupe-bel.com/wp-content/uploads/2020/03/code-of-good-business-practices-2020-en-planche.pdf).

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

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

The challenge for the Purchasing teams is to make their suppliers aware of these key issues, and to be able to monitor the improvement of these indicators from one assessment to the next. Between 2021 and 2022, all five indicators for both segments (Cheese and Fruit) showed clear improvement. The most notable developments among suppliers are the acceleration of reporting on CO_2 emissions and on the CSR assessment of suppliers, as well as the implementation of an anti-corruption policy.

In addition, Bel has been a member of the EcoVadis AIM-Progress sector initiative since 2017, in which members work jointly to improve CSR performance in the FMCG sector supply chain and create a synergy effect. Members share their suppliers' EcoVadis assessments on the platform, which simplifies processes and prevents the duplication of effort for members and suppliers alike. By the end of 2022, nearly 10,000 assessments had been shared within this initiative.

Finally, as a proponent of a responsible business model, Bel also completes the EcoVadis questionnaire every two years. In 2021, it received the EcoVadis Platinum Medal, corresponding to the highest level of recognition for CSR performance, with a score of 79/100. The Group is thus ranked in the top 1% of the world's best-rated companies in its business sector.

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

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

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

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

Buyer training

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

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

SELECTED KEY PERFORMANCE INDICATOR

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

(a) Suppliers assessed between 2017 and 2020.
(b) Suppliers assessed between 2018 and 2021.
(c) Values on a like-for-like basis.
(d) Suppliers assessed between 2019 and 2022.

3.2.3 | BEING A KEY AND COMMITTED PARTNER FOR ITS CUSTOMERS

DEFINITION OF THE CHALLENGE AND RISKS

Present in 32 countries, the Group markets its products to nearly 401 million consumers. It is committed to increasing the accessibility of its products in new distribution channels and new regions (see section 3.7 "Improving the accessibility of its products"). Grocery stores and mass retailers are the first point of contact between Bel products and consumers. They are therefore a privileged space to share and raise awareness of the environmental and social commitments made by the Group and to ensure that Bel's commitments and products reach consumers. In this way, the teams are working to reduce the risk that customers will misunderstand or misrepresent the commitments made by the Group. In addition, the Group is also aware of the risks of unethical conduct – such as labor and environmental abuses – that its various partnerships may represent across the value chain and fosters lasting, trust-based relationships with all business partners. In order to mitigate climate-related risks, Bel also needs to involve its customers who are part of its value chain, and vice versa. This is why Bel considers the relationship with its customers to be essential in order to bring its *For All. For Good* commitment to life and showcase its products in stores.

POLICIES

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

ACTION PLAN

Working with trusted partners

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

Developing partner relationships with its customers

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

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

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

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

Making our sales teams CSR ambassadors for our customers

As the sales teams are the first point of contact for the Group's customers, training these teams and making them aware of CSR issues and Bel's commitments is a priority. As a result, the Group is currently working on setting up a CSR training program with a particular focus on climate change, dedicated and specifically adapted to sales teams. This training will be provided in all Group countries via a digital platform, with the aim of training 100% of the sales teams by the end of 2023.

In addition, Bel has set up a Junior Sales Activist Board. This committee, made up of eight junior sales people from different Sales professions (key account, category manager, sales force, etc.), each from a different Group country, drafted the Group's Sales for Good Manifesto, setting out the foundations of the sales teams' CSR commitments. These commitments were then signed by all Sales Directors at Bel, and will be rolled out to all countries and subsidiaries. The Sales Activist Board meets at least once a year to share best practices and to provide follow-up on the sustainability indicators by the sales teams.

Engaging in joint projects with its customers

Bel works with its customers in the countries where it operates to set up projects aimed at publicizing its commitments and working together to achieve a sustainable food transition. In 2022, Bel was involved in the following partnerships:

- the Gigaton project initiated by Walmart, to which Bel has responded by committing to a trajectory of CO_2 emissions reduction (see section 3.6 "Fighting against climate change and reducing its environmental footprint");
- Carrefour's Food Transition Pact, by participating in the 20 Megatons Platform on Scope 3 indirect emissions;

- the "10x20x30" program in partnership with the Consumer Goods Forum to reduce food waste (see section 3.5.1 "Fighting food waste");
- the launch of a bulk Babybel Original® offering in partnership with Intermarché (see section 3.5 "Designing responsible packaging and fighting food waste");
- the "On s'y met" initiative in Lyon with Carrefour, to encourage consumers to have more balanced diets (see section 3.3 "Contributing to healthier food"). This project included the promotion of the initiative, "Le lundi c'est veggie" ("Veggie Monday"), which won the Sirius Prize in France.

SELECTED KEY PERFORMANCE INDICATOR

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

(a) Values on a like-for-like basis.
(b) 12 Advantage Surveys, conducted in the following markets: France, United States, Portugal, Canada, Spain, Slovakia, Belgium, Netherlands.

3.2.4 | DEVELOPING POSITIVE PRODUCTS AND RESPONSIBLE COMMUNICATION WITH CONSUMERS

DEFINITION OF THE CHALLENGE AND RISKS

Bel products are consumed by millions of people around the world, many of whom are children. That trust confers great responsibilities on the Group and its brands: to develop positive products and to communicate responsibly and transparently. By developing a positive product offering, the Group is confident that it is promoting lifestyles that are more sustainable for people and the planet. By integrating social and environmental issues into its messaging, the Group seeks to mitigate the risks associated with misinformation and thus protect itself from image and reputation risks. Bel is therefore committed to sharing sustainable visions on food, and to promoting diversity and inclusion in its corporate communications, in order to better protect the planet and society.

POLICIES

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

Bel adopted a Responsible Communication Charter in 2009, encouraging the Group to promote healthy eating habits (e.g. suitable portion sizes and active lifestyles) across all its communication channels. This charter covers communication in all its forms (advertising, corporate communications, packaging, digital channels, etc.). The Group is working to adapt best practices to the specific local conditions of each country in order to roll out the charter to all entities. In parallel, the Group is also working on new recommendations on how best to communicate environmental and social information.

ACTION PLAN

| Developing "positive" products

Since 2018, the Group has used a "positive" products indicator to measure the progress of its product portfolio that addresses the challenges of the food transition. The indicator is designed to measure the share of sales generated by "positive" products. In 2022, in order to align performance monitoring with the Group's mission to champion healthier and responsible food for all, the definition of "positive" products was refined to include the issues of CO_2 emissions and packaging recyclability and biodegradability.

A "positive" product is now one that addresses both a nutritional challenge (*Bel Nutri+* compliant or containing a maximum of one additive) and an environmental sustainability challenge (made from milk from cows that are pasture grazed or fed with GMO-free or organically grown feed, packaged in recyclable and/or home-compostable containers or whose carbon intensity in kg CO_2 eq./ton of finished product is in line with our 2035 commitments).

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

"Positive" products are included in the strategic indicators that the Group has defined (see section 3.1.1 "A positive business model"). This indicator will be managed and monitored on a more regular basis. The targets for this indicator will be set at a later stage.

Communicating responsibly

Integration of CSR issues from the advertisement design stage

The various departments at the Group (Marketing, Nutrition, Sustainable Development, Legal, Communications) work actively from the brand communication design stage to ensure the truthfulness of the information imparted and its compliance with Group principles. A dedicated tool called "Validcom" enables the departments in question to review and validate all types of communication materials (e.g. packaging, television commercials, in-store promotions, digital channels) for the Group's entire brand portfolio.

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

- limiting the environmental impact and carbon footprint of campaigns;
- attention to messaging aimed at children to promote healthier and more sustainable eating habits (see section 3.3 "Contributing to healthier food");
- integration of the Group's diversity and inclusion commitments.

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

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

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

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

Communication about environmental issues to consumers

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

- providing clear guidance to consumers on how to sort their packaging. In France, for example, the Group follows the mandatory Citeo® guidelines. But Bel goes further, having adapted its sorting instructions at the local level based on the different waste processing channels. The teams will then need to take these guidelines into account for any future packaging redesigns. (See section 3.5 "Designing responsible packaging and fighting food waste");
- by raising consumer awareness of use-by dates, in order to limit food waste (see section 3.5.1 "Fighting food waste");
- by communicating the Group's CSR commitments via a link directing consumers to the CSR commitments section of the website.

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

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

Communicating responsibly to children

Bel is particularly careful when it comes to messaging aimed at children (see section 3.3 "Contributing to healthier food"). That is why, in addition to the Internal Nutrition Communication Charter, the Group has joined the voluntary European movement, EU Pledge, in respect of its Cheese and Fruit activities. Through this initiative, the Group pledges not to advertise any products that do not meet the nutritional criteria of the EU Pledge (Nutrition White Paper[2]) to children under the age of 12 via television, the press or digital channels.

(1) OpenClimat: data, approach and climate actions.
(2) https://eu-pledge.eu/wp-content/uploads/EU_Pledge_Nutrition_White_Paper.pdf

SELECTED KEY PERFORMANCE INDICATOR

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

(a) For a product to be considered "positive" for this calculation, it must meet one of the nutrition criteria AND one of the environmental criteria listed below:
- Nutrition:
  "Bel Nutri+" compliant;
  Contains no more than one additive.
- Environment:
  Made from organic milk;
  Made from milk from pasture grazed cows;
  Made from milk from cows fed without GMOs;
  Packaging is recyclable and/or home compostable;
  Carbon intensity at the 1.5° target for 2035.

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

3.2.5 | PROMOTING RESPONSIBLE FINANCING PRACTICES AMONG INVESTORS

DEFINITION OF THE CHALLENGE

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

POLICIES AND ACTION PLAN

Since 2017 the Bel group, with the support of its lending banks, has chosen to include environmental and social impact criteria in its credit facility, based on the achievement of three objectives stemming from its CSR strategy for 2025:

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

The amended line of credit includes duty of good-faith performance: in the event that objectives are not met, the Bel group agrees to take corrective actions through direct investments or financing of non-profit associations or non-governmental organizations.

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

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

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

- deployment of an effective action plan for a sustainable dairy upstream sector;
- reduction of its GHG emissions: the Group is committed to rolling out an ambitious plan with targets set annually until 2029.

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

	Definitions	Goal for December 31, 2022	Results as of December 31, 2022	Goal met
Dairy upstream[a]	*The Bel group pledges to define and deploy to its 10 dairy supply basins a "Sustainable dairy upstream" program to improve the sustainability of the dairy sector (see section 3.4.1 "Taking action for a sustainable dairy upstream")*	Formalized monitoring of adherence to the roll-out schedule by the "Roll-out" steering committee	100% compliance with commitments	
Reduction of greenhouse gas emissions[a]	Greenhouse gas emissions ratio: GHG emissions in kg CO_2 (Scopes 1 and 2) per metric ton produced. Benchmark indicator: *Pro-forma indicator calculated on December 31, 2017 using the new indicator format (with a denominator in metric tons produced) (see section 3.6.2 "Fighting against climate change")*	– 20%	– 28%	

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

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

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

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

In October 2022, the Bel group demonstrated its leadership in sustainable financing with the implementation of its Sustainability-Linked Financing Framework.

This framework now offers Bel the possibility to structure all of its financing in a Sustainability-Linked format. This financial innovation reflects the Bel group's desire to manage its development by integrating both financial and ESG criteria to ensure the company's sustainability.

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

- reduce Scopes 1 and 2 GHG emissions;
- reduce Scope 3 GHG emissions;
- develop carbon diagnostics and action plans for milk producers;
- contribute to healthier food in its core brands for children and families.

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

CHAPTER SUMMARY

HIGHLIGHTS OF 2022

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

PRIORITIES FOR 2023

- Continuation of the We@Bel cultural transformation program with the integration of winning behaviors in HR processes and manager training.
- Definition of the Group’s strategy on the labor/social pillar.
- Deployment of CSR training plans dedicated to the Sales professions.
- Launch of the Sustainable Diets theme, which raises employee awareness about responsible consumption, as part of the “Healthy Smiles” program (see section 3.3.3 “Promoting better eating habits and encouraging healthier lifestyles”).

3.3 | CONTRIBUTING TO HEALTHIER FOOD

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

- support UN Sustainable Development Goal 2: Zero Hunger, to end hunger by 2030 and ensure that all people, especially the most vulnerable, have year-round access to safe, nutritious and sufficient food;
- offer safe, healthy products and encourage better eating habits. To this end, the Bel group continues to guarantee the quality and food safety of its products for its consumers; it continues to transform its brand portfolio by strengthening its strategy in three complementary areas: dairy, fruit and plant-based; it also continues to use the portion model to encourage consumption of its products in reasonable quantities;
- meet the needs of its consumers, who, in addition to demanding products that satisfy organoleptic and safety requirements, are increasingly attentive to the quality, origin and naturalness of the ingredients used.

3.3.1 | OFFERING HIGH QUALITY, SAFE AND HEALTHY PRODUCTS

DEFINITION OF THE CHALLENGE AND RISKS

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

POLICIES

The year 2022 marked a turning point in Bel's approach to food safety. The Group rolled out a wide range of content around the concept of Food Safety Culture at all levels of the organization to raise employee awareness and ensure a high level of quality and food safety in manufacturing. This ambition is supported by the Executive Committee and by ambassadors from each department, business unit, cluster and industrial platform. In 2022, more than 100 ambassadors were trained to support the Group's commitment to its Food Safety Culture policy. They have raised awareness among nearly 1,500 employees from all parts of the Group.

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

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

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

ACTION PLAN

Performing strict upstream controls on raw materials and packaging

Assisting dairy producers

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

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

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

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

Controls on suppliers of other strategic raw materials and packaging

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

Each year, Bel revises its supplier auditing system to reflect newly identified and emerging risks. In 2022, the risk of fraud was particularly high due to rising inflation and the supply crisis related to the war in Ukraine. Bel has reinforced the controls already performed on goods with questionnaires, requests for supplier controls and analyses of imported raw materials.

Rigorous safety controls when raw materials arrive at its plants

All the ingredients used in Bel's recipes, including liquid and solid dairy raw materials, undergo several safety inspections upon arrival at production sites. They are tested again before they are used for processing to check microbiological, physicochemical and organoleptic properties.

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

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

Deploying strict procedures at production sites

A production site certification procedure

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

In addition, in 2020, Bel obtained the customs status of Authorized Economic Operator (AEO FULL) for all its French sites and the head office. The AEO program strengthens the safety and security of merchandise flows into and out of the European Union. This program is being gradually rolled out to all the Group's industrial sites and should cover all of them by 2025. Beyond certification, Bel has strict procedures that define everyone's roles and responsibilities and a department devoted exclusively to managing customs operations and monitoring regulatory changes. This department also audits the Group's customs and export partners, transportation providers and brokers.

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

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

Robust and harmonized processes to control quality and *food safety*

Bel maintains and improves its HACCP (Hazard Analysis Critical Control Point) system at all its industrial sites to identify, assess and control significant food safety dangers. In 2019, Bel drew up a harmonized Group HACCP standard that established general control measures for food safety requirements, which must then be adapted and implemented at industrial sites. This standard is updated each year to reflect regulatory changes and emerging risks identified by the Group, such as those relating to plant-based raw materials, which were incorporated into the standard in 2022.

In addition, the Food Fraud and Food Defense policies are common to all industrial sites and implemented locally. To prevent the risk of malicious acts, each site is required to deploy its own Food Defense plan, which includes an exhaustive assessment of identified risks and threats and the elaboration and implementation of dedicated action plans to control and reduce these risks. The Food Fraud policy was supplemented in 2020 with a vulnerability analysis to identify the products, raw materials and packaging most exposed to the risk of fraud and which, therefore, require regular, advanced controls. Following this analysis, a monitoring plan was drawn up for packaging in 2021 in order to ensure product quality and durability while preventing the migration of contaminants.

Strict safety controls

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

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

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

Appropriate preservation conditions

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

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

The Group's quality, food safety and product traceability requirements are applied without exception to all subcontracted and co-branded products. The Group is especially vigilant when it comes to co-branded products; this ensures that whenever a Bel product is paired with another brand's product, the result always meets the expectations of the Group's consumers.

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

Ensuring product quality and safety during downstream transport

Bel audits its product distribution chain to ensure compliance with the cold chain, transport and preservation conditions required for its products. Bel has shared a Good Storage and Distribution Practices Charter with its retailers in various regions. Bel has also set up a network of quality coordinators for the supply chain, trade and subcontractors in order to monitor and optimize control of and compliance with storage/distribution requirements and to make it easier to report any complaints. Furthermore, pursuant to its certification as an authorized economic operator, the Group carries out numerous controls on its logistics chain (carrier audits, vehicle integrity inspections upon arrival and departure from the plant, etc.).

A robust traceability system to prevent risks

Product traceability all along the food chain…

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

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

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

A single Group tool also provides information about where all its products are stored, whether with the customer or anywhere within its distribution network.

… to effectively prevent and manage risks

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

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

Protecting consumer health and building a relationship of trust

By providing transparent and relevant information to consumers

See section 3.2.4 "Developing positive products and responsible communication with consumers."

By offering a proactive consumer service response

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

3.3.2 | IMPROVING THE NUTRITIONAL QUALITY OF PRODUCTS

DEFINITION OF THE CHALLENGE AND RISKS

The nutritional quality of food products is an increasing concern for public health authorities and consumers alike. Overweight and obesity are widespread among adults and children around the world[(1)], and undernutrition is still a problem in developing countries. At the same time, the trend toward more natural products is strong and growing among Bel's consumers around the world as they seek out products with shorter, simpler ingredient lists, perceived as a guarantee of quality.

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

POLICIES

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

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

ACTION PLAN

Improving the nutritional quality of its products

A program for in-depth understanding of nutritional issues

Bel systematically studies local nutritional recommendations and epidemiological data from the publications of national and international public health authorities to assess the contribution of our products to the overall diet. This program is called "Bel Nutri-Watch," and it contributes to the in-depth understanding of local nutritional issues in order to propose appropriate solutions.

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

The products distributed by Bel are an important source of calcium, protein and vitamins, nutrients that are essential for growth and compatible with the dietary needs of all. In portions, i.e., in reasonable quantities, the fat and salt content of the products can be part of a balanced diet. To this end, the Group ensures first and foremost, ahead of any product development, that the maximum thresholds per portion for fat, added sugar and salt, established jointly with an international committee of experts, are respected.

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

A nutritional profiling system and improvement objectives

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

"Bel Nutri+" establishes threshold values to orient Bel's nutritional approach to developing new products and updating existing ones. Values are defined by product category (cheese, savory snacks, and sweet snacks) and by target (adults and children) for six nutrients:

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

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

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

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

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

The Group's main advancements cover the following areas:

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

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

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

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

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

Committing to constantly improving naturalness

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

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

The recipes for many of the Group's products, including Babybel Original®, are historically quite simple, containing just four ingredients (milk, salt, cultures and rennet) and no added preservatives or other additives. For other products, like The Laughing Cow® and Kiri®, much effort has been made in the last few years to improve their recipes by scaling back and/or eliminating additives.

The Group is also working with external nutrition experts to adapt its products to the needs of emerging countries. In some parts of the world, where climate and storage conditions present real challenges, Bel is committed to using only those additives which are strictly necessary for shelf life and optimal product quality (see section 3.7.1 "Adapting its products to the needs of everyone").

Developing "positive" recipes

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

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

"Positive" recipes are one of the strategic indicators that the Group has defined (see section 3.1.1. "A positive business model"). This indicator will be managed and monitored on a more regular basis at all levels of the organization. It will be rolled out in 2023 during the strategic planning and budgeting exercise. Targets for this indicator will be set in a projection exercise in 2023.

(1) In number of references.

SELECTED KEY PERFORMANCE INDICATOR

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

(a) Values on a like-for-like basis.
(b) Excluding Fruit.
(c) New indicator defined in 2022 enabling the monitoring of the Group's naturalness objectives.
(d) It will be rolled out in 2023 during the strategic planning and budgeting exercise. The target for this indicator will be set in these projection exercises.

3.3.3 | PROMOTING BETTER EATING HABITS AND ENCOURAGING HEALTHIER LIFESTYLES

DEFINITION OF THE CHALLENGE AND RISKS

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

POLICIES

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

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

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

ACTION PLAN

Encouraging its employees to adopt better eating habits

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

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

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

(1) French National Research Institute for Agriculture, Food and the Environment.
(2) In number of references.

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

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

Encouraging consumers and children to adopt better eating habits

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

These programs are designed to help children and their parents better understand that nutrition and physical activity are important for their health. They are led in partnership with other actors, such as public health associations, governmental and non-governmental organizations and universities and take a variety of forms (distribution of teaching tools, organization of events, talks by nutritionists/dietitians, etc.). Bel's goal is to support programs in 10 key Group countries by 2025. For example, in 2022, Bel:

- continued its "Eat well, smile bigger" program in South Africa, offering nutritional education programs in 31 new schools;
- continued its project in Ivory Coast, ongoing since 2020 with Action contre la Faim ("Action against Hunger") and since 2022 with the country's Ministry of Education. The goal of this program is to provide a balanced breakfast to children at schools. By 2022, more than 10,000 children had benefited from this program;
- launched a program with the Food and Agriculture Organization (FAO) in Egypt that raises awareness about better nutrition for children by promoting all food categories through flyers and comics.

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

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

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

At the same time, the Group has also been working over the past 15 years to improve children's nutrition through its Corporate Foundation, targeting the most at-risk children. Since 2018, for example, the Foundation has supported the Racines d'Enfance association, active in the school cafeterias of 12 kindergartens in Senegal. School children also receive educational booklets on nutrition. In France, the Bel Foundation is committed to the issue of food insecurity for young children. For example, it supports projects led by associations such as MaMaMa, which helps single mothers and their children. The Foundation's funding has made it possible to assess the nutritional status of children and to draft educational materials on nutrition.

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

SELECTED KEY PERFORMANCE INDICATORS

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

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

CHAPTER SUMMARY

HIGHLIGHTS OF 2022

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

PRIORITIES FOR 2023

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

3.4 | PROMOTING SUSTAINABLE AND REGENERATIVE AGRICULTURE

The use of regenerative agricultural practices restores the natural capacity of soils and improves their fertility, ensures farm resilience and succession, and makes it possible to continue offering high quality products. Healthy soils have many positive impacts on the water cycle, carbon capture and biodiversity, contributing to the regeneration of natural cycles and the preservation of biodiversity (see section 3.6 "Fighting against climate change and reducing its environmental footprint").

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

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

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

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

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

3.4.1 | TAKING ACTION FOR A SUSTAINABLE DAIRY UPSTREAM

DEFINITION OF THE CHALLENGE AND RISKS

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

POLICIES

To put this commitment into writing, Bel adopted a Sustainable Upstream Dairy Charter[(1)] that was co-developed with WWF France. The charter integrates economic, social and environmental aspects and covers all the Group's dairy supply basins throughout the world[(2)]. It addresses six strategic focuses:

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

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

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

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

(2) Excluding Fruit.

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

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

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

ACTION PLAN

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

Reducing the environmental footprint

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

Bel therefore set a goal to reduce emissions from upstream agricultural activities by 50% by 2035, compared to 2017 levels. To meet that target, identifying emissions contributors is crucial: Bel in France therefore worked with CNIEL (the French national dairy industry council) to create Cap2'ER, a tool to measure the environmental impact of farms and to identify new pathways (see section 3.6.1 "Fighting against climate change").

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

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

These carbon diagnostics at the farm level are key to the Group's decarbonization roadmap (see section 3.6 "Fighting against climate change and reducing its environmental footprint"), and as such their successful deployment has been added as a key indicator in the Sustainability-Linked Financing Framework (see section 3.2.5 "Promoting responsible financing practices with its investors").

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

Between 2017 and 2021, the Group reduced its milk-related carbon footprint by 8.3%, bringing the Bel carbon intensity of milk from 1.54 kg eq. CO_2/kg of produced milk to 1.42 kg eq. CO_2/kg of milk. This reduction was made possible in particular by the deployment of GMO-free feed in some of the Group's supply basins, the use of more local feed sources, and better management of effluents and herds in general.

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

Contributing to a sustainable production model

Most of the milk used in Bel products is collected directly from its partner producers every two or three days. The Group relies on this direct, regular link to develop long-lasting relations with dairy producers, even in a fragile economic environment. Dairy producers' quality of life and working conditions are a major concern for the Group, for which a sustainable growth model is inconceivable without the long-lasting relations and trust of its partners.

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

(1) For more information, the Animal Welfare Charter can be viewed on the Bel group's website (https://www.groupe-bel.com/wp-content/uploads/2019/10/animal-welfare-charter-eng.pdf).
(2) Compassion In World Farming, an international NGO that promotes animal husbandry practices that preserve animal welfare.
(3) Several tools were used: Cap'2ER in France, SMART in the United States and Cool Farm Tool for the other supply basins. Not in Canada.
(4) Excluding derogated farms, "Young Farmers" who require one year of accounting and farms where all partners are over 58 years old.
(5) Excluding producers from the Chef-du-Pont plant's dairy supply basin.

In France, Bel renewed its partnership with the APBO in the form of an agreement for better milk prices[1]. Among other things, the new agreement responds to the short-term challenges of inflation and reaffirms longer-term commitments by putting a monetary value on differentiating farming practices, such as GMO-free animal feed, pasture grazing and transforming toward a low-carbon industry. Also as part of this partnership, in 2022, Bel set up a fundraising campaign in France to help young farmers starting their businesses, and also provided financial aid and a list of recommendations to encourage the development of agroforestry systems, in collaboration with the Pays de la Loire Chamber of Agriculture.

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

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

Ensuring animal welfare

The Group has committed to promoting good practices in animal welfare and sharing strict common standards by addressing this sensitive issue with its partners. A key aim is to guarantee an environment and practices that are suited to the animals' physiological and behavioral needs.

Since the publication of the Animal Welfare Charter in 2019, the Group has worked on harmonizing and promoting all of these good practices, with the ambitious goal of seeing that 100% of its partner dairy farms assessed by 2025, based on a monitoring audit conducted by an external stakeholder (if a local national framework aligned with the Charter requirements exists[2]) or an internal stakeholder (using an audit grid developed by Bel with CIWF). By 2022, the Group had already completed audits on 29% of its farms (100% of farms in the United States and in Portugal, 80% in Iran). If any non-compliance is identified or if the existing national framework is less rigorous than its own commitments, Bel will require a corrective action plan and early re-assessment. In addition, Bel is working with cooperatives and local authorities in Canada and Poland to define standards aligned with the Group's commitments in terms of animal welfare, which are stricter than those already applicable in these countries.

Promoting access to pasture grazing

Bel encourages pasture grazing whenever conditions allow, because it is a regenerative agriculture practice that improves the soil's health, fertility and carbon-storage capacity, biodiversity, along with improving the water cycle. Pasture grazing also helps increase the protein self-sufficiency of farms compared to other systems, and it benefits the health and well-being of dairy cows.

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

The Group's commitment is therefore two-fold:

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

Choosing sustainable and local animal feed

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

Since 2012, Bel and WWF France have been working together to evaluate and reduce the environmental impact of dairy cow feed. A joint study of the environmental risks related to each raw material in this feed showed that, although they account for less than 5% of a cow's diet, two ingredients have particularly high environmental impacts: imported soy meal and PKE (palm kernel expeller, a by-product of palm oil extraction). It is now acknowledged that uncontrolled soybean and palm cultivation is a major cause of deforestation, which the Group is committed to fighting (see section 3.6.2.2 "Avoiding greenhouse gas emissions through biodiversity policy and preservation of natural ecosystems").

(1) https://www.groupe-bel.com/fr/newsroom/news/partenaires-pionniers-dun-modele-remunerateur-et-durable-pour-la-filiere-laitiere--et-lapbo-sont-fiers-de-perenniser-leur-accord-pour-2020-qui-incarne-pleinement-les-etats-gen/.
(2) Boviwell framework in France, Farm in the United States, ProAction in Canada.

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

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

SELECTED KEY PERFORMANCE INDICATORS

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

(a) Values on a like-for-like basis.
(b) New indicator defined in 2022.
(c) A second diagnostic should be completed three to five years after the first, to measure progress.

3.4.2 | USING PLANT-BASED RAW MATERIALS WITHIN STRICT LIMITS

DEFINITION OF THE CHALLENGE AND RISKS

With a constantly growing world population that will hit 10 billion people by 2050, Bel is aware of the need to diversify and balance animal- and plant-based foods while preserving our planet's resources, as recommended by the IPCC Report[3].

Thus, the Group chose to go beyond cheese with the 2016 acquisition of MOM, a fruit compote specialist, followed by the 2020 acquisition of All In Foods, a start-up developing a broad range of plant-based cheese alternatives, such as plant-based slices and spreads. The year 2021 was marked by the launch of Nurishh®, the Group's first 100% plant-based brand, thereby positioning Bel as a key player in plant-based products.

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

(1) According to a study ordered by the APBO in 2020, soy meal quantities purchased per farm fell by 29% on average across dairy cattle production farms between 2017-2018 and 2019-2020.
(2) Excluding producers from the Chef-du-Pont plant's dairy supply basin.
(3) Intergovernmental Panel on Climate Change.
(4) This diet consists in restoring balance to one's diet by eating more plant-based products without eliminating animal products.

POLICIES

Bel's policies and efforts focus primarily on two types of plant-based raw materials: vegetable fats, which have already been included for several years in the Group's policies, and plant-based ingredients, which are the subject of new work in connection with Bel's development in this area.

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

The development of 100% plant-based products is an important axis to provide a plant-based alternative to consumers interested in flexitarian or vegan diets (see section 3.7 "Improving the accessibility of its products") and to promote a low-carbon diet for all (see section 3.6.2.3 "Reducing greenhouse gas emissions along its entire value chain").

To guarantee an approach in line with the Group's various environmental policies (preservation of ecosystems, responsible purchasing, regenerative agriculture, etc.), a set of commitments was established for plant-based ingredients in 2020.

ACTION PLAN

Using responsible plant-based ingredients

Bel has defined a common set of commitments to be honored for the sourcing of all plant-based ingredients used by the Group: first of all, plant-based ingredients must be of non-GMO origin, not linked to deforestation, and must comply with a set of ethical practices and come from channels/suppliers that abide by ethical business principles. Second, these ingredients are classified according to their country of supply in order to identify and manage specific risks. Finally, the use of ingredients that follow the main principles of regenerative agriculture, or that are organically produced, for example, is encouraged whenever possible.

Starting at the end of 2020, Bel set the goal of using 100% responsible vegetable fats, i.e., those sourced from responsible, traceable and certified agricultural supply chains where they exist (e.g., palm oil). In the absence of certified chains, the Group promotes local sources whenever possible and ensures that it sources non-GMO materials that pose no risk of deforestation and comply with a baseline of ethical practices.

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

Develop a range of plant-based products

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

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

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

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

SELECTED KEY PERFORMANCE INDICATOR

Bel's objectives	KPI	2020	2021	2021 pro forma(a)	2022	2025 objective	Progress
Guarantee the responsible procurement of the vegetable fats used in products	Procurements which are certified or honor the commitments of the Vegetable Fats Charter (where there is no certification)	94.5%	90%(b)	90%(b)	100%(b)	100%(b)	☺

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

3.4.3 | DELIVERING THE GOODNESS OF FRUITS

DEFINITION OF THE CHALLENGE

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

POLICIES

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

In 2022, the elaboration of an ambitious plan defining the main principles of regenerative agriculture within the Group included the fruit area, with an initial objective of sourcing 100% of its apples according to the principles of regenerative agriculture by 2030 (see section 3.4 "Promoting sustainable and regenerative agriculture").

ACTION PLAN

Ensuring responsible and local sourcing

The bulk of the Group's fruit supply comes from fruit that has been excluded from the fresh produce market for quality reasons. The Group works closely with farmers to make the most of its discarded fruit, to limit food waste as much as possible, and to provide farmers with additional income. This does not come at the expense of quality, since the Group ensures both the health safety, and visual quality of the fruit purchased.

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

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

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

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

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

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

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

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

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

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

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

Accelerating toward regenerative agriculture

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

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

The Group encourages agroecological practices in its dedicated orchards, including the use of biological control methods that protect plants using natural mechanisms (e.g. mating disruption, use of nesting boxes for chickadees that feed on insect pests, etc.), rational management of soils, water resources and biodiversity, and ensuring the health, safety and working conditions of farm employees. These agricultural practices are part of a larger trajectory of the Group toward regenerative agriculture. (see 3.4 "Promoting sustainable and regenerative agriculture").

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

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

CHAPTER SUMMARY

HIGHLIGHTS OF 2022

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

PRIORITIES FOR 2023

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

(1) USDA GAP audits are voluntary audits that verify that the fruits and vegetables are produced, packaged, handled and warehoused in a way that minimizes microbiological risks.
(2) PrimusGFS is a certification program recognized by the Global Food Safety Initiative (GFSI) that covers agricultural practices, manufacturing practices, and food-safety management systems.
(3) Canada GAP® is a food hygiene program for businesses that produce, handle and sell fruits and vegetables.

3.5 | DESIGNING RESPONSIBLE PACKAGING AND FIGHTING FOOD WASTE

DEFINITION OF THE CHALLENGE AND RISKS

According to the FAO and WWF, nearly 40% of the food produced in the world for human consumption is never consumed[1]. For Bel, fighting food waste is a critical issue in our society and an ethical and environmental imperative. It contributes to achieving the United Nations Sustainable Development Goal (SDG) number 2 of "Zero hunger," as well as 12.3. "Global Food Loss and Waste," which aims to halve the amount of food waste per capita worldwide.

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

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

- preserving food quality and safety over long shelf lives (see section 3.3.1 "Offering high quality, safe and healthy products");
- limiting excess consumption and offering consumers the right nutritional intake for their needs (see section 3.3.3 "Promoting better eating habits and healthier lifestyles");
- helping to reduce food waste, thereby allowing cheese to be consumed over a longer period of time compared to a family size package. This ensures that there is less leftover cheese from an opened family size package that could spoil;
- enabling as many consumers as possible to be able to enjoy its products, offered in a practical format that can be easily transported (see section 3.7 "Improving the accessibility of its products").

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

POLICIES

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

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

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

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

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

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

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

(1) wwf_uk__driven_to_waste___the_global_impact_of_food_loss_and_waste_on_farms.pdf (panda.org)
(2) https://www.groupe-bel.com/wp-content/uploads/2023/02/food-waste-en.pdf
(3) https://www.groupe-bel.com/wp-content/uploads/2019/11/emballages-responsable-en.pdf

3.5.1 | FIGHTING FOOD WASTE

ACTION PLAN

Acting collectively for sustainable food

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

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

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

Initiatives across the entire value chain

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

(1) https://thefoodwasteatlas.org/

Upstream and collection

Bel minimizes the loss of raw materials during agricultural production, especially milk because it is a fragile, perishable ingredient. Thus, the Group collects milk locally and regularly (at least every three days) from partner producers to reduce the time elapsed between milking and processing. Bel also contributes to ensuring that farmers produce the right amount of milk by committing to purchase specific volumes. All milk is either used on the farm or collected by Bel year-round, even during peak production periods. The Group also supports partner producers by identifying and sharing best practices to avoid milk loss on the farm and to ensure that the maximum amount of milk can be used for food. On the Fruit side of the business, it is through its activity as a processor that Bel actively contributes to avoiding post-harvest losses. In fact, the Group's products are for the most part prepared with quality fruits that are excluded from direct consumer purchase due to their size, appearance, or because of a gap between demand and production (see section 3.4.3 "Delivering the goodness of fruits"). Recovering these fruits not only limits waste, but also provides additional income to producers.

Production

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

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

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

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

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

Bel also strives to reuse dairy production surpluses and all components of the milk collected, including by-products of cheese production, such as cream and whey. In addition, all Bel's manufacturing cycles generate some substandard cheeses as a result of deviations from production specifications (weight differences, esthetic reasons, etc.). All these by-products and production surpluses are recovered: they are reused in the Group's own plants, resold as raw ingredients in the manufacture of other products or, to a lesser extent, reused to generate energy (methanization).

Distribution

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

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

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

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

Consumption

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

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

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

(1) https://www.bcg.com/fr-fr/publications/2018/tackling-1.6-billion-ton-food-loss-and-waste-crisis.
(2) Too Good To Go pact, Ipsos study, May 2021.

This is why the Group, as part of its collaboration with Too Good To Go, worked to include informational and explanatory messages about the difference between use-by and best-before dates. This initiative was launched in France with The Laughing Cow® brand and has been extended to the Apéricube®, Kiri®, GoGo squeeZ®, Pom'Potes®, and Mont Blanc® ranges and to other countries. An explanatory pictogram with the words "Look Smell, Taste: Don't Waste" is available on some packaging in Portugal, Great Britain, Spain, Italy, Belgium, Greece and the Netherlands, and may be rolled out to other countries on a voluntary basis. In addition, the Group shares anti-waste tips and recipes for consumers through its brands.

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

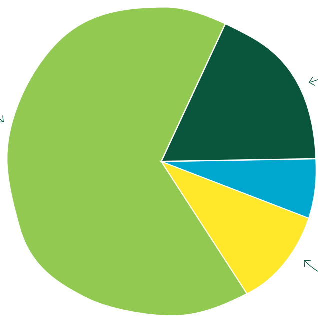
Reduce the rate of food loss and waste by 50% in our operations in 2030 vs. 2021[a]	2020	2021	2022
Rate of food loss and waste, including wastewater	n.a.	4.5%	4.4%
Rate of food loss and waste, excluding wastewater	n.a.	1.5%	1.5%

(a) New indicator defined in 2022.

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

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

BREAKDOWN OF PACKAGING WEIGHT BY TYPE OF MATERIAL



ACTION PLAN

Refuse, reduce and develop bulk sales solutions and reuse

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

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

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

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

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

- An assessment grid has been systematically applied to all packaging put on the market in order to provide a score according to the degree of compliance with the Group's recyclability and compostability targets;
- a life cycle assessment (LCA) tool through eQoPack, a pioneering tool to measure the impact of packaging, co-created with Quantis, a consulting firm with LCA expertise. This tool makes it possible to simulate the impact of different packaging options and thus to make choices in line with the Group's commitments. Since its launch in 2021, 145 projects and 510 scenarios have been evaluated using eQoPack.

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

Prioritizing plant-based, renewable and bio-based materials

As part of this eco-design approach, Bel systematically prioritizes plant-based, renewable and bio-based materials, sourced locally whenever possible. These materials have several advantages: they reduce pressure on the environment, are very often recyclable (in the case of paper/cardboard) and have a smaller impact than plastic if they do end up in the environment. In 2022, the Plant-Based Mini Babybel® was launched in 97% paper packaging.

Nevertheless, when plastic must be used, for example, for technical reasons or to maintain optimal conservation, Bel strives to limit the quantities of plastic used to the absolute minimum. Thus, in 2022, the strings used to wrap the Food Service's Laughing Cow® micro-trays were eliminated, saving 630 kg of plastic per year. In addition, the plastic bag used for the Babybel® mini-wheels was eliminated in March 2022 and replaced with a recyclable bag made of 97% paper, saving 18 tons of plastic.

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

Using recycled materials from certified sustainable sources

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

The Group is working so that 100% of the paper and cardboard materials used in its packaging come from recycled fibers (with a minimum of 50% recycled fiber) or certified virgin fibers from sustainably managed forests (FSC, PEFC, SFI, CSA, etc.) to preserve natural ecosystems and fight deforestation (see section 3.6.2.2 "Avoiding greenhouse gas emissions through biodiversity policy and preservation of natural ecosystems").

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

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

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

In 2022, these results take into account:

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

Promoting the use of recycled plastic

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

A specific approach for aluminum

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

3.5.3 | ENCOURAGING AND FACILITATING THE RECYCLING OF ITS PRODUCTS

ACTION PLAN

Developing recyclable-ready and/or home-compostable packaging

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

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

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

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

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

Encouraging and facilitating recycling

By communicating clearly to consumers

Bel wants to help its consumers adopt good waste sorting habits by adapting to the applicable rules in each country through the development of appropriate recycling instructions. Therefore, sorting instructions are visible on the Group's packaging and on its brands' websites. In countries that do not currently have such disposal resources, the Group is gradually altering its packaging to explain how individuals can prevent litter. The Group has also made a commitment to the CGF to ensure that all of its packaging includes waste sorting instructions where such processing facilities exist by 2025.

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

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

By forging partnerships to develop packaging waste collection and recovery chains

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

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

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

Lastly, the Group is an active member of organizations working to improve the aluminum and steel waste processing in the countries where it operates, through the CELAA(2) (Club de l'emballage léger en aluminium et acier – Aluminum and steel lightweight packaging association) in France, AREME (Association for the Recycling of Light Metal Packaging and Items) in Belgium and Luxembourg, COAALI (Coalition pour le recyclage de l'aluminium et de l'acier léger – Coalition for Aluminum and Light Steel Recycling) and the "Alliance pour l'innovation et le recyclage des emballage" (Alliance for innovation and recycling of packaging) in Morocco.

(1) 74% including wax.
(2) By the end of 2022, 50% of the French population will have access to a waste sorting center equipped to process small amounts of aluminum waste.

SELECTED KEY PERFORMANCE INDICATOR

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

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

CHAPTER SUMMARY

HIGHLIGHTS OF 2022

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

PRIORITIES FOR 2023

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

3.6 | FIGHTING AGAINST CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT

3.6.1 | THE GROUP'S ENVIRONMENTAL STRATEGY

ENVIRONMENTAL POLICY

The Group has an internal environmental policy, revised in 2021, which strives to ensure sustainable management of natural resources while at the same time reducing the Group's impacts along the entire value chain. Bel addresses environmental issues in a cross-cutting way, from farm to plate, aware of how the various issues are interdependent: for example, healthy soils have many positive impacts on the water cycle, carbon storage and biodiversity. Similarly, reducing CO2 emissions and fighting deforestation ensure the proper functioning of the water cycle and thereby help preserve natural environments and biodiversity.

That is why this policy has several key focuses:

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

In addition, several other policies adopted by the Group contribute indirectly to reducing Bel's greenhouse gas emissions. Examples include policies on the dairy upstream (see section 3.4.1. "Taking action for a sustainable dairy upstream"), "Responsible packaging" (see section 3.5 "Designing responsible packaging and fighting food waste") and "Preserving forests and natural ecosystems" (see section 3.6.2.2 "Avoiding greenhouse gas emissions through biodiversity policy and preservation of natural ecosystems").

GOVERNANCE

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

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

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

3.6.2 | FIGHTING AGAINST CLIMATE CHANGE

DEFINITION OF THE CHALLENGE AND RISKS

Climate change is one of the biggest issues of our time and a strategic priority for the Group. With 4.4 million tons of greenhouse gases emitted by the Group per year, Bel is aware of the risks related to the impact of its activities on climate change, and to the adaptation to the consequences of climate change for the Group.

A member of the Science Based Targets initiative (SBTi)[1] since 2017, the Group committed in 2019 to a GHG emissions reduction trajectory in line with the Paris Agreement's ambitions to keep global warming below +2°C. Aware of the urgent need to accelerate efforts, in 2021 Bel defined a new, even more ambitious trajectory, in line with experts' recommendations to limit the rise in temperatures to below +1.5°C. This trajectory for 2035 was validated by the SBTi in March 2022, and makes the Bel group a pioneer in its sector.

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

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

RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE

RISKS

Category / Description of risks and opportunities	Time frame	Potential financial impact	Impact on the Group's strategy
PHYSICAL / TRANSITION			
Carbon tax The carbon tax is a policy instrument that takes into account the external costs of GHG emissions. This tax is calculated as a cost per ton of carbon emitted. An increase could have significant impacts on costs for Bel, affecting its entire value chain.	2050	++	Bel has defined a GHG emissions reduction trajectory that covers its entire value chain (Scopes 1, 2 and 3) and is in line with the Paris agreements to limit global warming to +1.5°C. At the same time, the Group is committed to contributing to carbon neutrality across its entire value chain by 2050. In order to operationalize Bel's carbon strategy at every level of the company, the Group has put in place several levers: • creation of tool to educate employees about the Group's carbon footprint; • use of the financial calendar (business plan, budget development) to guide brand, country, function and plant roadmaps; • definition and operationalization of an Internal Carbon Price aligned with the recommendations of the IPCC 1.5°C scenario. The price was set at €75/t in 2022, and at €150/t in 2023, steadily increasing to €270/t in 2030. It is factored into: the Bel Carbon Impact tool; the performance monitoring of changes in a Carbon current operating income *[Group result - (Tons of Scopes 1, 2, 3* CO_2 ** Internal Carbon Price)]* per quarter at the total group, brand and country level; the accounting of the carbon impact in innovation/renovation and Capex projects.
PHYSICAL			
Procurement of raw materials The yields of the agricultural raw materials (fruit, milk and other dairy or plant-based raw materials) used by Bel will be affected by global warming, resulting in availability and quality issues. This variability in raw materials could result in higher costs for Bel (for example, variability in weather conditions has an impact on animal feed production).	2035	+	Given how much our carbon footprint is affected by the choice of agricultural raw materials that go into our products, we are introducing initiatives to increase the climate-resilience of agricultural production. Such initiatives will: • encourage farmers to produce animal feed locally, in order to fight against imported deforestation and support the autonomy of farms and ecosystems; • promote virtuous agricultural practices by supporting breeders and farmers in the implementation of regenerative agricultural practices (pasture grazing, soil rotation, plant cover, no-till, etc.) and in the development of agroforestry (planting of hedgerows, wooded strips, etc.); • accelerate the development and marketing of products containing alternative sources of protein, in addition to its traditional dairy product ranges; • fight against food waste at every point along the value chain in order to maximize the value of each input.
PHYSICAL			
Water scarcity Reduced water levels in some geographic regions could result in water scarcity issues (decreased water quality, stricter regulations on water use, increased difficulties in accessing water). These risks could lead to higher operating costs and production difficulties in its agricultural basins and at Bel production sites.	2035	+/++	Bel is implementing actions to make agricultural production more resilient in a context of water scarcity: • the Wasabel improvement program allows each production site to monitor its water consumption and establish action plans to reduce water consumption; • WWF France's Water Risk Filter tool provides an indication of water availability in each water basin; • water recovery and reuse projects are being studied (in France, the Group is studying the possibility of recovering the water extracted from milk during cheese production); • Bel already has visibility on the impact of its packaging on water through the use of the eQoPack tool, and in 2022 Bel began studying ways to measure the water footprint of its entire value chain.

RED Opex/Capex
GREEN Revenue

OPPORTUNITIES

Category / Description of risks and opportunities	Time frame	Potential financial impact	Impact on the Group's strategy
TRANSITION			
Development of new products Today, 66% of Bel's carbon footprint is linked to dairy raw materials. The Group's strategy is to increase the number of non-dairy products in its portfolio to reach a balance between revenue from its dairy and non-dairy products (fruit, plant-based, alternative proteins). This opportunity allows for the generation of new revenues from low-carbon, non-dairy products, and could improve the brand's image, competitiveness, access to capital, and attraction and retention of employees.	2035	++	This strategy consists of reducing Bel's carbon footprint, particularly in terms of Scope 3 emissions, and diversifying the Group's product portfolio in order to achieve a balance in its revenues between dairy and non-dairy products. The work undertaken by Bel mainly focuses on two areas: • the development of product ranges incorporating plant-based raw materials, in whole or in part in its core brands such as Babybel® or Boursin® Plant-Based; • research and development of product ranges introducing alternative proteins (strategic partnership with SuperBrewed, Standing Ovation, Perfect Day). At the same time, the sustained growth of Pom'Potes® and GoGo squeeZ® fruit pouches is helping to reduce the average carbon intensity of the Group's portfolio.
TRANSITION			
Carbon sequestration Carbon sequestration consists of increasing the capacities of carbon sinks through practices such as the preservation of ecosystems, forestation and/or reforestation, agroforestry, etc. Many companies and countries will be committing to work toward carbon neutrality in 2050, leading to an increase in the need for carbon credits. This will be a strategic issue in the years to come. Carbon sequestration should offer both environmental and social benefits (biodiversity, soil health, water quality, etc.).	2050	++	The priority of the Group's teams is to avoid and reduce GHG emissions to reduce total emissions to their lowest possible level. Labeled carbon sequestration projects will contribute to carbon neutrality across the entire value chain by 2050, starting with its first area of responsibility, its plants, by 2025. The Group first joined the Livelihoods Carbon Fund 3 (LCF3) launched by Livelihoods Venture in June 2021, and new carbon sequestration projects were established in 2022–2023, offering diversified typologies and regions: • Bel signed a partnership with the forestry cooperative Alliance Forêt Bois (AFB) to finance planting projects in France; • Bel signed a five-year partnership with the NGO African Parks to support fauna and flora preservation projects in the natural parks of Central African Republic.
PHYSICAL			
Energy management Continuous improvement of our plants, distribution centers and administrative buildings is resulting in reduced energy consumption and CO_2 emissions through targeted investments and a transition to renewable energy. This opportunity will reduce Bel's operating costs and carbon footprint over the long-term, through improved energy efficiency and low carbon impact energy sources. This strategy helps Bel prepare for changes in local regulations and energy costs.	2035	+/++	Bel's goal is to reduce GHG emissions at its sites by 75.6% in absolute terms between 2017 and 2035 (validated by SBTi). Since 2000, our environment and plant teams have been measuring and implementing actions to: • implement the ESABEL (Energy Saving At Bel) program, established over 10 years ago as an initiative that allows each site to access best practices, monitor its consumption levels and define action plans to reduce them; • improve energy efficiency by investing in our production sites to reduce their footprint (waste heat recovery, heat pumps, etc.); • develop renewable energies (investments in biomass, solar panels, etc.). In 2022, 20.22% of energy and 89.25% of electricity comes from renewable sources.

RED Opex/Capex
GREEN Revenue

ACTION PLAN

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

In 2022, the Group decided to accelerate the reduction of its carbon footprint and adopted an even more ambitious trajectory in line with the ambition to limit global warming to below +1.5°C. This commitment implies a net reduction of one-quarter of Bel's GHG emissions across its entire value chain, compared to 2017, and taking into account the Group's growth:

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

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

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

3.6.2.1 – MEASURE TO RAISE AWARENESS AND MANAGE PERFORMANCE

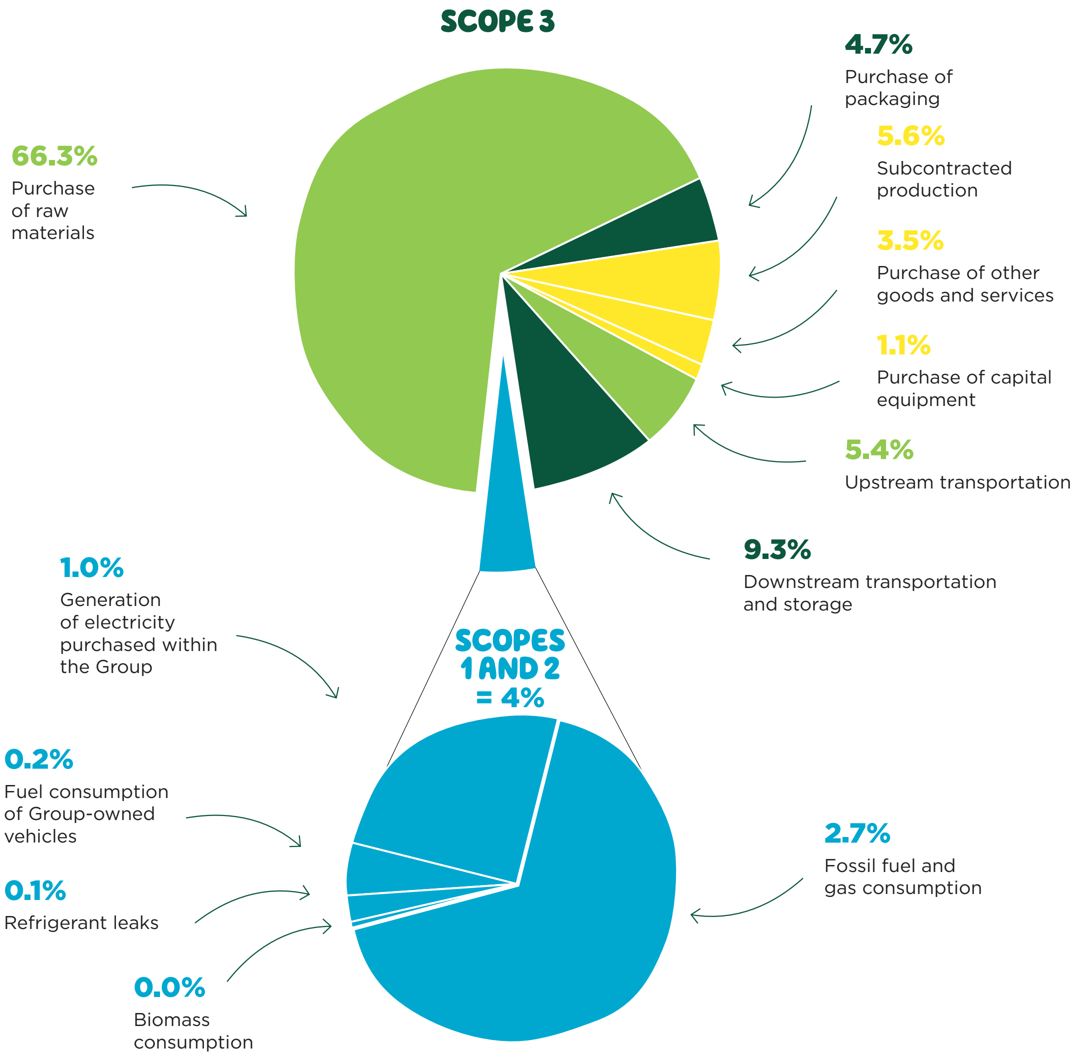
Overview of Bel's total carbon footprint

The Group's global carbon audit was updated in 2022 in accordance with the Greenhouse Gas Protocol. It estimated the Group's total emissions in 2021[1] at 4.4 million metric tons of CO_2 equivalent, most of it generated by raw materials, transportation, packaging and subcontracting. The reduction of GHG emissions was brought about by the action plans deployed to more sustainable dairy upstream, the carbon diagnostics carried out at farms, and the accelerated development of products using plant-based raw materials.

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

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

OVERVIEW OF THE GROUP'S TOTAL CARBON FOOTPRINT FOR 2021



Implementation of decision-making tools

In 2022, Bel managed its climate policy and ambition as part of its "BeLowCarbon" strategy, by (i) linking one of its strategic indicators to the Group's carbon objective (see section 3.1.1 "A positive business model"), (ii) deploying a measurement tool, (iii) by raising employee awareness on this subject and (iv) by integrating the tool into each of the Group's decisions.

In addition to the annual Carbon Footprint audit, the Group has developed several decision-making tools to better assess the climate impacts of its projects and enable employees to choose lower-carbon alternatives:

- an educational tool: the Bel Carbon Impact, which provides a consolidated and analytical view of the Group's carbon footprint across all its markets, brands, segments and products, and enables the Group to track its CO_2 emissions on a monthly basis across the entire value chain;
- decision-making tools that enable employees to choose the best solutions for product innovations and renovations, for example by simulating the carbon impact of recipes or different packaging via eQoPack;
- The *SC CO_2* emissions calculator tool measures the carbon footprint of the transportation and storage of finished products downstream, and was developed as a continuation of the project set up with FRET 21 to simulate the carbon impact of different flows.

In addition, as part of the Group's strategic plan, in 2022 Bel carried out for the first time specific carbon plans for each of the brands and major links in the value chain (dairy upstream, transportation, packaging). The purpose of these plans is twofold: they enable the appropriate teams to obtain better visibility of the emissions within their scope of action (at the level of a plant or a brand, for example); and they enable Bel's carbon plan to be operationalized at each level of the Group.

Outreach to external stakeholders

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

- by working with the WWF for the past 10 years to reduce the environmental impact of the dairy industry (see section 3.4.1. "Taking action for a sustainable dairy upstream");
- by exchanging with partner producers and suppliers to support them in their transition (see section 3.2.2 "Promoting responsible practices with our suppliers");
- by creating joint GHG reduction strategies with its customers (see section 3.2.3 "Being a key and committed partner for its customers");
- by transparently publishing its climate trajectory through this NFPD, and through publications produced at Group level such as the CSR Scorecard (see section 3.10 "CSR Scorecard"), or the Group Sustainability-Linked Financing Framework[1] (see section 3.2.5 "Promote responsible financing practices among investors"), as well as the OpenClimat[2] platform, which is accessible to consumers (see section 3.2.4 "Develop positive products and responsible communication with consumers").

Raising employee awareness

Bel is convinced of the need to mobilize all employees around this key issue for the Group. Bel has made a commitment to train as many employees as possible on climate change via the Fresque du Climat, at all levels of the company, as part of the Actors for Good program. By the end of 2022, 1,253 employees had already been trained, and 44 employees had trained to become trainers (see section 3.2.1 "Building a sustainable future with our employees"). Employees were also made aware of Bel's challenges in the face of climate change via webinars, with over 250 employees having been trained by the end of 2022. In addition, all Group employees are involved in monitoring their carbon performance through the deployment of a strategic indicator linked to the carbon goal (see section 3.1.1 "A positive business model"). Finally, Bel has included the reduction of the Scopes 1 and 2 carbon footprint in the bonus objectives of all eligible employees (see section 3.2.1.4 "Ensuring a fair compensation system").

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

DEFINITION OF THE CHALLENGE AND RISKS

Convinced that the best impact is the one we never create, our priority action is to avoid generating GHG emissions or altering natural environments that sequester carbon. Indeed, the Group is fully aware of the essential links between biodiversity and climate. Climate-related changes can greatly affect biodiversity by shifting the natural habitats of species, for example. Biodiversity also plays a key role in the fight against climate change, as the loss of biodiversity can, for example, reduce the capacity of ecosystems to absorb carbon dioxide. The complexity and interdependence of ecosystem services demonstrate the need to act collectively to preserve biodiversity and natural ecosystems in order to ensure the sustainability of the Group's activities.

This is why Bel is committed to:

- promoting a more plant-based diet, and thus offering alternatives that emit fewer GHG (see section 3.4.2 "Using plant-based raw materials within strict limits");
- fighting against food waste to avoid not only the emissions linked to unnecessary production, but also those linked to the destruction of wasted products (see section 3.5.1 "Fighting food waste");
- fighting against deforestation, and thereby avoiding the degradation of one of the main solutions for the absorption of GHG emissions on a global scale, and preserving the associated biodiversity.

POLICIES

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

- first, preserving forests and natural ecosystems, with the goal that, by 2025, none of Bel's key raw materials contributes to deforestation or the conversion of natural ecosystems;
- second, the Group's commitment to assessing its biodiversity footprint so it can set robust objectives backed by a scientific approach;
- third, the Group's pledge to improve its biodiversity footprint by implementing projects that protect, restore and raise awareness about biodiversity, in close collaboration with its partners who work in the field every day (see section 3.6.2.4 "Capturing residual emissions").

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

ACTION PLAN

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

Acting collectively to preserve biodiversity

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

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

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

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

Preserve forests and natural ecosystems

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

- soy meal and palm oil cakes used by partner dairy farmers to feed their cows (see section 3.4.1 "Taking action for a sustainable dairy upstream");
- plant-based raw materials, including vegetable fats (palm oil, soy, sunflower, rapeseed, etc.), which are included in some current or future recipes (see section 3.4.2 "Using plant-based raw materials within strict limits");
- paper and cardboard used in packaging and marketing materials (see section 3.5 "Designing responsible packaging and fighting food waste").

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

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

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

Assessing its biodiversity footprint

Convinced not only of the key and cross-cutting role of biodiversity, but also of the intrinsic link between climate and biodiversity, Bel is one of the first companies to have joined from 2020 the *Science Based Targets Network* (SBTN) and the Corporate Engagement Program. The objective of this collaborative work is to design and test a new robust calculation methodology that will allow companies to define biodiversity objectives that respect the limits of the planet. This work has been regularly shared by Bel within the framework of the Natural Capital Lab, co-founded by WWF France and the Ecological Accounting Chair at AgroParisTech, which brings together many companies interested in testing and promoting the use of these tools to preserve and integrate biodiversity.

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

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

(1) The ten common principles of Act4nature France: https://engagespourlanature.ofb.fr/sites/default/files/2021-10/EEN_Les%20_10_principes_communs_%C3%A0_signer.pdf
(2) https://lab-capital-naturel.fr

Improving our biodiversity footprint through field projects from farm to fork

PROMOTING PASTURE GRAZING

Bel encourages pasture grazing whenever conditions permit because pastures are rich in biodiversity (see section 3.4.1 “Taking action for a sustainable dairy upstream”). Encouraging the pasture grazing of dairy cows contributes to reducing the amount of fodder and concentrates needed.

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

PROMOTING AGROFORESTRY

The Group is helping to create new spaces that combine agriculture with respect for biodiversity by encouraging the development of agroforestry. This approach contributes to the preservation of ecosystems in the same way as the fight against deforestation. In particular, Bel is sponsoring a project with WWF France and the Pays de la Loire Chamber of Agriculture to raise awareness, train and support dairy producers in the use of agroforestry practices (planting of rural hedges, wooded strips, trees, and forest plantations to promote biodiversity and capture carbon). A total of 40,000 trees will be planted as part of this initiative.

PROTECTING AND PROMOTING BIODIVERSITY AT ITS PRODUCTION SITES

Bel is committed to preserving and enhancing biodiversity at its own production sites by performing a preliminary analysis before setting up each new site, and by implementing actions to preserve the environment around its sites, in particular with regard to its wastewater discharges (see section 3.6.3 “Using water sustainably”).

In 2021, a biodiversity diagnostic was carried out at the Pacy plant, located on an 8-hectare site with abundant greenery, in partnership with the Observatoire de la Biodiversité, resulting in an inventory of the various species of fauna and flora present and recommendations consistent with the ecological issues identified. In 2022, in response to this diagnostic and the recommendations, Bel decided to make this site the hallmark of its commitment to biodiversity, by creating, for example, a pond on the site, or by offering its employees numerous opportunities such as taking part in biodiversity surveys intended to feed into the participatory science database of the French National Museum of Natural History.

Food waste

Bel is also committed to fighting food waste with the ambitious goal of reducing food waste by 50% by 2030. This makes it possible to fight against climate change and reduce the environmental impact of these issues (see section 3.5.1 “Fighting food waste”). Reducing food waste helps preserve the resources used to manufacture products (water, energy, agricultural land, etc.).

Optimizing product end-of-life

Bel is working to improve the future of its product packaging in order to participate in a circular economy and limit its adverse impacts on the climate and biodiversity (see section 3.5 “Designing responsible packaging and combating food waste”), but also by improving instructions on how to sort waste.

SELECTED KEY PERFORMANCE INDICATOR

Bel’s objectives	KPI	2020	2021	2021 pro forma[a]	2022	2025 objective	Progress
Preserve natural ecosystems and fight deforestation through its supply chain	Zero deforestation (area of at-risk land/total area needed for production of monitored raw materials).	39%	44%	34%	38%	0%	

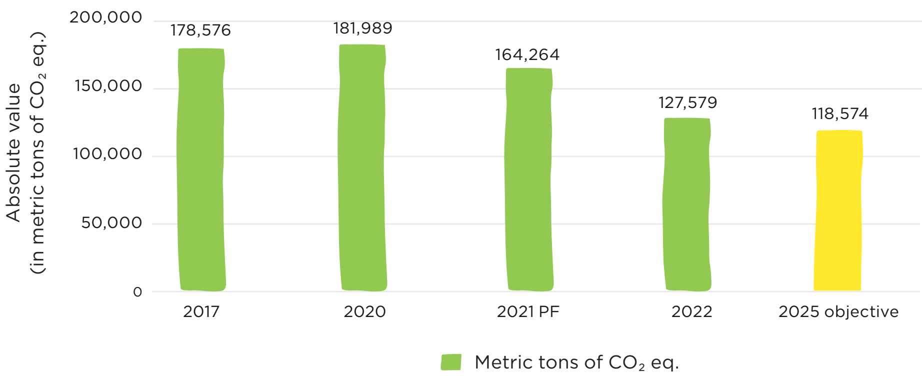
(a) Values on a like-for-like basis.

3.6.2.3 – REDUCING GHG EMISSIONS ACROSS ITS ENTIRE VALUE CHAIN

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

Reduce GHG emissions from Scopes 1 and 2

CHANGE IN GREENHOUSE GAS EMISSIONS FROM SCOPES 1 AND 2



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

GHG emissions balance for Scopes 1 and 2

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

The Group is working on these different sources of emissions to reduce the carbon intensity of its production and contribute to the carbon neutrality of its Scopes 1 and 2 by 2025. To help meet its goals, the Group developed the EsaBel ("Energy Saving at Bel") program to enable each site to monitor its consumption levels and define action plans to reduce them. In addition, 17 of the Group's industrial sites have implemented an ISO 14001-certified environment management system.

In 2022, the Group's carbon footprint in Scopes 1 and 2 was an absolute value of 127,579 tons of CO_2 equivalent or 201 kilograms of CO_2 equivalent per metric ton produced in terms of carbon intensity.

Reducing energy consumption at industrial sites

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

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

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

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

(a) Values on a like-for-like basis.
(b) Total Group.

Accelerating the transition to renewable energy sources

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

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

The Bel group has three biomass boilers that now account for 20% of its energy consumption for heating purposes, and two new projects are under plan in Morocco and the Azores for 2023. Two Bel sites have been equipped with solar panels in Vietnam and the Azores, and another project is under study at the Pacy site. Similarly, the Group has established a roadmap to roll out other projects to other sites in the coming years.

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

SELECTED KEY PERFORMANCE INDICATORS

Bel's objectives	KPI	2017 [a]	2020	2021	2022	Change 2017-2022	2025 objective	Progress
Reduce Scope 1 & 2 GHG emissions	GHG emissions Scopes 1 and 2 (absolute value in ktons CO_2)	179	182	164	128	-28%	-34% [b]	☺
Contribute to Scope 1 and 2 carbon neutrality	Net GHG emissions Scopes 1 and 2 after sequestration (absolute value in ktons CO_2)	179	182	164	128		0	

(a) Past Group emissions were recalculated in 2022 to reflect changes in scope in order to maintain a scope comparable with 2017, as required by SBTi.
(b) This objective of a net reduction of one-quarter of Bel's GHG emissions across its entire value chain compared to 2017 is in line with the 1.5°C reduction scenario approved by the SBT, and aims to reduce its Scope 1 and 2 emissions by 75% in absolute terms by 2035, and its Scope 3 emissions by 25% in absolute terms by 2035 compared to 2017.

Reduce Scope 3 GHG emissions

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

Agricultural raw materials: 66.3%

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

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

- Bel and WWF France signed a partnership in 2012 with a common goal: reducing the environmental impacts of dairy production (see section 3.4.1 "Taking action for a sustainable dairy upstream").
- Bel uses several nationally recognized tools (CAP'2ER, Cool Farm Tool, etc.) to measure the environmental impact of dairy farms. These tools have made it possible to better measure the Group's footprint and to identify ways that milk producers in 75% of partner farms can help to reduce it. By fostering an privileged dialog with producers about their environmental impact, these tools also help support its suppliers with their transformation.
- Bel has set up a pilot program in France and Slovakia with DSM to reduce methane emissions from cows through their feed. (see section 3.4.1 "Taking action for a sustainable dairy upstream").

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

- a life cycle analysis conducted with the consulting firm Quantis has shown that certain Nurishh® brand plant-based products have a carbon impact four times lower than their dairy equivalent;
- the carbon intensity of an apple ingredient can be up to ten times lower than that of a cheese ingredient (source: Agribalyse);

Compared to 2017, GHG emissions related to agricultural raw materials were down by -785,921 tCO_2 and -28.53% in intensity.

Transportation and distribution: 13.6%

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

Bel works with its logistics service providers in all the countries where it operates to reduce the mileage of empty trucks and optimize truck and container fill rates, as well as transportation flows. In 2022, the Group estimates a 4% improvement in the fill rate of its trucks in Western Europe, which means a reduction of 320 tons of CO_2 over the year. In addition, the Group carries out weekly follow-ups and promotes team awareness to continue to make progress.

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

Since 2020, Bel been a partner in the FRET 21 program in France, a multi-stakeholder initiative that helps drive the reduction of GHG emissions from downstream transportation through various levers, such as multi-modal transportation, fill rates and green fuels. In 2022, approximately 320 trucks running on B100 (biodiesel) were introduced, resulting in a reduction of 60 tons of CO_2 over a full year. Bel is also a partner of the Lean & Green (GS1) program in France, which makes it possible to identify levers such as optimizing the distances traveled by its products as well as its transportation capacity, renewing the truck fleet, reducing electricity consumption in warehouses and installing solar panels.

In 2022, the Group set up a second depot in the north of Portugal in order to reduce the distances traveled. This resulted in a reduction of 432 tons of CO_2 emissions for the year.

Compared to 2017 levels, transportation-related greenhouse gas emissions have been reduced by -3.43% in terms of intensity, particularly thanks to action plans implemented on downstream transportation. This decrease does not cover the increase in production, and GHG emissions in absolute terms have increased by 36,467 tCO_2.

Packaging: 4.7%

The Group issued a "Responsible Packaging" policy to address these challenges and to reduce the environmental impact associated with their use (see section 3.5 "Designing responsible packaging and fighting food waste"). The Group is therefore committed to reducing and streamlining the composition of materials, which reduces the need for new raw materials and therefore the use of natural resources; prioritizing plant-based raw materials, which are renewable, unlike plastic, for example; using only paper/cardboard made from recycled fibers or certified sustainable fibers such as FSC/PEFC (90% in 2022) in order to avoid contributing to deforestation. From 2025 onwards, use only ASI-certified [1] sustainable aluminum, which ensures traceability and responsible extraction of bauxite, notably by respecting biodiversity.

Compared to 2017, packaging-related GHG emissions were up by 37,010 tCO_2, representing a 10.6% increase in intensity.

Reducing the Scope 3 footprint	2017	2019	2020	2021[a]	Change 2017–2021
GHG emissions in Scope 3 (absolute value in ktons CO_2)	4,833[b]	4,225[b]	4,507[b]	4,246[b]	-12%
GHG emissions in Scope 3 (T eq. CO_2/produced ton).	8.62[b]	7.10[b]	7.40[b]	6.87[b]	-20%

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

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

3.6.2.4 – CAPTURING RESIDUAL EMISSIONS

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

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

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

The Group first joined the third Livelihoods Carbon Fund (LCF3) launched by Livelihoods Venture in June 2021, alongside 13 other companies and financial investors. Its aim is to support rural communities in their efforts to preserve or restore their natural ecosystems and improve their livelihoods through sustainable agricultural practices.

In addition, starting in 2022, Bel will support new carbon sequestration projects that are more in tune with the Group's activities:

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

SELECTED KEY PERFORMANCE INDICATORS

Bel's objectives	KPI	2017	2018	2019	2020	2021[a]	Change 2017-2021	2025 objective	Progress
Reduce the Group's overall carbon footprint to meet the goals of the Paris Agreement[b]	Global carbon footprint (absolute value in ktons CO_2)	5,011[c]	4,821[c]	4,411[c]	4,689[c]	4,410[c]	- 12%	-12% [d]	☺
	Global carbon footprint (T eq. CO_2/ produced ton).	8.94[c]	8.16[c]	7.42[c]	7.70[c]	7.14[c]	- 20%		

(a) Because there is a one-year lag in determining the Scope 3 carbon footprint, the indicator can only reflect the 2021 result.
(b) Scopes 1, 2 and 3.
(c) Past Group emissions were recalculated in 2022 to reflect changes in scope in order to maintain a comparable scope between 2017 and 2021, as required by SBTi.
(d) This objective of a net reduction of one-quarter of Bel's GHG emissions across its entire value chain compared to 2017 is in line with the 1.5°C reduction scenario approved by the SBT, and aims to reduce its Scope 1 and 2 emissions by 75% in absolute terms by 2035, and its Scope 3 emissions by 25% in absolute terms by 2035 compared to 2017.

3.6.3 | USING WATER SUSTAINABLY

DEFINITION OF THE CHALLENGE AND RISKS

Water scarcity affects more than 40% of the world's population [(1)]: a worrying proportion that could worsen due to rising temperatures around the world. Ensuring availability and sustainable management of water and sanitation for all by 2030 is one of the UN Sustainable Development Goals. To contribute to this essential collective effort, and to limit the risks of water scarcity and quality, Bel strives to constantly reduce the water consumption required for its activities and to improve the quality of its discharges by using efficient technologies. Further upstream in its value chain, Bel also seeks out solutions to make dairy farms more resilient to water scarcity in certain dairy supply basins that has been brought on by climate change (see section 3.4.1. "Taking action for a sustainable dairy upstream").

POLICIES

The environment policy, which sets out the Group's ambitions and objectives on water and climate issues, was revised in 2021 as part of the Group's new operational policy (see section 3.6.1 "The Group's environmental strategy").

ACTION PLAN

Reducing water consumption at production sites

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

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

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

(a) Values on a like-for-like basis.
(b) Total Group.

Reducing the vulnerability of the industrial sites

Most of the drinking water used in the Group's plants is managed by public utilities and comes from surface waterways (rivers, lakes, etc.) or from groundwater (aquifers), which may be subject to availability problems in certain areas. An assessment of the risk related to water availability is carried out annually by using WWF France's "Water Risk Filter" tool, which provides insight into how much water is available in each water basin. 62% of Bel sites are in areas of vulnerability. Action plans are implemented in priority at sites located in areas of vulnerability, scarcity or shortage. In addition to the Wasabel program, water recovery and reuse projects are being studied. In France, the Group is studying options to recover the water extracted from milk during cheese production, and ways to reuse this water.

(1) Source: United Nations Sustainable Development Goals.

Increasing the resilience of the dairy supply basins

Although our dairy supply basins differ with regard to the effects of climate change, these are being felt more and more all around the world. Some areas where the Group operates are experiencing water scarcity,

Water is a vital input for agricultural production, yet farming affects the quality and availability of water resources. Bel is pursuing two complementary tactics to increase the resilience of dairy farms: reduce water needs and introduce solutions to satisfy irreducible needs such as changing fodder, building water storage systems and planting hedges.

Bel is participating in the Climalait program, which aims to give the French dairy sector practical solutions. To extend this approach to all its production regions, the Group has set the goal of ensuring that 100% of its dairy supply basins have defined action plans to increase their resilience to climate change and water scarcity by 2025 (see section 3.4.1 "Taking action for a sustainable dairy upstream"). Studies have already been initiated in priority dairy basins such as Iran.

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

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

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

(a) Values on a like-for-like basis.
(b) Total Group.
(c) Data available for 27 sites, i.e. 74% of total production for this Reporting scope.
(d) Data available for 13 out of the 13 sites providing full treatment before discharge into the natural environment.
(e) Data available for five out of the seven sites that spread their waste.

Reducing water consumption across its entire value chain

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

Bel already has visibility on the impact of its packaging on water through the use of the eQoPack tool (see section 3.5 "Designing responsible packaging and combating food waste"). In addition, in 2022, it has initiated a study to measure the water footprint of its entire value chain.

SELECTED KEY PERFORMANCE INDICATOR

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

(a) Values on a like-for-like basis.
(b) Revised target as presented above.

CHAPTER SUMMARY

HIGHLIGHTS OF 2022

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

PRIORITIES FOR 2023

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

3.7 | IMPROVING THE ACCESSIBILITY AND AFFORDABILITY OF ITS PRODUCTS

DEFINITION OF THE CHALLENGE AND RISKS

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

Bel's ambition is to provide healthier and more responsible products to 600 million consumers by 2035. Bel also defined in 2022 a steering indicator "For All Consumers," which determines the number of consumers who have access to Bel products. This commitment can be achieved through two major areas of focus:

- adapting products to the needs of all through affordability, portion size and the development of products that meet nutritional needs;
- geographic accessibility and availability of Bel products through several innovative and supportive distribution channels.

In 2022, the Group catered to 401 million consumers.

3.7.1 | ADAPTING ITS PRODUCTS TO THE NEEDS OF EVERYONE

ACTION PLAN

Putting the Group's products within everyone's reach

The portion format has been at the heart of the Bel model ever since its creation and contributes toward improving the accessibility of its products. The Group is committed to making healthier and more responsible food products available to everyone. Each of its portioned products allows as many consumers as possible to enjoy healthy and nutritionally balanced snacks that are easy to transport and that can be consumed in the right amount.

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

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

- in France, Pom'Potes® participates in the MALIN program, in partnership with the Caisse d'allocations familiales, which consists in offering coupons for people with low incomes and thereby making more accessible mass market products;
- In the United States, GoGo squeeZ® pouches are now available in a specific format in dollar stores, where all products are priced at one dollar, making it possible to address customers at lower income levels.

Adaptation to changing eating habits and nutritional needs of consumers

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

The Group is accelerating the development of its plant-based offer by developing plant-based recipes for its core brands, such as Babybel® Plant-Based, or by launching Nurishh®, its first 100% plant-based brand, in 2021, and by working with innovative start-ups to imagine the food of the future (see section 3.4.2 "Using plant-based raw materials within a rigorous framework").

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

Some populations with less purchasing power often find themselves in complex positions of undernutrition or malnutrition. In keeping with its mission to offer healthier and responsible products for all, including consumers with lower incomes, Bel has consulted with external nutrition experts to develop products with special nutritional properties. The priority is to enrich the vitamin and mineral content of these products to help better cover the nutritional needs of populations, such as those in sub-Saharan Africa and Asia, and to adapt ingredients to guarantee optimal food safety and quality. In this way, Bel can deliver nutritional value added (specifically researched nutrients, competitive edge) while remaining attainable to as many consumers as possible (see section 3.3.2 "Improving the nutritional quality of its products").

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

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

ACTION PLAN

Adaptation to consumption habits and new regions

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

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

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

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

The Group also wants to focus on new regions. The acquisition of Shandong Junjun Cheese® in China and the joint venture with Britannia® in India in 2022 will accelerate this ambition.

Development of inclusive distribution models

To adapt to the reality of consumption and shopping habits and to offer healthy foods to a larger proportion of the population, Bel has positioned itself in inclusive distribution channels for several years. It is currently working to strengthen the quality of its relationships with its partners by offering three types of services: job training, health insurance and financial inclusion.

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

Sharing Cities, a program for street vendors

In 2013, Bel launched its "Sharing Cities" program to supplement traditional marketing channels with alternative distribution networks rooted in local buying practices, while improving the quality of life for vendors involved in the project. The Group uses existing networks of street vendors to sell its products and expand its consumer base in four major cities in emerging countries. In exchange, the Group helps these vendors develop and sustain their business and revenue and offers them access to health coverage and professional training. In order to best guide the support program, Bel conducted a series of interviews with street vendors in each of the cities where the program is deployed.

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

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

Inaya, a loyalty program for retailers

Since 2019, Bel has developed a second inclusive business model called *"Inaya."* This is a loyalty program for retailers who are already Bel customers, giving them access to services that improve their living conditions or professional activity, such as health insurance in Morocco or micro-credit in Egypt. Thanks to the Inaya program:

- 654 Moroccan retailers can take out health insurance for themselves and their families;
- 200 Egyptian retailers can trial a micro-credit service for their inventory purchases in 2023 through a partnership with a company offering digital banking services.

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

SELECTED KEY PERFORMANCE INDICATORS

Bel's objectives	KPI	2020	2021	2021 pro forma[(a)]	2022	2025 objective	Progress
Helping to make its offering accessible to as many consumers as possible	Number of consumers who bought at least one of the Group's products in the reference year (in millions)	n.a.	414	414	401[(b)]	440	☹
Improving the accessibility and affordability of its products	Number of people participating in an *Inclusive Business* program	7,450	4,027	4,027	2,298	40,000	☹
	Sharing cities	6,487	2,892	2,892	1,444		
	Inaya	963	1,135	1,135	854		

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

CHAPTER SUMMARY

HIGHLIGHTS OF 2022

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

PRIORITIES FOR 2023

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

3.8 | APPLYING THE EUROPEAN GREEN TAXONOMY TO BEL'S BUSINESSES

PRESENTATION OF THE EUROPEAN GREEN TAXONOMY

Established by EU regulation 2020/952, the European Green Taxonomy is an essential component of the European Green Deal, the roadmap to achieve carbon neutrality by 2050. By implementing a classification system for sustainable activities, the Taxonomy Regulation aims to redirect capital flows toward more sustainable economic activities.

The Taxonomy Regulation establishes six major environmental objectives for the EU:

- Climate change mitigation;
- Climate change adaptation;
- Sustainable use and protection of water and marine resources;
- Transition to a circular economy;
- Pollution prevention and control;
- Protection and restoration of biodiversity and ecosystems.

REPORTING REQUIREMENTS

As of January 1, 2021, businesses subject to the NFRD (Non-Financial Reporting Directive) must implement a Taxonomy reporting in order to assess the sustainability of their economic activities in relation to the classification system set out by the Taxonomy. An economic activity shall qualify as environmentally sustainable where that economic activity:

- is eligible for at least one of the environmental objectives;
- contributes substantially to at least one of the environmental objectives;
- does not significantly harm any of the environmental objectives;
- is carried out in compliance with the minimum safeguards.

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

2022 RESULTS

The key performance indicator disclosure requirements for the 2022 financial year relate to "eligibility" and "alignment": Bel is required to disclose the indicators that highlight the proportion of its eligible revenue, capital expenditure (Capex) and operating expenditure (Opex) resulting from products and/or services associated with economic activities identified as sustainable in Appendices I & II of the Climate Delegated Acts[1].

The Group will revise its methodology, analysis and calculations as the Taxonomy is implemented, certain activities are clarified by the regulator, including the "*Manufacture of food products and beverages*" activities cited in the August 2021 consultation of the environmental objectives relating to biodiversity and the circular economy.

Revenue

As part of its first two objectives, namely climate change mitigation and climate change adaptation, applicable as of the 2021 financial year, the European Commission focused on the business activities that emit the most GHG in the European Union. Bel's activities are mainly focused on research and innovation, manufacturing and marketing related to Bel's activities across its three segments: dairy, fruit and plant-based products. At present, these activities do not qualify as making a substantial contribution to the two climate objectives defined by the Taxonomy.

Given the absence of eligible revenue, the capital expenditure (Capex) and operating expenditure (Opex) related to these activities do not qualify as eligible. As a result, the analysis of CAPEX and OPEX eligibility focused exclusively on "individual measures" that enable the target activities to become "low-carbon" or lead to GHG reductions, as defined in the EU Taxonomy Regulation[2].

Opex

The operating expenditure disclosed by the Group pursuant to the Taxonomy regulations are selling and distribution costs, research and development costs, maintenance costs, and general and administrative costs.

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

Capex

In 2022, out of total Capex of €152.8 million, the share of eligible Capex was 11.3% of total deferred Capex, calculated as described in the methodology note below (see Appendix 5 – "European Taxonomy Tables").

(1) Regulation (EU) 2020/852 of June 18, 2020. EU Climate Delegated Act of June 4, 2021 and its appendices supplementing Regulation (EU) 2020/852 by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation.

(2) Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of the information to be disclosed by businesses subject to Articles 19a or 29a of Directive 2013/34/EU on environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.

Eligible Capex, shown in the numerator, primarily comprises the acquisition and long-term leasing of buildings and vehicles (IFRS 16), investments in biomass boilers, heat pump installations and water treatment plants, and building rehabilitation. Under the Taxonomy provisions, these investments correspond to the following activities:

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

An analysis of substantial contribution, DNSH (Do No Significant Harm) and minimum safeguards criteria for eligible projects indicated an aligned Capex percentage of 2.8%. This was due to investments in biomass boilers at the Tangiers and Evron sites. (see Appendix 5 – "European Taxonomy Tables").

Compliance with DNSH criteria

The climate change adaptation criterion applies solely to the Group's eligible activities. However, all Group locations were included in the analysis of how the criterion should be applied. The Group analyzed the risks of exposure to the physical and adaptation risks associated with climate change.

In line with the recommendations issued by the Task Force on Climate-Related Financial Disclosures (TCFD), Bel has mapped current and potential financial impacts, as well as climate-related risks and opportunities for the years 2035 and 2050. This information was used to develop climate scenarios based on the IPCC 1.5°C RCP scenarios, carbon prices, changes in agricultural production systems and consumer eating habits. It has also enabled the Group to assess the resilience of its activities, its strategy and the associated financial impacts (see Risks and Opportunities Table – 3.6.2 "Fight against climate change").

Compliance with Minimum Safeguards

A special analysis of the Minimum Safeguards was performed at the Group level. These consist of compliance with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the UN International Bill of Human Rights, and the Fundamental Conventions of the International Labour Organization (ILO), and mainly cover human rights and business ethics (anti-corruption, responsible taxation, and competition law). This initial analysis measured the gap between the Group's practices in these areas and the expectations of the regulations, and identified what needed to be done to increase compliance.

The Group will update its methodology for the 2023 disclosure cycle.

METHODOLOGY NOTE

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

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

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

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

3.9 | METHODOLOGY NOTE

CHOICE OF INDICATORS

Bel's non-financial key performance indicators were defined with respect to the Group's activities and the employee-related, social and environmental challenges arising from them. First, they enable operational steering of the progress made with initiatives in each of the areas defined by the Group. They also enable transparent reporting on the Group's non-financial performance in this Annual Report and on other media (e.g. on the Group's website and social networks).

The Group's non-financial Reporting satisfies the requirements of Decree No. 2017-1265 of August 9, 2017, implementing Ordinance No. 2017-1180 of July 19, 2017, relating to the publication of non-financial information. Bel's CSR program is modeled on two international frameworks: the United Nations Global Compact and the Global Reporting Initiative's G4 Sustainability Reporting Guidelines (see appended "GRI cross-reference table"). The Group contributes to 12 of the 17 United Nations' Sustainable Development Goals through its CSR strategy.

The calculation, measurement and analysis methods used all comply with appropriate national or international standards, where these exist.

The Group has set around twenty objectives for 2025 and 2030 as part of its CSR strategy. The results of these key performance indicators can be found both in the chapters on priority action levers and in a consolidated scorecard in the Appendices.

A system of emojis is used to indicate the progress made in relation to these indicators. This system is based on the following rule: a smiley face means that the result obtained is in line with the plan, a sad face means that it is not in line with the plan, and a neutral face means that the indicator is stable compared to the previous year.

REPORTING PROCEDURE AND GUIDELINES

The non-financial reporting procedure describes the methods to be used to collect and calculate the Group's non-financial key performance indicators. It is circulated, read and applied at every data compilation and reporting level. This procedure is supplemented by a non-financial reporting protocol. It defines all the Group's performance indicators.

ORGANIZATION OF THE REPORTING

The CSR Department is responsible for coordinating the reporting process and consolidating the indicators gathered from the various business lines. It ensures compliance with the reporting schedule and, together with the functional departments, organizes the external communication of the data, in particular through the Group's Annual Report. It ensures the overall consistency of the reporting and is the main contact for the external auditors.

The collection of CSR indicators is managed by a network of business contributors, in their respective areas of expertise. They rely on their network of local experts to contribute data.

CONSOLIDATION AND INTERNAL CONTROL

The business line contributors perform internal controls on the data for which they are responsible, checking for consistency and plausibility. This involves running consistency tests on the indicators for which this is appropriate (e.g. highlighting and justifying year-on-year variations or calculating ratios to compare the performance of different entities). Any significant variations identified are examined in detail with the data's contributor and may be corrected.

The business line contributors also consolidate the data collected, in order to generate the Group indicators (present in this chapter), and communicate them to the CSR Department.

REPORTING TOOLS

Data is reported and consolidated using several collection systems, under the responsibility of the business line contributors who coordinate them.

All data on environmental KPIs is collected using the Reporting tool developed by Tennaxia and most calculations are made using this tool.

The bulk of the data on employee-related KPIs is collected through the HRIS tool developed by the Human Resources Department.

Some data comes from information systems deployed within the Group (for example, SAP, Magdalena) or dedicated software programs (for example, EcoVadis, Acciline, etc.).

REPORTING PERIOD

The data published for the year 2022 concerns all the Group's entities and subsidiaries integrated as of December 31, 2022, with the exception of the Shandong Junjun Cheese® subsidiary in China and the joint venture with Britannia® in India, due to their acquisition in 2022. Data relating to the Safilait, which was sold during the financial year 2022, have been excluded from the 2022 indicators. The 2021 indicator data has been recalculated on a like-for-like basis to ensure that they can be compared (2021 pro forma).

To ensure that data is properly understood, it is automatically mentioned if an indicator is calculated for a specific scope. All indicators include the former MOM scope, unless otherwise stated.

The data collected covers the period from January 1 to December 31, 2022. Depending on the indicators, the figures are taken from:

- an annual data consolidation from January 1, 2022 to December 31, 2022; or
- data measured on December 31, 2022.

If historical data is available, it is provided for the last three financial years. For items relating to water, energy and GHG emissions, the areas of progress are reported on over the long-term: Bel has provided data since 2008, which is the Group's base year for these areas.

WORKFORCE

Bel's employee-related reporting covers all its industrial sites and subsidiaries (in France and abroad) that had at least one employee under a fixed-term contract or permanent contract during the period from January 1 to December 31, 2022, with the exception of the Shandong Junjun Cheese® subsidiary in China and the joint venture with Britannia® in India. These subsidiaries are excluded from the reporting scope following their acquisition in 2022.

ENVIRONMENT

Environmental Reporting includes all the Group's industrial and research sites.

Environmental Reporting also includes the Group's collection centers, warehouses as well as the head office and the Laughing Cow® Museum. It does not, however, cover the exclusively tertiary sites of subsidiaries: the impacts of the corporate headquarters account for a negligible share of the Group's total environmental footprint.

Some environmental indicators are reported in metric tons produced (e.g. water consumption and GHG emissions). Since 2015, the metric tons produced have included manufactured products to be reprocessed within the Group. Products that result from a main manufacturing process are considered to be by-products.

The direct impacts of the on-site activities of subcontractors and suppliers are recorded by the sites concerned. The impacts of the off-site activities of subcontractors and suppliers are not recorded by the sites concerned. The impacts of subcontracted production activities are not recorded.

The emission factors used for the consumption of electricity, fuel oil, gas, chlorofluorocarbons, gasoline and diesel are taken from the French Environment and Energy Management Agency (ADEME). All emission factors are updated annually based on data published by the International Energy Agency (IEA) for the international scope and by the ADEME for France. With respect to emission factors linked to milk sourcing, the gradual implementation of diagnostic tools at the farm level enables Bel to replace generic emission factors with actual emission factors for the farms audited and to arrive at weighted averages per dairy basin.

GHG emissions from the Group's own fleet of vehicles include emissions from vehicles under long-term leases.

The classification of water availability risk is based on data from the FAO and a risk analysis using the “Water Risk Filter” tool provided by the WWF. This classification is updated every year.

3.10 | CSR SCORECARD

HEALTHIER FOOD

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

SUSTAINABLE AND REGENERATIVE AGRICULTURE

Commitments	KPI	2021	2022	2025 target	Progress
Contribute to better quality of life and working conditions for partner producers	Share of farmers that have access to innovative social models	82%	79%	100%	Stable
Encourage good practices to promote animal welfare	Share of farms abiding by the Animal Welfare Charter certified by a third party	15%	29%	100%	In line with the plan
Farms carrying out a carbon diagnostic	Percentage of farms having carried out an initial carbon diagnostic	64%	75%	100%	In line with the plan
Guarantee the responsible procurement of the vegetable fats used in products	Procurements which are certified or honor the commitments of the Vegetable Fats Charter (where there is no certification)**	90%	100%	100%	In line with the plan

RESPONSIBLE PACKAGING

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

☺ In line with the plan
😐 Stable
☹ Not in line with the plan

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

(a) New indicator defined in 2022. The target for this indicator will be set in these projection exercises.
(b) Excluding wax.
(c) Because there is a one-year lag in determining the Scope 3 carbon footprint, only the 2021 performance can be reported.
(d) This objective of a net reduction of one-quarter of Bel's GHG emissions across its entire value chain compared to 2017 is in line with the 1.5°C reduction scenario approved by the SBT, and aims to reduce its Scope 1 and 2 emissions by 75% in absolute terms by 2035, and its Scope 3 emissions by 25% in absolute terms by 2035 compared to 2017.
(e) Data to October 2022 for Saudi Arabia and to the end of 2021 for small countries where the data are not renewed every year: Iran, Iraq, Italy, Senegal, Slovakia and South Africa.
(f) As part of the Nurture program, a study is under way to define a new indicator that takes into account other diversity-related issues.
(g) Excluding collected milk.
(h) 12 Advantage Surveys, conducted in the following markets: France, United States, Portugal, Canada, Spain, Slovakia, Belgium, The Netherlands.
(i) Positive products are those that meet one of the "positive recipe" nutritional criteria AND one of the following environmental criteria: organic milk, recyclable and/or home-compostable packaging, or carbon intensity.
(j) Calculation method updated in 2022; a target will eventually be set.

FIGHT AGAINST CLIMATE CHANGE

Commitments	KPI	2021	2022	2025 target	Progress
Preserve natural ecosystems and fight deforestation through its supply chain	Zero deforestation (area of at-risk land/total area needed for production of monitored raw materials)	34%	38%	0%	😐
Reduce Scope 1 & 2 GHG emissions	GHG emissions in Scopes 1 and 2 vs 2017 (✓) (absolute value in ktons CO_2)	-8%	-28%	-34% (d)	🙂
Reduce the Group's global carbon footprint to meet the Paris Agreement targets	Global carbon footprint (Scopes 1, 2, 3) vs 2017 (absolute value in ktons CO_2)	-12%	(c)	-12% (d)	🙂
Reduce the water footprint of its production sites	Water consumption per ton of finished product vs 2008 (✓)	-43%	-44%	-55%	😐

ACCESSIBILITY AND AFFORDABILITY OF OUR PRODUCTS

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

WELL-BEING FOR ALL

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

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

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

3.11 | APPENDIX 1: CONTRIBUTING TO THE UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

Document section		The Sustainable Development Goals
3.2	A model that creates value for all its stakeholders	1 NO POVERTY; 3 GOOD HEALTH AND WELL-BEING; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 17 PARTNERSHIPS FOR THE GOALS
3.2.1	Building a sustainable future with its employees	
3.2.2	Promoting responsible practices with its suppliers	
3.2.3	Being a key and committed partner for its customers	
3.2.4	Developing positive products and responsible communication with consumers	
3.2.5	Promoting responsible financing practices among investors	
3.3.	Contributing to healthier food	2 ZERO HUNGER; 3 GOOD HEALTH AND WELL-BEING; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
3.3.1	Offering high quality, safe and healthy products	
3.3.2	Improving the nutritional quality of products	
3.3.3	Promoting better eating habits and encourage healthier lifestyles	
3.4	Promoting sustainable and regenerative agriculture	1 NO POVERTY; 2 ZERO HUNGER; 8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 15 LIFE ON LAND; 17 PARTNERSHIPS FOR THE GOALS
3.4.1	Taking action for a sustainable dairy upstream	
3.4.2	Using plant-based raw materials within strict limits	
3.4.3	Delivering the goodness of fruits	
3.5	Designing responsible packaging and fighting food waste	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 15 LIFE ON LAND
3.5.1	Fighting food waste	
3.5.2	Eco-designing its packaging and using more sustainable materials	
3.5.3	Encouraging and facilitating the recycling of its products	
3.6	Fighting against climate change and reducing its environmental footprint	6 CLEAN WATER AND SANITATION; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 15 LIFE ON LAND
3.6.1	The Group's environmental strategy	
3.6.2	Fighting against climate change	
3.6.3	Using water sustainably	
3.7	Improving the accessibility and affordability of its products	1 NO POVERTY; 2 ZERO HUNGER; 10 REDUCED INEQUALITIES; 17 PARTNERSHIPS FOR THE GOALS
3.7.1	Adapting its products to the needs of everyone	
3.7.2	Improving the accessibility and affordability of its products and developing innovative and inclusive distribution models	

3.12 | APPENDIX 2: GRI CROSS-REFERENCE TABLE

3.12.1 | GENERAL PROFILE ELEMENTS

GRI Sections	GRI code:	Disclosure	Reference – Total match
ORGANIZATION PROFILE	102-1	Organization name	Chapter 8.2 – Information on Unibel
	102-2	Activities, brands, products and services	Chapter 1 – The Bel Group in 2022
	102-3	Geographic location of the head office	Chapter 8.2 – Information on Unibel
	102-4	Geographical locations of activity sites	Chapter 1 – The Bel Group in 2022 Chapter 8.3 – Information on subsidiaries and interests
	102-5	Capital and legal form	Chapter 8.2 – Information on Unibel
	102-6	Markets served	Chapter 1 – The Bel Group in 2022
	102-7	Organization size	Chapter 1 – The Bel Group in 2022
	102-8	Organization's workforce	Chapter 1 – The Bel Group in 2022
	102-9	Organization's supply chain	Chapter 1 – A positive business model
	102-10	Significant change in the organization and its supply chain	Chapter 1 – A year of expansion
	102-11	Precautionary principle	Chapter 3.1.5 – Vigilance Plan
	102-12	Charters, principles and other external initiatives	Chapter 3.2.2 – Promoting responsible practices with its suppliers
	102-13	Membership in national or international associations	Chapter 3.7 – Improving the accessibility of its products
STRATEGY AND ANALYSIS	102-14	Statement from the most senior decision maker about the relevance of sustainability to the organization and its strategy	Chapter 1 – Message from Antoine Fiévet, Chairman of the Bel Group
	102-15	Description of key impacts, risks and opportunities	Chapter 2 – Risk Factors and Insurance Policy
ETHICS AND INTEGRITY	102-16	Values, principles, standards and rules of the organization such as codes of conduct and codes of ethics	Chapter 3.1.4 – Ethics: a common foundation for conducting business
	102-17	Internal and external mechanisms for guidance on ethical and law-abiding behavior	Chapter 3.1.4 – Ethics: a common foundation for conducting business
GOVERNANCE	102-18	Governance structure of the organization, including committees of the highest governance body	Chapter 3.1.3 – Governance of CSR issues at every level of the Company Chapter 4 – Corporate governance
	102-19	Process for delegating authority from the highest governance body to senior executives and other employees	Chapter 4 – Corporate governance Chapter 6 – Shareholding

GRI Sections	GRI code:	Disclosure	Reference – Total match
GOVERNANCE (continued)	102-20	Senior executives designated to oversee CSR related issues and whether they report to the highest governance body	Chapter 3.1.3 – Governance of CSR issues at every level of the Company Chapter 4 – Corporate governance
	102-21	Consultation between stakeholders and the highest governance body on CSR issues	Chapter 3.1 – Bel: a growth model to champion healthier and responsible food for all
	102-22	Composition of the highest governance body and its committees	Chapter 1 – Our Executive Committee & Board of Directors Chapter 4 – Corporate governance
	102-23	Chair of the highest governance body	Chapter 1 – Our Executive Committee & Board of Directors Chapter 4 – Corporate governance
	102-24	Nomination and selection of members of the highest governance body	Chapter 4 – Corporate governance
	102-25	Conflicts of interest	Chapter 2.1 – Risk management policy Chapter 3.1.4 – Ethics: a common foundation for conducting business
	102-26	Role of the highest governance body in defining purpose, values and strategy	Chapter 1 – Our Executive Committee & Board of Directors Chapter 4 – Corporate governance
	102-27	Shared knowledge of the highest governance body	Chapter 1 – Our Executive Committee & Board of Directors Chapter 4 – Corporate governance
	102-28	Evaluation of the highest governance body	Chapter 1 – Our Executive Committee & Board of Directors Chapter 4 – Corporate governance
	102-29	Identification of economic, environmental and social impacts	Chapter 2 – Risk factors and insurance policy Chapter 3.1.2 – Analysis of primary non-financial risks
	102-30	Effectiveness of risk management procedures	Chapter 2 – Risk factors and insurance policy
	102-31	Review of economic, environmental and social issues	Chapter 3.1.3 – Governance of CSR issues at every level of the Company Chapter 3.1.2 – Analysis of primary non-financial risks Chapter 4 – Corporate governance
	102-32	Role of the highest governance body in sustainability reporting	Chapter 3.1.3 – Governance of CSR issues at every level of the Company Chapter 4 – Corporate governance
	102-33	Communicating critical concerns	Chapter 2 – Risk factors and insurance policy
	102-34	Type and total number of major complaints	Chapter 3.3 – Offering quality, safe and healthy products
	102-35	Current compensation policies for the highest governance body and senior executives	Chapter 4.2 – Compensation and benefits
	102-36	Process for determining compensation	Chapter 4.2 – Compensation and benefits

GRI Sections	GRI code:	Disclosure	Reference – Total match
GOVERNANCE (continued)	102-37	Stakeholder engagement in compensation	Chapter 4.2 – Compensation and benefits
	102-38	Total annual compensation ratio	Chapter 4.2 – Compensation and benefits
	102-39	Percentage increase in total annual compensation ratio	Chapter 4.2 – Compensation and benefits
STAKEHOLDER ENGAGEMENT	102-40	List of stakeholder groups with whom the organization engages in dialogue	Chapter 3.2 – A model that creates value for all its stakeholders
	102-41	Percentage of all employees covered by a collective agreement	Chapter 4 – Corporate governance
	102-42	Criteria used to identify and select stakeholders with whom to establish a dialogue	Chapter 3.2 – A model that creates value for all its stakeholders
	102-43	Stakeholder engagement approach	Chapter 3.2 – A model that creates value for all its stakeholders
	102-44	Key issues and concerns raised	Chapter 1 – A model that brings together responsibility and profitability Chapter 3.2 – A model that creates value for all its stakeholders
REPORTING PRACTICE	102-45	Entities included in the financial consolidation: including reasons for exclusion	Chapter 8.3 – Information on subsidiaries and interests Chapter 3.9 – Methodological note
	102-46	Defining the content of the report and the scope of the issues	Chapter 8.3 – Information on subsidiaries and interests Chapter 3.9 – Methodological note
	102-47	List of relevant issues	Chapter 1 – A model that brings together responsibility and profitability Chapter 3.2 – A model that creates value for all its stakeholders
	102-48	Restatement of information	Chapter 5 – Financial and accounting information
	102-49	Changes in reporting	Chapter 5 – Financial and accounting information
	102-50	Reporting period	Chapter 5 – Financial and accounting information
	102-51	Date of last published report, if any	March 2022
	102-52	Reporting cycle	January to December 2022 (FY2022)
	102-53	Contact person for questions regarding the report or its content	Maud de Meynard
	102-54	"Compliance" option chosen by the organization and Content Index	Chapter 3.9 – Methodological note
	102-55	GRI correlation table	Chapter 3.9 – Methodological note Chapter 3.12 – GRI correlation table
	102-56	External audit of the report	Chapter 3.9 – Methodological note Chapter 5.5.3 – Information on the Statutory Auditors

3.12.2 | 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 3.1.4 – Ethics: a common foundation for conducting business
		205-2	Communication and training about anti-corruption policies and procedures	2.1 – Risk management policy 3.1.4 – Ethics: a common foundation for conducting business
ENVIRONMENT – 300	**301 – Materials**	301-1	Materials used by weight or volume	3.5 – Designing responsible packaging and fighting food waste
		301-2	Recycled materials used	3.5 – Designing responsible packaging and fighting food waste
		301-3	Recovered products and packaging materials	3.5 – Designing responsible packaging and fighting food waste
	302 – Energy	302-1	Energy consumption within the organization	3.6 – Fighting against climate change and reducing its environmental footprint
		302-3	Energy intensity	3.6 – Fighting against climate change and reducing its environmental footprint
		302-4	Reduction of energy consumption	3.6 – Fighting against climate change and reducing its environmental footprint
	304 – Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	3.6 – Fighting against climate change and reducing its environmental footprint
		304-3	Habitats protected or restored	3.6 – Fighting against climate change and reducing its environmental footprint

GRI Sections	GRI Code Materials		Disclosure	Reference – Total match
ENVIRONMENT – 300 (CONTINUED)	303 – Water and Effluents	303-1	Water withdrawal by source	3.6 – Fighting against climate change and reducing its environmental footprint
		303-2	Water sources significantly affected by withdrawal of water	3.6 – Fighting against climate change and reducing its environmental footprint
		303-3	Percentage and total volume of water recycled and reused	3.6 – Fighting against climate change and reducing its environmental footprint
	305 – Emissions	305-1	Direct (Scope 1) GHG emissions	3.6 – Fighting against climate change and reducing its environmental footprint
		305-2	Energy indirect (Scope 2) GHG emissions	3.6 – Fighting against climate change and reducing its environmental footprint
		305-3	Other indirect (Scope 3) GHG emissions	3.6 – Fighting against climate change and reducing its environmental footprint
		305-4	GHG emissions intensity	3.6 – Fighting against climate change and reducing its environmental footprint
		305-5	Reduction of GHG emissions	3.6 – Fighting against climate change and reducing its environmental footprint
		305-6	Emissions of ozone-depleting substances (ODS)	3.6 – Fighting against climate change and reducing its environmental footprint
		305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.6 – Fighting against climate change and reducing its environmental footprint
	306 – Effluents and Waste	306-1	Total water discharge by quality and destination	3.6 – Fighting against climate change and reducing its environmental footprint
		306-2	Total weight of waste by type and disposal method	3.6 – Fighting against climate change and reducing its environmental footprint
		306-3	Number and total volume of significant spills	3.6 – Fighting against climate change and reducing its environmental footprint
		306-4	Transport of hazardous waste	3.6 – Fighting against climate change and reducing its environmental footprint
		306-5	Water bodies affected by water discharges and/or runoff	3.6 – Fighting against climate change and reducing its environmental footprint
	307 – Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	2.1 – Risk management policy 3.1.4 – Ethics: a common foundation for conducting business

GRI Sections	GRI Code Materials		Disclosure	Reference – Total match
ENVIRONMENT – 300 (CONTINUED)	308 – Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	3.2.2 – Promoting responsible practices with its suppliers
		308-2	Negative environmental impacts in the supply chain and actions taken	3.6 – Fighting against climate change and reducing its environmental footprint
ECONOMY – 400	401 – Employment	401-1	New employee hires and employee turnover	3.2.1 – Building a sustainable future with its employees
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.2.1 – Building a sustainable future with its employees
	403 – Occupational Health and Safety	403-1	Worker representation in formal joint management–worker health and safety committees	3.2.1 – Building a sustainable future with its employees
		403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	3.2.1 – Building a sustainable future with its employees
		403-4	Health and safety topics covered in formal agreements with trade unions	3.2.1 – Building a sustainable future with its employees
	404 – Training and Education	404-1	Average number of hours of training per year, broken down by employee, gender and professional category	3.2.1 – Building a sustainable future with its employees
		404-3	Percentage of employees receiving regular performance and career development reviews, by gender and professional category	3.2.1 – Building a sustainable future with its employees
	405 – Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	3.2.1 – Building a sustainable future with its employees 1 – Our Board of Directors & Executive Committee 4 – Corporate governance
		405-2	Ratio of base salary and compensation for women and men	3.2.1 – Building a sustainable future with its employees
	408 – Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	3.2.2 – Promoting responsible practices with its suppliers 2.1 – Risk management policy 3.1.4 – Ethics: a common foundation for conducting business
	412 – Human rights assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	3.2.2 – Promoting responsible practices with its suppliers 3.1.4 – Ethics: a common foundation for conducting business
		412-2	Employee training on human rights policies or procedures	3.2.1 – Building a sustainable future with its employees

GRI Sections	GRI Code Materials		Disclosure	Reference – Total match
ECONOMY – 400 (continued)	**414 – Supplier Social Assessment**	414-1	New suppliers that were screened using social criteria	3.2.2 – Promoting responsible practices with its suppliers 3.1.4 – Ethics: a common foundation for conducting business
	416 – Customer Health and Safety	416-1	Assessment of the health and safety impacts of products and services on consumers	3.3.1 – Offering quality, safe and healthy products
	417 – Marketing and Labeling	417-1	Requirements for product and service information and labeling	3.3 – Contributing to healthier 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

3.13 | APPENDIX 3: 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	Various clarifications on the members of the management and control bodies		Bel's Executive Committee and Board of Directors are committed to the profound and proactive transformation of the Group's business model, where profitability and climate responsibility go hand in hand. Our organization makes it easier to take climate issues into account, from the management bodies to the operational teams. The governance of the Bel group, combining responsibility and profitability under a Chief Impact Officer, enables a high level of integration between its growth strategy and its CSR commitments.
	b) Describe management's role in assessing and managing climate-related risks and opportunities	2.1 4.3.2 4.3.3	Risk management policy Internal control environment of the Company Management of primary risks		
Strategy	a) Describe the climate-related risks and opportunities identified by the Company in the short-, medium-, and long-term.	3.6.2	Fighting against climate change		Bel has undertaken to more thoroughly assess all of the climate-related risks and opportunities that the Group faces. Bel has mapped current and potential impacts, as well as risks and opportunities related to climate. This information was used to develop climate scenarios based on the IPCC 1.5°C RCP scenarios, carbon prices, changes in agricultural production systems and consumer eating habits. This information has also enabled the Group to assess the resilience of its activities, its strategy and the associated financial impacts (see Risks and Opportunities Table – 3.6.2 "Fighting against climate change"). The Bel group has also undertaken to review its alignment strategy with the Paris agreements. Aware of the urgency of accelerating these efforts, Bel set forth an even more ambitious trajectory in 2021 in line with experts' recommendations to limit temperature rise within +1.5°C. This trajectory for 2035 was validated by the SBTi in March 2022.
	b) Describe the impact of climate-related risks and opportunities on the Company's business, strategy and financial planning.	3.6.2	Fighting against climate change		
	c) Describe the resilience of the Company's strategy, taking into consideration different climate-related scenarios, including a scenario where temperatures rise by 2° or less.	3.6.2	Fighting against climate change		

TCFD Recommendations		Corresponding section in the URD		Progress	Achieved and areas of work
Risk management	a) Describe the Company's procedures for identifying and assessing climate-related risks.	2.1 2.2 2.3 2.4 3.6.2	Risk management policy Ranking of risks Risks related to the external environment in which the Group operates Operational risks Fighting against climate change		Climate change risks are integrated into the Group's Enterprise Risk Management (ERM), which is structured, steered and attached to the Trust and Ethics Department. With the objective of reinforcing climate risk management at all levels of the Company and by all business lines, Bel has made a commitment to train as many employees as possible on climate change via La Fresque du Climat. Employees are also made aware of Bel's challenges in the face of climate change via webinars. In addition, all Group employees are involved in monitoring their carbon performance through the deployment of a strategic indicator linked to the carbon goal. Finally, Bel has included the reduction of the Scopes 1 and 2 carbon footprint in the bonus objectives of all eligible employees.
	b) Describe the Company's procedures for managing climate-related risks.	2.3 2.4 3.6.2	Risks related to the external environment in which the Group operates Operational risks Fighting against climate change		
	c) Describe how procedures for identifying, assessing and managing climate-related risks are integrated into the company's overall risk management.	2.1 2.2 2.3 2.4	Risk management policy Ranking of risks Risks related to the external environment in which the Group operates Operational risks		

TCFD Recommendations		Corresponding section in the URD		Progress	Achieved and areas of work
Objectives and indicators	a) Disclose the metrics used by the Company to assess climate-related risks and opportunities in line with its risk management strategy and process.	3.6.2 3.14	Fighting against climate change Appendix 4: Summary of environmental data		Bel has defined a GHG emissions reduction trajectory that covers its entire value chain (Scopes 1, 2 and 3) and is in line with the Paris agreements to limit global warming to +1.5°C, representing a net reduction of 1/4 of Bel's GHG emissions, compared to 2017, and taking into account the Group's growth. In order to achieve this goal, we have structured indicators and commitments in such a way as to reduce our environmental footprint, and that of our farm-to-fork ecosystem. At the same time, the Group has committed to reaching carbon neutrality across its entire value chain by 2050.
	b) Disclosure of Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas (GHG) emissions and related risks.	3.6.2 3.14	Fighting against climate change Appendix 4: Summary of environmental data		
	c) Describe the targets used by the company to manage climate-related risks and opportunities, and provide a comparison of performance against targets.	3.6.2 3.1.2	Fighting against climate change Analysis of primary non-financial risks		The Group's overall carbon footprint was updated in 2022 in accordance with the guidelines of the *Greenhouse Gas Protocol*. In order to have a positive impact on the climate, and to act transparently, Bel calculates its emissions and sets targets for reducing its carbon footprint first in absolute terms (in ktons CO_2) and then in terms of intensity (kg eq. CO_2/ton produced). This choice takes into account the Group's growth objectives and ensures a real reduction in GHG emissions over the long-term. The Group has developed several decision-making tools to better assess the climate impacts of its projects and enable employees to choose lower-carbon alternatives: • Bel Carbon Impact, an educational tool that provides a consolidated and analytical view of the Group's carbon footprint; • decision support tools that allow employees to choose the best solutions for product innovations and renovations, such as eQoPack; • The SC CO_2 emissions calculator tool, which measures the carbon footprint of downstream transportation and storage of finished products. For the first time this year, Bel has drawn up specific carbon plans for each of its brands and the major links in its value chain.

3.14 | APPENDIX 4: SUMMARY OF ENVIRONMENTAL DATA

	Units	2020	2021	2021 pro forma[a]	2022
CIRCULAR ECONOMY					
RECOVERED BY-PRODUCTS					
Substandard cheeses or similar recovered internally or externally	mt	10,079	11,199	11,199	12,987
Dry whey extract recovered internally or externally	mt	48,326	45,280	45,280	46,187
Cream recovered internally (production site or within the Group) or externally	mt	21,045	21,036	21,036	17,919
Quantity of recovered by-products	mt	79,450	77,516	77,516	77,092
WATER CONSUMPTION					
Water consumption in vulnerable zone	m^3	1,748,876	1,759,804	1,759,804	1,449,635
Water consumption in scarcity zone	m^3	236,110	759,081	759,081	979,919
Water consumption in water shortage zone	m^3	865,877	883,320	465,710	472,948
Water consumption in non-vulnerable zone	m^3	1,867,476	1,435,446	1,435,445	1,520,740
Total water quantity	m^3	4,718,339	4,837,651	4,420,041	4,423,242
ENERGY					
ELECTRICITY					
Consumption of grid electricity from non-renewable source	MWh	169,300	96,962	83,479	30,757
Consumption of self-generated electricity from fuel oil or gas	MWh	106	302	301	167
Electricity consumption from a certified renewable energy source	MWh	112,616	195,270	195,270	256,370
Total electricity consumption	MWh	282,345	292,912	279,428	287,782
FUELS					
Fuel oil	MWh_LHV	83,574	85,832	65,555	60,589
Gas	MWh_LHV	341,692	369,458	369,458	325,761
Biomass	MWh_LHV	65,846	74,469	74,469	97,939
Total stationary combustion	MWh_LHV	491,112	529,759	509,482	484,289
GREENHOUSE GAS EMISSIONS[b]					
GHG					
GHG emissions linked to electricity consumption	tCO_2e	76,807	50,323	40,642	13,118
GHG emissions linked to fuel oil and gas consumption	tCO_2e	108,740	116,094	109,385	97,370
GHG emissions linked to biomass consumption	tCO_2e	1,607	1,817	1,817	1,606
GHG emissions linked to refrigerant leaks	tCO_2e	4,282	5,526	3,751	5,278
GHG emissions linked to the Group's own vehicle fleet	tCO_2e	9,051	8,159	8,088	9,239
GHG emissions, Scopes 1 and 2	tCO_2e	200,487	182,500	164,265	127,579

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

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

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

3.15 | APPENDIX 5: EUROPEAN TAXONOMY TABLES (ELIGIBILITY AND ALIGNMENT)

REVENUE

				Substantial contribution criteria						Do No Significant Harm (DNSH) criteria										
Economic activities (1)	Code(s) (2)	Absolute revenue (3)	Proportion of revenue (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	**Minimum safeguards (17)**	Taxonomy-aligned proportion of revenue, year N (18)	Taxonomy-aligned proportion of revenue, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
		€M	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (taxonomy-aligned)																				
Revenue from environmentally sustainable activities (taxonomy-aligned) (A.1)	N/A	-	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	N/A	N/A	N/A
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																				
Revenue from taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)	N/A	-	0%														0%	N/A	N/A	N/A
Total (A.1 + A.2)	**N/A**	**-**	**0%**														0%	N/A	N/A	N/A
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Revenue from taxonomy-non-eligible activities (B)	N/A	3,595	100%																	
Total (A + B)	**N/A**	**3,595**	**100%**																	

OPEX

				Substantial contribution criteria						Do No Significant Harm (DNSH) criteria										
Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	**Minimum safeguards (17)**	Taxonomy-aligned proportion of OpEx, year N (18)	Taxonomy-aligned proportion of OpEx, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
		€M	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (taxonomy-aligned)																				
OpEx from environmentally sustainable activities (taxonomy-aligned) (A.1)	N/A	0 €	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	N/A	N/A	N/A
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																				
OpEx from taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)	N/A	0 €	0%														0%	N/A	N/A	N/A
Total (A.1 + A.2)	**N/A**	**0 €**	**0%**														0%	N/A	N/A	N/A
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx from taxonomy-non-eligible activities (B)	N/A	0 €	0%																	
Total (A + B)	**N/A**	**0 €**	**0%**																	

CAPEX

				Substantial contribution criteria						Do No Significant Harm (DNSH) criteria										
Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	**Minimum safeguards** (17)	Taxonomy-aligned proportion of CapEx, year N (18)	Taxonomy-aligned proportion of CapEx, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
		€M	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (taxonomy-aligned)																				
Production of heat/cool from bioenergy	4.24	4.3	2.8%	100%	0%	0%	0%	0%	0%	N/A	YES	YES	N/A	YES	YES	YES	2.8%	N/A	N/A	N/A
CapEx from environmentally sustainable activities (taxonomy-aligned) (A.1)		4.3	2.8%	100%	0%	0%	0%	0%	0%	N/A	YES	YES	N/A	YES	YES	YES	2.8%	N/A	N/A	N/A
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																				
Heating/cooling distribution	4.15	0.03	0.0%																	
Production of heat/cool from bioenergy	4.24	0.29	0.2%																	
Construction, extension and operation of collection, treatment and supply systems	5.1	0.30	0.2%																	
Renewal of collection, treatment and supply systems	5.2	0.20	0.1%																	
Renewal of wastewater collection and treatment	5.4	0.80	0.5%																	
Renovation of existing buildings	7.2	0.40	0.2%																	
Installation, maintenance and repair of energy efficiency equipment	7.3	0.10	0.0%																	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	0.02	0.0%																	
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	3.10	2.0%																	
Acquisition and ownership of buildings.	7.7	7.8	5.1%														0%	N/A	N/A	N/A
Total (A.1 + A.2)		**17.3**	**11.3%**														0%	N/A	N/A	N/A
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx from taxonomy-non-eligible activities (B)		135.5	88.7%																	
Total (A + B)		**152.8**	**100%**																	

3.16 | REPORT OF ONE OF THE STATUTORY AUDITORS ON THE VERIFICATION OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

For the year ended December 31, 2022

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

BEL
2 Allée de Longchamp
92150 Suresnes

In our capacity as Statutory Auditor of the company Bel (hereinafter the "Entity"), and in response to your request, we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared voluntarily in accordance with the Entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2022 (hereinafter the "Information" and the "Statement", respectively), presented in the group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

CONCLUSION

Based on the procedures we have performed as described under the "Nature and scope of procedures" and the evidence we have obtained, nothing has come to our attention that cause us to believe that the consolidated non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

PREPARATION OF THE NON-FINANCIAL PERFORMANCE STATEMENT

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, the significant elements of which are available on request at the head office.

INHERENT LIMITATIONS IN PREPARING THE INFORMATION

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

RESPONSIBILITY OF THE ENTITY

Management is responsible for:

- selecting or establishing, on a voluntary basis, suitable criteria for preparing the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- implementing internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Board of Directors.

RESPONSIBILITY OF THE STATUTORY AUDITOR

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on:

- the Entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French duty of care law and against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy)
- the compliance of products and services with the applicable regulations.

APPLICABLE REGULATORY PROVISIONS AND PROFESSIONAL GUIDANCE

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagement, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, *Intervention du Commissaire aux comptes – Intervention de l'OTI – déclaration de performance extra-financière*, and acting as the verification programme and with the international standard ISAE 3000 (revised) - *Assurance engagements other than audits or reviews of historical financial information*.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and French Code of Ethics for Statutory Auditors (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

MEANS AND RESOURCES

Our work engaged the skills of 6 people between November 2022 and March 2023 and took a total of 8 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 26 interviews with people responsible for preparing the Statement, representing in particular CSR, Human Resources, Upstream Dairy, Nutrition, Environment and Purchasing departments.

NATURE AND SCOPE OF PROCEDURES

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information, we:

- obtained an understanding of all the consolidated entities' activities and the description of the main risks associated;
- assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector;
- verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III as well as information regarding compliance with human rights and anti corruption and tax avoidance legislation;
- verified that the Statement provides the information required under Article R. 225-105 II of the French Commercial Code where relevant with respect to the main risks, and includes, where applicable, an explanation for the absence of the information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- verified that the Statement presents the business model and a description of the main risks associated with of all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated to the main risks;
- referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning social and societal risks, our work was carried out on the consolidating entity, for environmental and health and safety risks, work was carried out on the consolidating entity and a selection of sites: Boué (France), Evron (France), Lons (France) Pacy (France), Ribeira Grande (Portugal) and Vale de Cambra (Portugal);
- verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;

- obtained an understanding of internal control and risk management procedures the Entity has implemented and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix, implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing sites: Boué (France), Evron (France), Lons (France) Pacy (France), Ribeira Grande (Portugal) et Vale de Cambra (Portugal), and covers between 20% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- assessed the overall consistency of the Statement in relation to our knowledge of all the consolidated entities.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Neuilly-sur-Seine, March 31st, 2023

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Xavier Belet	Anne Parenty
Partner	Sustainability Reporting Partner

APPENDIX: LIST OF INFORMATION WE CONSIDERED MOST IMPORTANT

Key performance indicators and other quantitative results:

- Accident frequency rate;
- Percentage of women in top management;
- Percentage of employees who took part in at least one training course during the year;
- Employee engagement (Your Voice);
- Average “EcoVadis” score of suppliers (out of 100) – Cheese platform and Fruit platform;
- Number of customer surveys in which the Group is identified in the Top 5 partners (Advantage Survey);
- Share of turnover generated by the sale of “positive” products;
- “Positive” recipes (product portfolio for children and families meeting Bel Nutri+ criteria or with 0 or 1 additive);
- Child and family product portfolio respecting the Bel Nutri+ criteria;
- Child and family product portfolio with 0 or 1 additive;
- Countries that have set up a program for consumers (“Educanut”);
- Percentage of breeders having access to innovative societal models;
- Percentage of farms complying with the Animal Welfare Charter certified by a third party;
- Percentage of farms having carried out an initial carbon diagnosis;
- Supplies certified or respecting the commitments of the Vegetable Fat Charter;
- Rate of food losses and waste, including wastewater and excluding wastewater;
- Packaging ready for recycling and/or compostable at home excluding subcontracting, excluding wax and only excluding subcontracting;
- Number of employees trained in climate change via La Fresque du Climat and number of employees trained to become trainers in their turn in 2022;
- Zero deforestation (area at risk/total area necessary for the production of the raw materials monitored);
- Energy consumption of industrial sites;
- Scope 1 and 2 GHG emissions and rate of change between 2017 and 2022;
- Scope 3 GHG emissions and rate of change between 2017 and 2021;
- Global carbon footprint and rate of change between 2017 and 2021;
- Water consumption per tonne produced and rate of change vs. 2008;
- Number of consumers who purchased at least one Group product in the reference year;
- Number of participants in an Inclusive Business program (Sharing cities / Inaya).

Qualitative information (actions and results) :

- Deployment throughout the Group of the two Group charters on the theme of well-being at work (Hybrid work charter and charter of the right to disconnect);
- Publication and translation of a Diversity and Inclusion charter in all Group languages in 2022;
- Creation of 8 training modules dedicated to diversity, adapted to local cultures in 2022;
- Establishment of a map of the professional bodies present in the Group's sites in progress;
- Gigaton project initiated by Walmart (trajectory to reduce CO2 emissions);
- 10x20x30 initiative in partnership with the Consumer Good Forum to reduce waste;
- Inclusion of carbon issues and the recyclability and biodegradability of packaging in the definition of “positive” products;
- Monitoring of the deployment of the Charter of commitments for sustainable dairy upstream and process to update the Charter initiated in 2022 with WWF France;
- Update of the “Responsible packaging” policy started in 2022;
- Translation of the Group's commitments within its Charter to fight against food waste in 2022;
- Explanatory pictogram bearing the words “Before throwing away, observe, smell, taste” on certain packaging in Portugal, Great Britain, Spain, Italy, Belgium and the Netherlands;
- Awareness workshops for employees present at the head office on the occasion of the international day against food waste in September 2022;
- Validation of the GHG emissions reduction trajectory by 2035 by the SBTi in March 2022;
- Realization of carbon plans specific to each of the brands and important links in the value chain (upstream dairy, transport, packaging);
- Tool for measuring the Group's carbon footprint, the Bel Carbon Impact;
- eQoPack tool which provides visibility on the impact of packaging on water;
- Beginning in 2022 of a reflection on the measurement of the water footprint on the entire value chain;
- Launch of Materne® Fruits & Prebiotic Fibers in France, the United States and Canada in 2022;
- Definition of the Group's ambition to strengthen the accessibility of its products, through a new indicator "For All Consumers";
- Information about the Sharing Cities program.

3.17 | STATUTORY AUDITORS' REASONABLE ASSURANCE REPORT ON SELECTED SOCIAL AND ENVIRONMENTAL INDICATORS

For the year ended December 31, 2022

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

BEL SA
Société anonyme
2, allée de Longchamp
92150 Suresnes

To the attention of the President,

In our capacity as statutory auditors of BEL SA (hereinafter the "Company") and in response to your request, we have performed work designed to provide a reasonable assurance opinion on the selected social and environmental indicators for the year ended December 31, 2022 (hereinafter the "Selected Sustainability Information") included in the Consolidated Statement of extra-financial performance presented in section 3 of the 2022 Annual Report (hereinafter the "RA 2022") and recalled below :

- environmental indicators:
  - water consumption per ton of finished product vs. 2008;
  - energy consumption of industrial sites;
  - greenhouse gas emissions (Scope 1 and 2);
  - Monitoring of the deployment of the upstream dairy charter (qualitative);
- health and safety indicators:
  - Bel frequency rate.

Our commitment does not cover information relating to prior periods or any other information included in the RA 2022.

Reasonable assurance opinion

In our opinion, the Selected Sustainability Information included in the RA 2022 has been prepared, in all material respects, in accordance with the reporting protocol established by the Company ("VDPEF2022 CSR Framework") and the basis of preparation set out in paragraph 3.9 Methodological Note in Section 3 of the RA 2022 for the year ended December 31, 2022.

We express no assurance on the information relating to prior periods or any other information included in the DEU 2022.

Preparation of Selected Sustainability Information

The lack of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of Selected Sustainability Information allows for the use of different, but acceptable, measurement techniques that may affect comparability across entities and over time.

Therefore, the Selected Sustainability Information should be read and understood with reference to the reporting protocol established by the Company ("VDPEF2022 CSR Framework"), which is available upon request from the Company's headquarters, as well as to the basis of preparation as described in paragraph 3.9 "Methodological Note" of Section 3 of the 2022 SED for the year ended December 31, 2022 (together the "Requirements").

Limitations inherent in the preparation of Selected Sustainability Information

The Selected Sustainability Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and in the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates used to establish it and presented in the RA 2022.

In addition, the quantification of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific knowledge used to determine the emission factors and values needed to combine the emissions of different gases.

Responsibility of the Company's management

It is the responsibility of the Company's management:

- to select or establish appropriate criteria for the preparation of the Selected Sustainability Information, taking into account, where applicable, applicable laws and regulations;
- to prepare the Selected Sustainability Information in accordance with the Criteria;
- and to implement such internal control as it determines is necessary to ensure that the Selected Sustainability Information is free from material misstatement, whether due to fraud or error.

Responsibility of the Statutory auditors

Our responsibility is to:

- plan and perform the engagement to obtain reasonable assurance about whether the Selected Sustainability Information is free of material misstatement, whether due to fraud or error;
- express an independent opinion based on our procedures and on the evidence we have obtained;
- and to communicate our opinion to the President of the Company.

As it is our responsibility to express an independent opinion on the Selected Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Selected Sustainability Information as this could compromise our independence.

Regulatory provisions and applicable professional doctrine

Our work described below was performed in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* relating to this commitment and with the International Standards "Assurance Engagements other than Audits and Reviews of Historical Financial Information" (ISAE 3000 (Revised)) and ISAE 3410, *"Assurance Engagements on Greenhouse Gas Statements"*, issued by the International Auditing and Assurance Standards Board (IAASB).

Independence and quality control

We conducted our engagement in accordance with the independence requirements set out in Article L. 822-11 of the French Commercial Code (*Code de commerce*), the Code of Ethics for the profession of statutory auditor and the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

We also apply the "International Standard on Quality Management 1", which requires the definition and implementation of a quality management system including policies and procedures relating to ethical rules, professional doctrine and compliance with applicable legal and regulatory texts.

Our work was carried out by an independent and multidisciplinary team experienced in insurance and sustainable development issues.

Nature and scope of work

A reasonable assurance engagement involves performing procedures to obtain audit evidence about Selected Sustainability Information. The nature, timing and extent of the procedures determined are matters of professional judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. The assessment of these risks takes into account the internal control relating to the preparation of the Selected Sustainability Information by the Company. A reasonable assurance engagement also includes:

- assessing the appropriateness, in the context of the engagement, of the entity's use of the rules, criteria, and assumptions established by the entity as described in the Criteria for the Preparation of Selected Sustainability Information;
- the assessment of the appropriateness of the determination and valuation methods used, the reporting rules applied and the reasonableness of the estimates made by the Company's management;
- assessing the overall presentation of the Selected Sustainability Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Neuilly-sur-Seine, April 17, 2023
The Statutory Auditors

Grant Thornton
French member of Grant Thornton International

Vincent Frambourt
Partner

PricewaterhouseCoopers Audit

Xavier Belet
Partner

4.

CORPORATE GOVERNANCE

This chapter forms an integral part of the Corporate Governance Report prepared in accordance with Article L. 225-37 of the French Commercial Code.

4.1 | GOVERNANCE PRINCIPLES

The Company previously followed the Middlenext Corporate Governance Code, which the Board of Directors always considered to be well suited to the specific situation of the Company, which has had a family shareholding structure since 1922.

Following the delisting of the Company's shares on January 25, 2022, the Board of Directors considered that the reference to a corporate governance code was no longer relevant. Indeed, the company no longer issues any equity securities admitted to trading on a regulated market, but only bonds listed on Euronext.

Thus, while the recommendations of the Middlenext Corporate Governance Code are no longer fully relevant to the Company, they are nonetheless standards which the Company takes into account when appropriate to its situation.

4.1.1 | COMPOSITION, TERMS OF OFFICE AND EXPERTISE OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

COMPOSITION OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The Company's Articles of Association provide that the Company is managed by a Board of Directors comprising no fewer than three and no more than twelve members unless otherwise authorized by law. The members of the Board of Directors are appointed by the Ordinary Annual General Meeting, on the proposal of the Board of Directors.

The term of office for Directors is set at four years (renewable). It may exceptionally be reduced to one, two or three years for the sole purpose of staggering Directors' terms of office. The Company's Internal Regulations also stipulate that each Director must hold at least 20 shares of the Company throughout his or her period of service, although this measure is not applicable to the Director representing employees. The number of Directors over age 72 must not exceed half (rounded up to the nearest whole number) of the serving Directors at December 31 of any given year.

Moreover, the Company's Internal Regulations require that a Lead Independent Director be appointed for a term that may not exceed his or her term of office as Director. The main role of the Lead Independent Director is to offer assistance to the Board of Directors and its Chairman to ensure that the Company's governance bodies are properly run, both within the Board and its specialized Committees. He additionally acts as a liaison between the governance bodies, the Executive management of the Company and the Executive Committee.

Article 13-2 of the Articles of Association stipulates that, in accordance with Article L. 225-27-1 of the French Commercial Code, the Board of Directors must include a director representing the Group's employees, appointed for a period of four years by the Central Works Council. When the number of directors appointed by the Annual General Meeting exceeds eight, a second director representing employees must be similarly appointed.

The Board of Directors may also appoint one or more non-voting observers. The observers take part in the Board of Directors' meetings and their deliberations and have a consultative voice.

As of the date of this report, the Board of Directors has seven members, including two women and one director representing employees appointed by the Central Works Council pursuant to Article 13-2 of the Articles of Association and the law of June 14, 2013.

In accordance with the terms set out in the Company's Articles of Association, Alexandre Vernier was appointed as Director representing employees, by a decision of the CSEC on April 28, 2022 with effect from April 30, 2022. His term of office will expire at the end of the Annual General Meeting to be held in 2026.

Executive management is ensured by Antoine Fiévet, who has combined the roles of Chairman of the Board and Chief Executive Officer since May 14, 2009. Thierry Billot, an independent director, was appointed as Lead Independent Director on July 29, 2015.

As announced on May 11, 2021, and under the impetus of Antoine Fiévet, the Bel group confirms its intention to transition to a form of governance that separates the functions of Chairman of the Board of Directors from those of Chief Executive Officer. As a result, Antoine Fiévet is expected to submit the appointment of Cécile Béliot as Chief Executive Officer to a vote of the Board of Directors in 2022.

MEMBERS OF THE BOARD OF DIRECTORS, COMMITTEES AND EXECUTIVE MANAGEMENT ON MARCH 17, 2022

Name	Current position within the Company	First appointed	Last reappointed	End of term of office	Audit Committee	Appointments and Compensation Committee
Antoine Fiévet	Director	04/25/2001	05/14/2018	OAGM[e] 2022		Member
	Chairman	05/14/2009	05/14/2018	OAGM 2022		
Thierry Billot[a]	Lead Independent Director	05/14/2014	05/14/2018	OAGM[e] 2022	Chairman	Chairman
Fatine Layt[a]	Director	05/10/2012	05/14/2020	OAGM[e] 2024	Member	
Florian Sauvin	Director	07/26/2018	05/14/2020	OAGM[e] 2024		
Nathalie Roos[a]	Director	05/14/2014	05/14/2018	OAGM[e] 2022		
Unibel SA[b] **represented by Éric de Poncins**	Director	09/02/2022		OAGM[e] 2023		
Alexandre Vernier[c]	Director representing employees	04/28/2022		OAGM 2026		
Nawfal Trabelsi	Non-voting observer	10/12/2022		OAGM 2026		Member
Joëlle Pacteau[d]	Non-director member of the Appointments and Compensation Committee					Member
Cécile Tandeau de Marsac[d]	Non-director member of the Appointments and Compensation Committee					Member

(a) Independent Director.
(b) Éric de Poncins was appointed by Unibel's Management Board as the permanent representative of Unibel on the Company's Board of Directors with effect from September 2, 2022, replacing Bruno Schoch.
(c) Alexandre Vernier was appointed as Director representing employees in replacement of Philippe Perche, by the Group Works Council on June 21, 2018, with effect from July 1, 2018.
(d) Joëlle Pacteau and Cécile Tandeau de Marsac were appointed as non-director members of the Appointments and Compensation Committee, on the recommendation of the Appointments Committee, by the Board of Directors on July 29, 2020.
(e) Ordinary Annual General Meeting.

DIVERSITY POLICY APPLICABLE TO MEMBERS OF THE BOARD OF DIRECTORS

Article L. 22-10-10, paragraph 2 of the French Commercial Code requires the Company to include in its report on corporate governance a description of the diversity policy in force for members of the Board of Directors with regard to criteria such as age, gender, qualifications and career history, as well as a description of this policy's aims, how it will be implemented and the results achieved during the past financial year. Alongside this description, the Company must include information on how it is striving for a balanced representation of men and women among the top 10% of senior management positions.

The Board of Directors meeting on March 17, 2022 examined the composition of the Board of Directors and after an analysis in terms of the average age of the Directors, gender equality, diversity of professional skills and experience, of nationality and independence, reached the following conclusions:

- age of Directors: on December 31, 2022, the Directors ranged in age from 44 to 68, with an average age of 56. The Board considered that the average age was satisfactory, especially in view of the rule in the Articles of Association whereby the number of directors over 72 years of age on December 31 of any given year may not exceed half of the directors in office at that time;
- gender equality: on December 31, 2022, the Board of Directors had seven members, including two women. The Director representing employees is not included in the calculation of gender equality on the Board. The Board noted that the difference between the number of male and female Directors is not higher than two, in compliance with the stipulations of Article L. 225-18-1 of the French Commercial Code. In the event of a change in composition, the Board of Directors will pay specific attention to the diversity of its make-up;

- diversity of professional skills and experience: the Board of Directors considers that the Directors have a variety of professional experience in a variety of business sectors and with top-level positions. These also have Director and executive officer functions in other companies and provide particularly complementary expertise as a whole. The Board of Directors also has one employee Director, given the Company's operating reality;
- diversity in terms of nationality: on December 31, 2022, the Board of Directors had one dual-nationality member (French/Moroccan). The Board of Directors considers this point an area of improvement to work on in the future in a bid to reflect the Group's international dimension;
- independence of Directors: at December 31, 2022, the proportion of independent Directors stood at 43%, with three Directors qualified as independent in view of the criteria set by the Middlenext code. The Board of Directors deemed this to be a satisfactory percentage because it is above the ratio recommended in the code, it being further specified that the Company no longer intends to refer to a code of corporate governance since Bel shares were delisted at the beginning of the year.

Concerning the quest for a balanced representation of men and women among the top 10% of senior management positions, the Group's aim in terms of diversity resulted in the recent nomination of two new women to the Executive Committee, bringing the number of women to three out of eight members.

With a view to further accelerating this process, the Group set itself a goal of having women account for 30% of upper management positions (grades 1, 2 and Executive Committee) by 2020 and 35% by 2025. The 30% goal was eventually achieved in 2021. As part of this overall strategy, 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.

INDEPENDENCE OF DIRECTORS

As the company no longer refers to the Middlenext Corporate Governance Code, the independence criteria for directors are no longer applicable. Nevertheless, at its last meeting in the 2022 financial year, the Board of Directors examined the individual situation of each director in this respect, given that these independence criteria were still applicable.

Fatine Layt, Nathalie Roos and Thierry Billot qualified as independent within the meaning of the Middlenext Code.

GENERAL AND PERSONAL INFORMATION ON THE CORPORATE OFFICERS AND THEIR EXPERTISE

BIOGRAPHY AND INFORMATION ON CURRENT CORPORATE OFFICERS

Antoine Fiévet

Director and Chairman

Born in 1964
French citizen

Business address
2, allée de Longchamp
92150 Suresnes

Restriction on disposal of issuer shares held
Antoine Fiévet declares himself party to the Unibel family shareholders' agreement signed on September 19, 2013 and published by the AMF on September 26, 2013.
(see section 6.1.1)

TERM OF OFFICE AND END DATE

Antoine Fiévet was coopted to the Board of Directors on April 25, 2001, a decision ratified by the Annual General Meeting of April 25, 2001. He was appointed as Chairman and Chief Executive Officer by the Board of Directors on May 14, 2009. His term of office was renewed by the Annual General Meeting of May 14, 2018 for four years, i.e. until the end of the Annual General Meeting to be held in 2022. At the Board meeting of May 12, 2022, it was decided to separate the offices of Chairman and Chief Executive Officer and Antoine Fiévet was appointed Chairman of the Board of Directors for a term of four years.

BIOGRAPHY, RELEVANT MANAGEMENT EXPERTISE AND EXPERIENCE

Antoine Fiévet represents the fifth generation of the family shareholding (Bel was established in 1865 by his great-great grandfather, Jules Bel). He graduated from the Université Paris-II Assas (undergraduate degree in economics) and the Institut supérieur de gestion de Paris (graduate studies). He held several managerial positions in communication and publishing firms prior to 2001. Between 2001 and 2009, he was Managing Partner of Unibel SA, chairing the Management Board and Strategic Directions Committee while also sitting on the Bel Board of Directors. Antoine Fiévet is also a member of the Board of Directors of FBN France (Family Business Network) which consists of more than 180 French family firms. Finally, he is a member of the Board of Directors and Compensation Committee of Bonduelle.

NATURE OF ANY FAMILY TIES EXISTING BETWEEN THE CORPORATE OFFICERS OF THE UNIBEL-BEL GROUP

Valentine Fiévet (sister), Member of the Unibel Supervisory Board, Marion Sauvin (cousin) member of the Unibel Supervisory Board, Thomas Sauvin (cousin), member of the Unibel Supervisory Board, Laurent Fiévet (brother), member of the Unibel Supervisory Board, and Florian Sauvin (cousin), Chairman of the Unibel Supervisory board and Director of Bel.

TERMS OF OFFICE AND CURRENT POSITIONS WITHIN THE GROUP, HELD IN FRANCE

- Member of the Unibel Management board (listed company)
- Chairman of the Board of Directors of Bel
- Chairman of the Bel Corporate Foundation

TERMS OF OFFICE AND CURRENT POSITIONS OUTSIDE THE GROUP, HELD IN FRANCE

- Managing Director of SCI MORI
- Chairman of the Board of Directors of CITEO
- Director of WWF France
- Managing Director of RFE
- Director of CGFF
- Managing Director of GINKGO
- Managing Director of Groupement Forestier de la Croix d'Urbay

TERMS OF OFFICE AND CURRENT POSITIONS WITHIN THE GROUP, HELD ABROAD

- Chairman of the Board of Directors of Bel Belgium
- Chairman of the Board of Directors of SIEPF
- Director of UMG Universal Music Group (listed company in NL)

EXPIRED TERMS OF OFFICE WITHIN THE GROUP, HELD WITHIN THE PAST FIVE YEARS, IN FRANCE OR ABROAD

- Director of Sofico
- Chairman and Chief Executive Officer of Fromageries Picon
- Director and Chairman of the Board of Directors of Fromageries Bel Algérie
- Chairman of the Board of Directors and Director of Fromageries Bel Maroc
- Chairman of the Board of Directors and Board Member of Safilait
- Chairman of the Management Board and representative of the Bel group on the Management Board of Bel Vietnam Co. Ltd
- Chairman of Sicopa SAS

Thierry Billot

Lead Independent Director

Born in 1955
French citizen

Business address:
6, avenue de Camoëns
75016 Paris

Restriction on disposal of issuer shares held:
None.

TERM OF OFFICE AND END DATE

Thierry Billot was appointed by the Annual General Meeting of May 14, 2014 for a four-year period, renewed by the Annual General Meeting of May 14, 2018, and then renewed by the Annual General Meeting of May 12, 2022 for a period of four years, namely until the Annual General Meeting due to be held in 2026. In addition, Thierry Billot, an independent director, was appointed as Lead Director, effective July 29, 2015, for a maximum term equal his term as Director.

BIOGRAPHY, RELEVANT MANAGEMENT EXPERTISE AND EXPERIENCE

Thierry Billot, a graduate from the École supérieure de commerce de Paris (ESCP), began his career as auditor at Peat Marwick Mitchell from 1980 to 1982. He joined Pernod Ricard in 1982 as internal auditor. He then became Administrative and Finance Director at Pernod in 1985, before being nominated Finance Director of Pernod Ricard in 1986. Chairman and Chief Executive Officer of Austin Nichols in the United States from 1992, he was appointed Chairman and Chief Executive Officer of Pernod in October 1996.
In 2002, he became Chairman and Chief Executive Officer of Pernod Ricard Europe, Middle East and Africa. In 2008, he was appointed to the position of Deputy Chief Executive Officer in charge of brands until February 27, 2015 when he left Pernod Ricard.

NATURE OF ANY FAMILY TIES EXISTING BETWEEN THE CORPORATE OFFICERS OF THE UNIBEL-BEL GROUP

None.

TERMS OF OFFICE AND CURRENT POSITIONS WITHIN THE GROUP, HELD IN FRANCE

- Independent Director of Bel SA
- Chairman of the Audit Committee
- Chairman of the Appointments and Compensation Committee

TERMS OF OFFICE AND CURRENT POSITIONS OUTSIDE THE BEL GROUP, HELD IN FRANCE

- CASINO Group
- Independent Director (AGM of May 12, 2021) then Lead Independent Director (October 12, 2021)
- Chairman of the Audit Committee
- Chairman of the Governance & CSR Committee
- Chairman of THB Conseil

TERMS OF OFFICE AND CURRENT POSITIONS OUTSIDE THE BEL GROUP, HELD OUTSIDE FRANCE

- None

Nathalie Roos

Director

Born in 1965
French citizen

Business address:
9, rue de l'Ablette
67000 Strasbourg

Restriction on disposal of issuer shares held:
None.

TERM OF OFFICE AND END DATE

Nathalie Roos was appointed by the Annual General Meeting of May 14, 2014 for a four-year period, renewed by the Annual General Meeting of May 14, 2018, subsequently renewed by the Annual General Meeting of May 12, 2022, namely until the Annual General Meeting due to be held in 2026.

BIOGRAPHY, RELEVANT MANAGEMENT EXPERTISE AND EXPERIENCE

Nathalie Roos joined the L'Oréal group in October 2012.
Since May 2013, she has been Country Manager for Germany, L'Oréal's fourth-largest global market with revenue in excess of €1 billion. She was appointed President of the Professional Products division and therefore joined the L'Oréal Executive Committee. She held this position from April 2016 until March 2021. Previously, after her first professional stint as Head of Sales at Kraft Jacobs Suchard (1987–1989), she spent a large portion of her career at the Mars Group. Between 1989 and 2000, she held various positions at Mars France. From head of sales promotion, she worked her way up the Marketing and Sales Departments to become National Key Account Manager and then head of the retail network of Brasseries Kronenbourg (2000–2004). She became Chairwoman and Chief Executive Officer of Mars Chocolat France in 2004, then Chairwoman of Mars Inc. Group's European markets from 2009 to 2012. She is a graduate of the NEOMA Business School, Reims campus. In 2012, she was named a Knight of the Legion of Honor, France's highest civil order of merit.

NATURE OF ANY FAMILY TIES EXISTING BETWEEN THE CORPORATE OFFICERS OF THE UNIBEL-BEL GROUP

None.

TERMS OF OFFICE AND CURRENT POSITIONS WITHIN THE GROUP, HELD IN FRANCE

- Director of Bel

TERMS OF OFFICE AND CURRENT POSITIONS OUTSIDE THE GROUP, HELD IN FRANCE AND ABROAD

- President of "Les Cigognes" (a French association supporting single mothers)
- Member of the Board of Directors of Clinique Rhena in Strasbourg
- Director of NEOMA Business School
- Director of Prêt A Manger

Fatine Layt

Director

Born in 1967
French citizen

Business address
LionTree Advisors –
7, rue Rouget-de-l'Isle
75001 Paris

Restriction on disposal of issuer shares held
None

TERM OF OFFICE AND END DATE
Fatine Layt was appointed to the Board of Directors by the Annual General Meeting of May 10, 2012 for an initial period of four years, renewed in 2016 and then again in 2020. Her term as a Director shall run until the Annual General Meeting to be held in 2024.

BIOGRAPHY, RELEVANT MANAGEMENT EXPERTISE AND EXPERIENCE
Fatine Layt began her career at the Euris Group when it was formed in 1989, first in private equity and then management as Chairwoman and CEO or Director of various group subsidiaries (EPA, Glénat, Editeuris, Sygma presse). In 1996, she was appointed Chairwoman and CEO of specialist press group CEPP, controlled by APAX Partners. She was also a Director of the press trade union. In 2000, she set up her own business, Intermezzo, a financial engineering consulting firm which she still manages. In 2003, she began working with Jean-Marie Messier at Messier Partners, a merchant bank specializing in mergers and acquisitions. Then in March 2007, she founded Partanéa, sold in October 2008 to Oddo & Cie, investment and asset management bank, for which she become a member of the Executive Committee and Chairman of Oddo Corporate Finance until October 22, 2015. She was Managing Director of ACG until January 29, 2016. Since January 2017, Fatine Layt has been President and Managing Partner of the merchant banking firm LionTree in France. She is a graduate of IEP Paris (finance major) and the French Society of Financial Analysts (SFAF) and is a former senior lecturer at IEP Paris in finance and financial management.

NATURE OF ANY FAMILY TIES EXISTING BETWEEN THE CORPORATE OFFICERS OF THE UNIBEL-BEL GROUP
None.

TERMS OF OFFICE AND CURRENT POSITIONS WITHIN THE GROUP, HELD IN FRANCE
- Director and member of Bel's Audit Committee

TERMS OF OFFICE AND CURRENT POSITIONS OUTSIDE THE GROUP, HELD IN FRANCE
- Managing Director of Intermezzo SARL
- Managing Partner of LionTree Advisors

TERMS OF OFFICE AND CURRENT POSITIONS, HELD ABROAD
- Managing Director of Intermezzo International Co. Ltd

Florian Sauvin

Director

Born in 1979
French citizen

Business address
2, allée de Longchamp
92150 Suresnes

Restriction on disposal of issuer shares held
Florian Sauvin declares himself party to the Unibel family shareholders' agreement signed on September 19, 2013 and published by the AMF on September 26, 2013.
(see section 6.1.1)

TERM OF OFFICE AND END DATE

Florian Sauvin was a Director of Bel from August 26, 2009 to May 12, 2015, when he was appointed as Unibel' permanent representative on Bel's Board of Directors, replacing Pascal Viénot. Florian Sauvin was coopted as Director to replace James Lightburn on July 28, 2018. This cooptation was approved by the Annual General Meeting held on May 22, 2019. His term as a Director was renewed by the Annual General Meeting of May 14, 2020, and shall run until the Annual General Meeting to be held in 2024. Since May 14, 2020, Florian Sauvin has also been Chairman of the Supervisory Board of Unibel, the Bel group holding company.

BIOGRAPHY, RELEVANT MANAGEMENT EXPERTISE AND EXPERIENCE

Florian Sauvin, an EPFL engineer, joined the Group in 2006 as a management controller for two years. He was responsible for the Bel Access Department, the Company's incubator charged with seeking and promoting new business models, aimed especially at developing a sustainable approach to low-revenue consumption markets taking social impact and economic viability factors into account. He completed the PLD program at Harvard Business School in 2015. He was then the Group's Chief Digital Officer. He was a member of Unibel's Management Board between May 2009 and May 2020. Between May 2019 and 2020, he was also a member of the Bel Executive Committee as Executive Vice-Chairman responsible for transformation.

NATURE OF ANY FAMILY TIES EXISTING BETWEEN THE CORPORATE OFFICERS OF THE UNIBEL-BEL GROUP

Antoine Fiévet (cousin), Laurent Fiévet (cousin), Valentine Fiévet (cousin), Marion Sauvin (sister) and Thomas Sauvin (brother).

TERMS OF OFFICE AND CURRENT POSITIONS WITHIN THE GROUP, HELD IN FRANCE

- Chairman of the Unibel Supervisory Board
- Member of the Audit Committee of UNIBEL
- Director of Bel
- Joint managing director of Sopaic
- Treasurer of the Bel Corporate Foundation

TERMS OF OFFICE AND CURRENT POSITIONS OUTSIDE THE GROUP, HELD IN FRANCE

- Director and CEO of CGFF
- Director of CIANAS
- Chairman of SAS Lobster Investment Company
- Joint managing director of SARL SAUFI1
- Managing Director of SCI La Tuilerie
- Managing Director of SARL Fiévet Frères
- Managing Director of SCP HPFFS
- Managing Director of Groupement Forestier de la Boissière
- Managing Director of Groupe Forestier du Bois des Dames
- Managing Director of SCI SNAP
- Member of the Strategy Committee of Physio SAS

TERMS OF OFFICE AND CURRENT POSITIONS OUTSIDE THE GROUP, HELD ABROAD

- Director of Biomass Holding SAL

EXPIRED TERMS OF OFFICE, HELD WITHIN THE PAST FIVE YEARS

- Member of Unibel's Management Board

Bruno Schoch

Permanent representative of Unibel, Director

Born in 1965
French citizen

Business address:
2, allée de Longchamp
92150 Suresnes

Restriction on disposal of issuer shares held:
None.

TERM OF OFFICE AND END DATE

Bruno Schoch was appointed Deputy General Manager by the Board of Directors of December 17, 2008, renewed by the Board of Directors decisions of May 14, 2009 and May 14, 2014 for the duration of the term of office of the CEO, until the Annual General Meeting of May 14, 2018. On July 27, 2018, Bruno Schoch took up new functions within Unibel, where he was named Chairman of the Management Board. Consequently, he stepped down from his position as Deputy General Manager of Bel and was appointed permanent representative of Unibel on the Board of Directors of Bel, in replacement of Florian Sauvin, as of July 26, 2018. (It should be noted that his Unibel term was renewed in 2021 for four years, expiring at the Annual General Meeting to be held in 2025.) In addition, his term of office as Chairman of Unibel's Management Board was renewed in 2021 for two years, i.e. until the Annual General Meeting to be held in 2023.

BIOGRAPHY, RELEVANT MANAGEMENT EXPERTISE AND EXPERIENCE

Part of the Group since 2003, he has held the posts of Financial Director and then Director of Strategy and Development at Unibel SA. Between 2008 and 2018, he was Deputy General Manager responsible for the Group's financial and legal affairs and IT systems. From 1993 to 2003, he held several posts in auditing at Deloitte & Touche (Paris) and mergers and acquisitions at Chase Manhattan Bank (London) and Schweizerischer Bankverein (Frankfurt). He holds a DESS (master's degree) in Finance and Management from Paris Dauphine University and is a qualified chartered accountant and Statutory Auditor. Since November 2013, Bruno Schoch has been a member of the extended bureau and the Board of METI (an association of medium-sized enterprises).

NATURE OF ANY FAMILY TIES EXISTING BETWEEN THE CORPORATE OFFICERS OF THE UNIBEL-BEL GROUP

None.

TERMS OF OFFICE AND CURRENT POSITIONS OUTSIDE THE GROUP, HELD IN FRANCE AND ABROAD

- Member of the Supervisory Board of Société des Domaines SAS
- Member of the Supervisory Board of Geratherm AG (listed company)
- Permanent representative of Unibel on the Board of Directors of Biomass Holding SAL
- Member of the Supervisory Board of Limes Schlosskliniken AG
- Managing Director of the company Flavie Patrimoine
- Managing Director of the company Elvire Patrimoine

EXPIRED TERMS OF OFFICE WITHIN THE GROUP, HELD WITHIN THE PAST FIVE YEARS, IN FRANCE

- Chairman of the Unibel Management Board
- Permanent representative of Unibel, member of Bel Board of Directors

TERMS OF OFFICE AND CURRENT POSITIONS WITHIN THE GROUP, HELD ABROAD

- None

Éric de Poncins

Permanent representative of Unibel, Director

Born in 1962
French citizen

Business address:
2, allée de Longchamp
92150 Suresnes

Restriction on disposal of issuer shares held:
None.

TERM OF OFFICE AND END DATE
From September 2, 2022 until the Annual General Meeting to be held in 2023.

BIOGRAPHY, RELEVANT MANAGEMENT EXPERTISE AND EXPERIENCE
Part of the Group since 2000, he has held the posts of Director of Strategy and Development at Bel SA. Between 2007 and 2012, Éric de Poncins was Vice President of the Americas region (North and South) and then of the Americas – Asia, Pacific. From his arrival until mid-2022, he was a member of the Group Management Committee/Executive Committee. From 1990 to 2000, Éric de Poncins held various positions within the Pernod Ricard group, from management control to the Group Executive Management as Development Director. After graduating from INA PG in 1986, and before joining the industry, he held various auditing positions with Mazars Guérard in France, the United States and the United Kingdom. Since 2016, Éric de Poncins has been Independent Director and Chairman of the Strategy Committee of the Bollinger Group.

NATURE OF ANY FAMILY TIES EXISTING BETWEEN THE CORPORATE OFFICERS OF THE UNIBEL-BEL GROUP
None.

TERMS OF OFFICE AND CURRENT POSITIONS WITHIN THE GROUP, HELD IN FRANCE
- Chairman of Unibel’s Management board (listed company)
- Permanent representative of Unibel, member of Bel SA Board of Directors

TERMS OF OFFICE AND CURRENT POSITIONS OUTSIDE THE GROUP, HELD IN FRANCE
- Director of the Bollinger Group

TERMS OF OFFICE OUTSIDE THE BEL GROUP THAT EXPIRED IN THE LAST FIVE YEARS
- None.

Philippe Perche

Director (representing employees)

Born in 1962
French citizen

Business address:
2, allée de Longchamp
92150 Suresnes

Restriction on disposal of issuer shares held:
None.

TERM OF OFFICE AND END DATE

Philippe Perche was appointed as Director representing the Group's employees by a decision of the Central Works Council on June 21, 2018, effective July 1, 2018, for a period of four years, i.e. until the end of the Annual General Meeting to be held in 2022.

BIOGRAPHY, RELEVANT MANAGEMENT EXPERTISE AND EXPERIENCE

Philippe Perche joined the Group as manufacturing line conductor in 1990. Thereafter, he was fresh manufacturing pilot and head of the Kiri manufacturing team at the Sablé-sur-Sarthe site. During his career, Philippe Perche has also occupied various trade union positions representing workers (employee representative, representative for the Works Council, member of the Health and Safety Committee).
After being appointed Director representing Group employees on June 21, 2018, Philippe Perche resigned from all of his trade union mandates, in compliance with applicable legislative measures. He also did training on How to Be an Employee Director with the IFA in November 2018.

NATURE OF ANY FAMILY TIES EXISTING BETWEEN THE CORPORATE OFFICERS OF THE UNIBEL-BEL GROUP

None.

TERMS OF OFFICE AND CURRENT POSITIONS WITHIN THE GROUP, HELD IN FRANCE

- Director representing employees

TERMS OF OFFICE AND CURRENT POSITIONS OUTSIDE THE GROUP, HELD IN FRANCE

- None

TERMS OF OFFICE AND CURRENT POSITIONS WITHIN AND OUTSIDE THE GROUP, HELD ABROAD

- None

Alexandre Vernier

Director (representing employees)

Born in 1977
French citizen

Business address:
2, allée de Longchamp
92150 Suresnes

Restriction on disposal of issuer shares held:
None.

TERM OF OFFICE AND END DATE

Alexandre Vernier was appointed as Director representing the Group's employees by a decision of the Central Works Council on April 28, 2022, for a period of four years, i.e. until the end of the Annual General Meeting to be held in 2026.

BIOGRAPHY, RELEVANT MANAGEMENT EXPERTISE AND EXPERIENCE

After an undergraduate degree in applied physics and an engineering degree in packaging engineering from ESI Reims, Alexandre Vernier joined the Group in 2003 as a packaging engineer at the Dole plant.

He then worked as a packaging development engineer in the R&D department in Vendôme, then more specifically on creativity and open innovation missions before taking up his current position dedicated to reducing the environmental impact of packaging and improving the Group's packaging.

During his career, Alexandre Vernier has also held various trade union positions in management (employee delegate, representative on the Works Council, CSE, CSEC, European Committee, Group Committee, Deputy Central Works Council representative).

After being appointed Director representing Group employees on April 28, 2022, Alexandre Vernier resigned from all of his trade union mandates, in compliance with applicable legislative measures.

NATURE OF ANY FAMILY TIES EXISTING BETWEEN THE CORPORATE OFFICERS OF THE UNIBEL-BEL GROUP

None.

TERMS OF OFFICE AND CURRENT POSITIONS WITHIN THE GROUP, HELD IN FRANCE

- Director representing employees

TERMS OF OFFICE AND CURRENT POSITIONS OUTSIDE THE GROUP, HELD IN FRANCE

- None

TERMS OF OFFICE AND CURRENT POSITIONS WITHIN AND OUTSIDE THE GROUP, HELD ABROAD

- None

4.1.2 | DISCLOSURES RELATING TO MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

SERVICE CONTRACTS

The Company is related to the parent company Unibel by a cash agreement, authorized by the Board of Directors on October 11, 2007, and a service agreement dated December 14, 2001, authorized by the Board of Directors on December 12, 2001, the terms and conditions of which are detailed in section 4.4.1 "Statutory Auditors' Special Report on related party agreements and commitments" of this Annual Report. These agreements were subjected to the control procedures for regulatory agreements set out by Articles L. 225-38 et seq. of the French Commercial Code.

CONFLICTS OF INTEREST AND AGREEMENTS TO WHICH THE CORPORATE OFFICERS ARE PARTY

Information on conflicts of interest and agreements involving corporate officers can be found in section 4.4.1 "Statutory Auditors' Special Report on Related Party Agreements."

ARRANGEMENT OR AGREEMENT ON THE APPOINTMENT OF MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The Articles of Association do not set out any specific rules for the appointment and replacement of members of the Board of Directors. Legal provisions apply.

RESTRICTIONS RELATING TO THE TRANSFER OF SHARES

Under the French General Tax Code, notably Articles 787 B, 885-I bis and 885-I quater, collective or individual lock-up agreements relating to Bel shares may exist. Those known to the Company – mainly concerning Antoine Fiévet and Florian Sauvin and Unibel – are described in section 6.1 "Shareholding and share capital."

4.1.3 | BOARD AND COMMITTEE ORGANIZATION AND WORKINGS

BOARD OF DIRECTORS ORGANIZATION AND WORKINGS

Company management structure

The Company is run by a Board of Directors whose Chairman is Antoine Fiévet.

Antoine Fiévet has been Chairman of the Board of Directors and Chief Executive Officer since May 14, 2009 and was reappointed as such on May 14, 2018. As of May 12, 2022, the functions of Chairman and Chief Executive Officer have been separated.

In his capacity as Chairman of the Board, Antoine Fiévet organizes and directs its work, reporting on it to the Annual General Meeting. He ensures that the Company bodies function properly and makes sure, in particular, that the Directors are able to carry out their duties. In his capacity as Chief Executive Officer, Antoine Fiévet has the broadest powers to act on behalf of the Company in any circumstances. He exercises his powers within the scope of the Company's objectives and is subject to those powers that the law expressly allocates to Shareholders' Meetings and the Board of Directors.

On May 11, 2021, the Bel group announced its intention to transition to a form of governance that separates the functions of Chairman of the Board of Directors from those of Chief Executive Officer. As a result, Antoine Fiévet is expected to submit the appointment of Cécile Béliot as Chief Executive Officer to a vote of the Board of Directors in May 2022.

Lead Independent Director

Since 2015, following a proposal from the Chairman and Chief Executive Officer, the Board has decided to appoint one of the Independent Directors as Lead Independent Director. Thierry Billot has held this position since July 29, 2015. His term was renewed on May 14, 2018 and again on May 12, 2022 for a maximum duration equal to his term on the Board of Directors, i.e. until the 2026 Annual General Meeting. He is responsible for ensuring the proper running of the Company's governance bodies within both the Board and the specialized Committees. He additionally acts as a liaison between the governance bodies, the Executive management of the Company and the Executive Committee. He is also the specific point of contact for Directors on the issue of conflicts of interest.

Duties of the Board of Directors

As part of the strategy adopted by Unibel, the holding company, the Board gives its opinion on all decisions relating to implementing the Company's main strategic, economic, societal, environmental, financial and industrial guidelines and ensures that they are adopted by Executive management. It is regularly informed, either directly or through its Committees, of any significant event affecting the conduct of the Company's business.

At each Board meeting, the Chairman informs the Directors of the main facts and significant events relating to the Group that have occurred since the last Board meeting. Each Board meeting also provides a debriefing of the Company's business.

In accordance with legal and statutory provisions, the Board meets at least four times a year, convened by its Chairman at least one week before the meeting, unless there is an emergency, to examine and approve the annual and consolidated financial statements, review the draft management documents, and approve the consolidated half-yearly financial statements. A document covering all the key points to be discussed and examined at the meeting must be sent to the Directors several days in advance unless impeded by an emergency or urgent event.

However, a meeting of the Board of Directors can be convened on any other subject of significant importance. The Board of Directors is then regularly informed of the state of progress of cases. The work and decisions of the Board are formalized in the minutes of the meeting.

Internal Regulations of the Board of Directors

The Company's Board of Directors has Internal Regulations specifying the conditions for preparing its meetings and the rules governing its work. It determines the limits the Board places on the powers of the Chairman and Chief Executive Officer. In accordance with the law, these limits are established internally and are not binding on third parties.

The Internal Regulations also state the rights and duties of Directors during their terms of office.

The Internal Regulations of the Board of Directors was amended on July 29, 2015 in order to set the terms and conditions of the Lead /Director's functions as well as the duties entrusted. The Internal Regulations were again amended and adopted by the Board of Directors on July 28, 2017 in compliance with the latest Middlenext Code guidelines, particularly those covering the succession plan for Executive management. This Regulation was the object of a revision to take account of the measures of the Pacte law. This revised version was adopted by the Board of Directors on March 11, 2020. Finally, the Internal Regulations were then amended by the Board of Directors of May 14, 2020 to anticipate the possibility of written consultation by the Directors under the terms set out in the law.

Limits placed on the powers of the Chairman and Chief Executive Officer by the Board of Directors

In his capacity as Chief Executive Officer, Antoine Fiévet has the broadest powers to act on behalf of the Company in any circumstances. The Chief Executive Officer represents the Company in its relationships with third parties. He has the ability to partially delegate his powers. He exercises his powers within the scope of the Company's objectives and is subject to those powers that the law expressly allocates to Shareholders' Meetings and the Board of Directors.

Furthermore, as an internal matter, and not binding on third parties, the prior authorization of the Board is required for any transaction or potential transaction that is major and/or significant by virtue of its amount or nature.

The following are particularly concerned:

- decisions or measures affecting or likely to modify the legal or financial structure of the Company or Group or the scope of its activity;
- any transaction or potential investment over ten (10) million euros;
- borrowings and financing totaling over twenty-five (25) million euros and the granting of guarantees attached to said financing;
- restructuring operations exceeding the threshold of ten (10) million euros;
- acquisitions or disposals affecting the brands with a value of over five (5) million euros, as well as agreements with third parties relating to the use of the Group's core brands;
- real estate transactions exceeding the threshold of five (5) million euros.

In connection with the announced change in governance, these internal regulations will be reviewed, but the principle of limiting the powers of the Chief Executive Officer after the separation of functions will be maintained.

Work of the Board of Directors during 2022 and since the start of 2023

During 2022 and since the start of 2023, the Board met ten times with an attendance rate of 96% on the part of its directors.

In 2022, as part of its duties the Board of Directors reviewed the quarterly, interim and annual financial information, the annual financial statements and the consolidated financial statements, the interim consolidated financial statements, and the processes used to prepare this information. Each Board meeting called to approve the financial statements was preceded by a meeting of the Audit Committee. The Directors systematically reviewed the press releases relating to this information before their release.

The state of business was assessed at each meeting. Regular attention was given to the economic and geopolitical situation of the markets and its impact on the Group's business.

In addition to reviewing organizational matters involving acquisitions and disposals, in particular the sale of Safilait and the acquisition of a majority stake in the Chinese company Shandong Junjun, and the creation of a joint venture with Britania in India, the directors discussed the Group's industrial investments and financing. The Board of Directors also approved the evaluation process for its work, in accordance with the recommendations of the Middlenext Code which were applicable at the time. Finally, the Board of Directors met on two occasions to examine the CSR issues associated with the Group's business.

The Board of Directors has met three times since the beginning of 2023. In particular, it discussed the review of the annual financial statements and consolidated financial statements for the 2022 financial year, as well as the convening of the Annual General Meeting and the setting of its agenda.

COMPOSITION, WORKINGS AND ACTIVITIES OF THE BOARD OF DIRECTORS' COMMITTEES

At the date of this report, the Board of Directors has two specialized Committees, an Audit Committee and an Appointments and Compensation Committee.

These Committees issue proposals, recommendations and opinions on matters within their remit, depending on the case in question. They have an advisory capacity and act under the authority of the Board. They report on their work to the Board whenever necessary.

Following the delisting on January 25, 2022, and the above-mentioned decision to no longer refer to the Middlenext Corporate Governance Code, whether or not to maintain these specialized committees is under review.

Audit Committee

In 2013, the Audit Committee drew up a charter governing its workings, role and responsibilities. This charter was amended by the Board on December 13, 2017 to take into consideration the modifications ushered in by French ordinance 2016-315 of March 17, 2016 that transposes EU Directive 2014/56/EU of April 16, 2014.

The Audit Committee meets two to four times a year and as many times as necessary at the request of its Chairman or the Chairman of the Board to ensure that matters relating to the drafting and checking of periodic and annual accounting and financial information are monitored. In 2022, the Committee met four times, with a 100% attendance rate.

The Audit Committee consists of at least three members appointed by the Board from among Directors who do not perform management roles. At least two thirds of the Committee members must be independent and possess specialist financial, accounting or auditing skills. The Board appoints the Committee Chairman, who directs the Committee's work.

At the date of this Annual Report, the Audit Committee had five members: Thierry Billot (Chairman), Pascal Viénot and Florian Sauvin, Unibel, represented by Éric de Poncins, Valentine Fiévet and Joëlle Pacteau. Three of the five members of the Audit Committee are independent, according to the criteria set out by the Middlenext Governance Code to which the Company referred. Thierry Billot, Pascal Viénot and Joëlle Pacteau have special expertise in finance (for more information, see section 4.1.2 "Composition, terms of office and expertise of the Board of Directors and Executive management").

The Audit Committee interviews the General Manager responsible for financial affairs, CSR and information systems, the Consolidation, Financial Control and Internal Control Director, the Treasury Director, the Legal and Risk Director, the Tax Director, the Information Systems Director, the Communication and CSR Director, and the Internal Audit Director. The members of the Committee communicate with the Statutory Auditors without the Group's management being present.

The Audit Committee reports its duties to the Board of Directors, particularly for its duty to certify the financial statements by the Auditors, and informs it immediately of all difficulties encountered.

Duties

In accordance with the provisions of Article L. 823-19 of the French Commercial Code, the Audit Committee is responsible for assisting the Board of Directors and more generally for (i) monitoring the process for preparing financial information (and making recommendations to guarantee its integrity as needed) and regular and provisional accounting information, and reviewing the annual accounts and consolidated accounts of the Company; (ii) monitoring the effectiveness of the internal control and risk management systems, as well as internal audit where appropriate, as regards the procedures for preparing and processing accounting and financial information, without harming the independence of internal audit; (iii) monitoring the statutory audit of the Company's annual and consolidated financial statements, taking into account the findings and conclusions of the French High Council for the Audit Profession (H3C) following the audit in application of Articles L. 821-9 et seq. of the Commercial Code, and (iv) supervising the selection of the Statutory Auditors and issuing a recommendation to the Board of Directors on the Auditors proposed for appointment or renewal by the Annual General Meeting.

As such, the Audit Committee:

- ensures the relevance and permanence of the accounting rules and methods used to establish the consolidated and parent company financial statements as well as the appropriate accounting treatment of significant transactions by the Bel group;
- examines any questions of a financial or accounting nature submitted to it;
- reviews the development and dissemination process for communication and financials;
- examines the Bel group's annual internal audit plan and the Statutory Auditors' work plan and examines the Bel group's internal audit reports on a quarterly basis;
- ensures the relevance of the internal control procedures;
- ensures there is a process for identifying and analyzing financial and non-financial risks likely to have a material impact on the Company's accounting and financial information and particularly on the Company's assets, regardless of the time period. It also examines the financial situation of the Group and its debt and financing structure;
- ensures that any weaknesses identified in the internal control and risk management systems result in corrective actions;
- provides the Board with an opinion on the appointment or reappointment of the Statutory Auditors;
- examines the risks threatening the independence of the Statutory Auditors, with input from the latter.

The Committee ensures the respect of the conditions of independence by the Statutory Auditors and takes the necessary measures for the application of the provisions relating to the economic independence of the Statutory Auditors referred to in Article 4 (3) of Regulation (EU) 537/2014 and compliance with the conditions referred to in Article 6 of the same Regulation.

The Committee approves the provision of services other than the certification of financial statements by the Statutory Auditors or the members of their networks, provided such services are not prohibited. The Audit Committee meets to approve each of these services. During these meetings, it examines the absence of a threat to independence and the eventual safeguard measures implemented by the relevant Statutory Auditors. By delegation of the Committee, its Chairman is also authorized to approve these services when the amount of said services is less than €20,000.

To perform its duties, it has access to all the documents and information it seeks to verify. To this end, it has the right to obtain any information it deems necessary to complete its assignment from any manager in the Company. The Audit Committee may also consult third parties that may be useful in its work and use external experts.

Work of the Committee since January 2022

Since January 2022, the Audit Committee has chiefly worked on the following points:

- examining the Group's half-yearly and annual consolidated financial statements with the Group's Finance Department and the Statutory Auditors in order to analyze the accounting and financial statements for the entire Group. Each time the consolidated financial statements are presented (half-yearly and annual), the Statutory Auditors present a summary of their work and their conclusions. In March 2021, the members of the Committee communicated with the Statutory Auditors without the Group's management being present;
- reviewing half-yearly and annual draft press releases on the Group's financial results;
- monitoring cash positions, the foreign exchange and interest rate hedging policy and Group financing;
- examining non-financial reporting, especially in view of the so-called "Sapin II" law;
- examining the internal audit reports: the Committee examined the conclusions and specific check points from the internal control reported from various auditing tasks. It examined how the implementation of audit recommendations issued in prior reports was monitored. The Group's internal audit plan for 2023 was also presented in December 2022;
- monitoring risk management: as part of the Audit Committee's risk management tasks, the results of the updated Group risk map;
- examining internal control procedures. The Committee reviewed certain procedures both as part of the Statutory Auditors' annual work and when receiving feedback from internal audit assignments.

Appointments and Compensation Committee

On the recommendation of the Committee, the Board adopted a charter at its meeting of March 21, 2013, defining its composition, areas of competence and workings. Before then, the Appointments and Compensation Committee had been governed by the Board's Internal Regulations. This charter was revised by the Board of Directors on July 26, 2018.

The Appointments and Compensation Committee meets at least four times a year and whenever necessary at the call of its chair or the request of the Chairman of the Board. In 2022, the Appointments and Compensation Committee met ten times, with an attendance rate of 100%.

The Appointments and Compensation Committee is made up of three members at least, whether they are Directors or not, with at least one member chosen among the independent Directors. The Chairman of the Committee is appointed from among the Company's Directors and cannot be one of the Company's Corporate Executive Officers. To conduct its work, the Appointments and Compensation Committee may seek the advice of external experts and consult the Group's internal specialists – especially the Human Resources Director – for any matters it deals with.

At the date of this Annual Report, the Appointments and Compensation Committee had six members: Thierry Billot, Chairman of the Committee, qualified as independent according to the Middlenext Code, Antoine Fiévet, Joëlle Pacteau, Cécile Tandeau de Marsac and Ernst Pankert, non-director members, as well as Philippe Perche, Director representing employees.

Alexandre Vernier was appointed as Director representing the employees, replacing Philippe Perche, on April 28, 2022 for a term of four years, i.e., until the end of the Annual General Meeting to be held in 2026.

Ernst Pankert was appointed member of the Appointments and Compensation Committee on July 26, 2018. Joëlle Pacteau and Cécile Tandeau de Marsac were appointed as non-director members of the Appointments and Compensation Committee, on the recommendation of the Appointments Committee, by the Board of Directors on July 29, 2020.

Duties

When acting as the Appointments Committee, the Committee's chief duties are to make proposals and recommendations on the selection and reappointment of Directors, the manner in which Executive management operates, the appointment or dismissal of the Chairman of the Board, Chief Executive Officer and/or Deputy General Managers, the implementation of succession plans, and the workings and regular assessment of the Board. It also expresses an opinion on the appointment of members of the Executive Committee.

When acting as the Compensation Committee, the Committee makes recommendations on the setting and distribution of compensation allocated to the Directors (previously known as attendance fees) and on all aspects of executive compensation including retirement arrangements, variable compensation factors and compensation factors linked to share capital, with the setting of performance targets part of the setting of variable compensation. The Committee makes decisions on the Company's policy on stock option plans and the general policy on employee shareholding plans. Lastly, it advises Executive management on the overall consistency of the compensation policy for key senior managers and members of the Executive Committee. It is kept informed of the Company's general compensation policy.

Work of the Appointments and Compensation Committee since January 2021

The Appointments and Compensation Committee mainly examined the following points:

- the situation of director's terms of office due to expire in 2022;
- succession planning for executives;
- the determination of performance targets for executive compensation, and the conditions for meeting those targets;
- the consistency of the compensation policy for the Group's senior executives;
- the policy for awarding performance shares to Company and subsidiary employees and/or corporate officers and, as such, the recommendation for implementing a plan to allocate performance shares to employees;
- the assessment process for the workings of the Board of Directors.

UNIBEL STRATEGIC COMMITTEE

The Management Board of Unibel, active holding company of Bel, consults the Strategic Committee for its analyses and considerations. In addition to the two members of the Management Board, the Strategic Committee currently includes Thierry Billot and Florian Sauvin, members of the Board of Directors and members of the Bel Executive Committee. Until the end of 2022, Fatine Layt and Nathalie Roos, both members of Bel's Board of Directors, were also members of this Strategic Committee. This Committee met eight times in 2022 to discuss strategy, major investments, business prospects and Group organization. The Committee's composition may change to include at any given meeting participants who have specific expertise and sensitivity suited to the topics on its agenda.

4.2 | RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES

4.2.1 | DEFINITIONS AND OBJECTIVES

Internal control is a set of resources, behaviors, procedures and actions adapted to the Company's specific characteristics which:

- must enable it to counteract the major risks that it may encounter, whether these are operational, financial or compliance-based;
- thereby promote efficient resource use and operations.

In accordance with the definition of the reference framework published by the AMF, the internal control system in force in the Bel group aims in particular to ensure that:

- targets set by the Board of Directors are effectively reached;
- management and production actions in industrial and commercial operations comply with laws and regulations and with the internal rules applicable to the Group;
- the Group's material and intellectual property are protected;
- fraud and errors are prevented and detected;
- the financial and accounting information detailing the Group's activity and prospects is of the requisite quality and is produced in due time.

The internal control process currently operates within the entire Group comprising Bel and its French and foreign subsidiaries.

As is the case with any control system, the internal control process cannot offer an absolute guarantee that all risks of error or fraud are completely eliminated or fully controlled.

4.2.2 | INTERNAL CONTROL ENVIRONMENT OF THE COMPANY

BOARD OF DIRECTORS

The Board of Directors takes all decisions relating to the Company's major strategic, economic, labor-related, corporate, environmental, financial and industrial objectives, and ensures they are implemented by Executive management. It is regularly informed, either directly or through its Committees, of any significant event affecting the conduct of the Company's business. At each Board meeting, the Chairman informs the Directors of the main facts and significant events relating to the Group that have occurred since the last Board meeting. Each Board meeting is also an opportunity to take stock of the Company's business and prospects.

EXECUTIVE MANAGEMENT

Internal control is implemented within the Group under the impetus of the Chairman and Chief Executive Officer. They rely on an Executive Committee which is in charge of the operational coordination required for the correct running of the Group's strategy and policies.

OPERATING DEPARTMENTS AND SUPPORT FUNCTIONS

Everyone at the Bel group is involved in the internal control process. All managers and employees at their respective levels within the organization play a role in controlling activities. Line and staff managers ensure efficient mitigation of the risks associated with their areas.

Within the various business lines, a cross-departmental structure supports local industrial activities, purchasing, logistics, research and innovation, product regulation, marketing, commercial strategy and cross-departmental networks. Support functions, such as the Impact Department in charge of finance and CSR (Corporate Social Responsibility), IT, Human Resources, Communications, Legal and Risk (which became the Trust & Ethics Department in 2023, bringing together legal, quality, regulatory, risk, communications and public affairs), reinforce this organization.

RISK MANAGEMENT DEPARTMENT

Formerly part of the Secretary-General – Legal Department and part of the Trust & Ethics Department since 2023, this department is tasked with developing and implementing a global risk management strategy by identifying and evaluating risks with the Group management, and monitoring action plans aimed at addressing them.

It provides a process and tools to develop and regularly update risk mapping at the Group, business and local levels. It coordinates action plans to mitigate Group risks with a network of risk owners and provides an overview of risk management to the Executive Committee and Audit Committee.

Moreover, it leads and coordinates the crisis management system for the Group, the aim of which is to prevent crises as far as possible, and to reduce their impact on people, reputation, the environment and assets. It ensures that operating entities are properly prepared for crisis management.

INTERNAL CONTROL DEPARTMENT

A coordination unit for updating Group procedures, attached to the Group's Finance Department, ensures these procedures are appropriate for the internal control rules as and when changes occur in the corporate structures. All the Group's procedures, as well as a description of the main processes and user guides for information systems, are available in French and English on its Intranet site. Respect of segregation of tasks and access to transactions in the systems are the object of specific monitoring. SAP's Governance, Risk and Compliance (GRC) tool is used to ensure that changing access rights does not create new, uncontrolled risks in terms of the segregation of functions.

Moreover, each Group subsidiary carries out an annual diagnosis of its maturity in terms of internal control under the responsibility of its head of operations. This self-assessment is carried out based on an internally defined control protocol. All the work of the subsidiaries is formalized in a tool that centralizes and monitors the work carried out, in particular by internal auditors.

INTERNAL AUDIT DEPARTMENT

The Internal Audit Department reports to the Chair of the Audit Committee. The purpose of the Internal Audit Department is to provide reasonable assurance on the level of controls for risks that would threaten:

- effective, efficient operations;
- asset protection;
- the reliability and integrity of financial and operational information;
- compliance with laws, regulations and contracts.

Internal audit is an independent, objective activity that provides advice to Executive management and the Audit Committee to improve and reinforce security and operational effectiveness and efficiency. It helps the organization meet its targets by assessing its risk, control and corporate governance processes, using a systematic, methodical approach.

The Internal Audit Department reports to the chair of the Audit Committee and the Group Finance Director. It works closely with Executive management.

The Internal Audit Director reports regularly to the Audit Committee and Executive management on the overall level of operational control and significant anomalies affecting the risk management, control and corporate governance processes of the organization and its subsidiaries and recommends improvements to these processes.

The scope of operation of the Internal Audit Department extends to the entire organization and its subsidiaries. It encompasses all administrative, accounting and financial, functional and operational areas and processes within the Group.

LIMITS AND DELEGATION OF POWER

In its Internal Regulations, the Company's Board of Directors has established internal limits on the powers of the Chairman and Chief Executive Officer (for further information, see section 4.1.3 "Board and Committee organization and workings" of this chapter). Furthermore, the Company has implemented delegations of power (delegations of liability) adapted to its structure and to the level of responsibility of the employees for whom they are intended. The Legal and Risk Department monitors this in conjunction with the Human Resources Department.

4.2.3 | MANAGEMENT OF PRIMARY RISKS

The Group regularly assesses the external and internal risks to which it is exposed, particularly those incurred by the production and marketing of food products.

Thanks to the overall risk management system and to the specific procedures accompanying it, the Company's supervisory bodies ensure that risks are properly dealt with and do not compromise the achievement of the Company's objectives.

Risks inherent to the Group's businesses are taken into account when drawing up the budgets and setting targets for the Bel group and its subsidiaries.

Some internal control procedures implemented by the Company are based on the balance between the level of control and the Group's specific challenges and targets. For further information, see section 2.1 "General risk management policy."

4.2.4 | PROCEDURES FOR PREPARING AND PROCESSING THE COMPANY'S ACCOUNTING AND FINANCIAL INFORMATION

ORGANIZATION OF ACCOUNTING, FINANCE, LEGAL, INFORMATION SYSTEMS AND RISK MANAGEMENT DEPARTMENTS

The Group's Finance and IT Departments on the one hand and the Legal and Risk Department on the other report respectively to the Vice-Chairman and the Secretary-General and Legal Director.

They cover:

- the Financial Control Department;
- the Treasury and Insurance Department;
- the Tax Department;
- the Finance Departments for the markets, operations and growth strategies areas;
- the Information Systems Department;
- the Internal Audit Department;
- the Legal and Risk Department.

Financial Control Department

The Financial Control Department is responsible for the monthly production of all the Group's consolidated financial information, encompassing both statutory and management data.

It prepares and reports monthly to the Executive Committee on the Group's management performance indicators in an in-house format specifically designed for the Group's business.

This department is also responsible for steering the Group budget process and the various estimates performed over the year.

It coordinates and updates financial procedures uploaded to the Intranet and ensures that these procedures are consistent with the internal control rules. It is responsible for the various charts of accounts deployed in the Group's financial reporting tools (accounting and management).

It presents the main issues to be addressed in the consolidated financial information to the Audit Committee at least twice a year and coordinates operations with the external auditor's subsidiaries. It participates in organizing the reporting and consolidation process for non-financial performance indicators.

Treasury and Insurance Department

This Department is responsible for managing all liquidity and insurance operations carried out within the Bel group.

It is specifically responsible for:

- setting up Group financing with banks and investors such as commercial paper, bank financing and debt financing;
- interest rate and foreign exchange hedging required to cover the exposure of Group entities. This activity is centralized within the Treasury Department;
- the Group's cash management. Cash management includes cash pooling (at the Bel level), netting (payment of inter-company invoices), and the payment factory (a centralized payment solution for all entities that share a common convertible currency). The payment factory pays suppliers, wages and taxes through secure payment systems;
- managing relationships with banks;
- taking out Group insurance.

The Treasury Department has the teams and tools necessary to manage its operations. It reports on its activities to the Finance Department on a monthly basis. It regularly reports on the status of exchange rate and interest rate hedging as well as the Group's liquidity status to the Audit Committee.

Tax Department

This Department is responsible for defining and applying the procedures linked to the regulations and fiscal strategies of the Group.

Its scope of operation has as much to do with Group issues as successfully controlling fiscal procedures and potential risks in the various countries in which the Bel group operates. Its activities are coordinated with those of Financial Directors of subsidiaries.

Information Systems Department

Information systems are centralized and managed for the Group by the Information Systems Department, which has reported, since January 9, 2023, to the Chief Strategy, Transformation, Data and Tech Officer.

The Group has implemented an integrated information system based for the most part on SAP tools. The Information Systems Department ensures system maintenance, updating and security.

Legal and Risk Department (since 2023 the Trust & Ethics Department, bringing together legal, quality, regulatory, risk, communications and public affairs).

This Department is responsible for the legal certainty of the transactions carried out by the Group. It is responsible for monitoring the legal certainty of all of the Group's commitments in France and abroad. It relies, where necessary, on the expertise of external consultants for specific legal issues or issues linked to local regulations. As part of its responsibilities, it acts upstream in an advisory capacity to Executive management and the various Departments of the regions and subsidiaries of the Group. It is responsible for managing any potential disputes. It also monitors the legal protection of the Group's brands and compliance with economic and financial regulations.

This Department also ensures, through its overall risk management system, that these risks are correctly identified and handled and do not compromise the objectives. It also helps to control and reduce the exposure of tangible and intangible assets in order to guarantee a secure future for the Group.

This Department has been transformed and reorganized by integrating, as of 2023, the quality, regulation, communication and public affairs departments. The Department has been renamed the Trust & Ethics Department.

YEARLY AND HALF-YEARLY GROUP CONSOLIDATED FINANCIAL STATEMENTS

The Bel group approves half-yearly and annual consolidated financial statements on June 30 and December 31 every year.

The subsidiaries issue restated financial statements for consolidation purposes in accordance with the Group's accounting rules and following the instructions issued by the Finance Department.

The main options and significant accounting estimates are anticipated and presented to the Audit Committee. The Financial Control Department carefully documents all choices made.

4.3 | RELATED-PARTY TRANSACTIONS

4.3.1 | STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

This is a free translation into English of the Statutory Auditors' special report on related-party agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

General Meeting for the approval of the financial statements for the year ended 31 December 2022

To the Shareholders,

In our capacity as Statutory Auditors of BEL, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

AGREEMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE GENERAL MEETING

Agreements authorised and entered into during the year

In accordance with article L. 225-40 of the French Commercial Code, we were informed of the following agreement that was entered into during the year and authorised in advance by the Board of Directors.

Securization agreement

The person concerned is:

- Mr. Antoine Fiévet, Chairman of BEL and Chairman of BEL Belgium

On March 17, 2022, the Board of Directors decided to set up a securitization program for BEL Group's trade receivables.

Accordingly, under the terms of a framework agreement for the assignment and management of receivables subject to French law concluded between BEL, a financial institution, and the BEL group entities involved, it is agreed that BEL will assign the receivables to this financial institution.

The securitization transaction will be set up for a maximum period of five years starting from the first date of assignment of receivables, it being specified that the financial institution and BEL may terminate it at any time, subject to prior notice.

The Board of Directors' meeting of November 25, 2022 decided to authorize the signature.

As of December 31, 2022, the amount of financial expenses net of re-invoicing to the BEL group entities concerned recorded in financial expenses for the year amounted to 888,206.08 euros and the amount of receivables assigned by Bel amounted to 56,367,476.67 euros.

Agreements in favor of Cécile Beliot, Chief Executive Officer

The person concerned is Cécile Beliot, Chief Executive Officer of the Company.

On May 12, 2022, the Board of Directors decided, for the benefit of Cécile Beliot, Chief Executive Officer of the Company, to:

- take out an executive unemployment insurance policy with GSC;
- subscribe to a supplementary company pension contract "PER Entreprises";
- allow the employee to benefit from the health and welfare scheme currently in place for all the Company's staff in France;
- take out Directors' liability insurance;
- enter into an agreement relating to a forced departure indemnity (subject to a vote of the shareholders in the event of departure at the Company's initiative).

AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements approved in previous years that were implemented during the year

Pursuant to Article R. 225-57 of the French Commercial Code, we have been informed that the following agreements, already approved by the General Meeting in previous years, continued to be executed during the past year.

Agreements with UNIBEL

The shareholder and persons concerned are:

- UNIBEL, a shareholder of BEL with more than 10% of the voting rights;
- Mr. Antoine Fiévet, Chairman of BEL and member of the UNIBEL Board of Directors;
- Mr. Florian Sauvin, Director of BEL and Chairman of the Supervisory Board of UNIBEL;
- Mr. Bruno Schoch, permanent representative of UNIBEL, Director of BEL and Chairman of the UNIBEL Board of Directors. until September 2, 2022;
- Mr. Eric de Poncins, permanent representative of UNIBEL, Director of BEL and Chairman of the UNIBEL Board of Directors since September 2, 2022.

TREASURY AGREEMENT

At its meeting on October 11, 2007, your Board of Directors authorized the conclusion of an agreement between BEL and UNIBEL. The purpose of this agreement was for UNIBEL to grant BEL a cash advance of a maximum amount of 15,000,000 euros.

By an amendment authorized by the Board of Directors on May 14, 2008 and signed the same day, this amount was increased to 25,000,000 euros.

By a second amendment authorized by the Board of Directors on December 17, 2008 and signed on December 18, 2008, the parties decided to remove any ceiling on the advance that may be granted by UNIBEL to BEL.

By a third amendment authorized by the Board of Directors on August 26, 2009 and signed on August 28, 2009, the interest rate based on the daily EONIA was modified. With effect from July 1, 2009, it was set at the level of EONIA plus 80 basis points instead of 20 basis points previously.

By a fourth amendment authorized by the Board of Directors on March 22, 2012, the interest rate was changed. Effective January 1, 2012, it was set at EONIA plus 120 basis points instead of the previous 80 basis points.

On November 12, 2014, the Board of Directors decided to increase the interest rate applied to the advances granted, based on the daily EONIA, to 100 basis points, with effect from January 1, 2015, in view of the stability of the liquidity that this represents for the company. The other provisions of the initial contract remain unchanged between the parties.

As of December 31, 2022, the amount of interest recognized in expenses for the year amounted to 280,850.03 euros and the amount of the cash advance paid by UNIBEL amounted to 18,084,356.96 euros.

SERVICE AGREEMENT

At its meeting on December 12, 2001, the Board of Directors authorized the conclusion of a service agreement with UNIBEL.

By an amendment authorized by the Board of Directors on November 13, 2012, the tacit renewal clause was changed to a permanent clause and the appendices relating to the nature of the services provided and the nature of the costs incurred by UNIBEL were updated.

The amount expensed by UNIBEL to your company for fiscal year 2022 amounts to 2,641,253.47 euros excluding VAT.

Neuilly-sur-Seine, March 31, 2023
The Statutory Auditors

Grant Thornton	PricewaterhouseCoopers Audit
French member of Grant Thornton International	
Vincent Frambourt	Xavier Belet

4.3.2 | RELATED PARTIES

Information covering related parties is presented in Note 8 to the consolidated financial statements presented in section 5.5.1, "Consolidated financial statements as of December 31, 2022," of this Annual Report.

Unibel, the Fiévet-Bel family company, owns 100% of the share capital and voting rights of Bel with the Fiévet-Bel family. Unibel is the Group's coordinating holding company. It discusses and defines strategic guidelines for the Group as a whole; its management team draws up and develops economic, political and financial strategic scenarios; and it oversees their implementation. Unibel also renders specific services. These services, which are mainly composed of personnel expenses, are billed at cost to Bel, plus a fixed margin of 10%, in application of the contract dated December 14, 2001 and its amendment of November 13, 2012. The compensation of Unibel's corporate officers, who are also managers of Bel, is undertaken by Unibel alone.

As of December 31, 2022, the amount of related-party transactions included €2.8 million paid to Unibel (holding company), of which €2.6 million in personnel expenses billed back to Bel SA under the service agreement signed on December 14, 2021, and €7.2 million in operating expenses billed back to Bel SA by unconsolidated Group entities (Bel Proche et Moyen-Orient Beyrouth, Bel Middle East, and others).

Related parties' associated payables and current accounts mainly concerned Unibel (holding company) with a €18.1 million current account versus €25.2 million at December 31, 2021 (see Note 4.14 to the consolidated financial statements).

Unibel shares held by Sofico were valued at €194.4 million based on the closing share price on December 31, 2020.

The Group had no significant off-balance sheet commitments with related parties.

On March 18, 2021, Bel signed a unilateral purchase agreement with Sofil for business assets including Royal Bel Leerdammer NL, Bel Italia, Bel Deutschland, the Leerdammer brand and all related rights, and Bel Shostka Ukraine. As Sofil is a shareholder with more than 10% of the Company's voting rights, the signing of this agreement was authorized by the Board of Directors as falling within the scope of Articles L. 225-38 et seq. of the French Code of Commerce, as well as the signing of the share exchange agreement and the related contracts.

5.

FINANCIAL AND ACCOUNTING INFORMATION

5.1 | HISTORICAL FINANCIAL INFORMATION

In accordance with Article 19 of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of June 14, 2017, this Annual Report incorporates the following information for reference:

- the consolidated financial statements for the financial year ended December 31, 2021 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the Statutory Auditors' report on the consolidated financial statements for the financial year ended December 31, 2021, which are included in the Annual Financial Report;
- the consolidated financial statements for the financial year ended December 31, 2020 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the Statutory Auditors' report on the consolidated financial statements for the financial year ended December 31, 2020, on pages 143 and subsequent of the Universal Registration Document filed with the AMF on April 6, 2021, under filing number D.21-0258;
- the annual financial statements for the financial year ended December 31, 2021 and the Statutory Auditors' report on the annual financial statements for the financial year ended December 31, 2021, which are included in the Annual Financial Report;
- the Company's annual financial statements for the financial year ended December 31, 2020, and the Statutory Auditors' report on the annual financial statements for the financial year ended December 31, 2020, on pages 196 and subsequent of the Universal Registration Document filed with the AMF on April 6, 2021, under number D. 21-0258;

These Registration Documents are available on the websites of the AMF (www.amf-france.org) and the Company (www.groupe-bel.com). The 2021 Annual Financial Report is available on the Company's website (www.groupe-bel.com).

5.2 | RESTATED FINANCIAL INFORMATION

This paragraph is not applicable.

5.3 | REVIEW OF FINANCIAL POSITION AND RESULTS

5.3.1 | FINANCIAL POSITION

The change in the Group's financial position as of December 31, 2022 can be summarized as follows:

(in millions of euros)	2022	2021	2020[(a)]
Total equity	1,592.5	1,681.6	1,864.5
Net financial debt[(b)]	778.1	645.3	584.1
Net financial debt/total equity	0.49	0.38	0.31

(a) Presentation of 2020 data restated in accordance with the IFRS-IC decision on the measurement of post-employment benefit obligations.

(b) See details of net financial debt in Note 4.14.

At December 31, 2022, Bel's balance sheet reflected a sound and solid financial structure. Total equity came to €1,592.5 million versus €1,681.6 million at December 31, 2021. Net financial debt, including right-of-use lease liabilities in application of IFRS 16, totaled €778 million compared to €645 million in 2021. This increase is primarily due to the acquisition on April 29, 2022 of the balance of capital in MOM, i.e. the remaining 17.44% of ordinary shares, for €208 million and to the external growth operations in China and India.

On December 31, 2022, Bel had €596 million in cash and cash equivalents and €550 million in credit facilities maturing in 2027 (2028 and 2029 if extended), representing a high level of liquidity.

Further information about the financial position of the Group is disclosed in section 5.4.2 and section 5.5 "Financial statements" of this Annual Report.

5.3.2 | SALES AND OPERATING INCOME

The Bel group recorded consolidated sales of €3,595.3 million in 2022, representing organic growth of 13.2%. On a reported basis, sales were up 6.4% over the prior year, reflecting changes in the scope of consolidation, primarily related to the sale of an assets portfolio consisting primarily of the Leerdammer brand[(1)] and a positive foreign exchange impact of 5.6%, resulting notably from the U.S. dollar's appreciation against the euro.

This robust performance is attributable to strong growth in volumes in new territories, particularly the fruit segment in all geographies, very strong double-digit growth in China for the third year in a row, positive sales momentum in North America and the responsible management of price increases. Organic growth in annual sales was driven by increased sales of GoGo squeeZ® and Pom'Potes® products, as well as by Bel's core brands, particularly Babybel® and Boursin®. Overall, annual sales increased across all brands and all regions in 2022.

Nurishh, Bel's first global brand to be 100% plant-based, continued its development initiated in 2021 in line with consumer demand for alternatives to cheese. Positive momentum was also maintained by the new plant-based ranges rolled out by the core brands, with very good results for these varieties of Babybel® and Boursin®. Lastly, in terms of distribution channels, Bel's e-commerce and out-of-home (OOH) segments posted double-digit sales growth for the third year in a row. The e-commerce segment continued to perform well, notably in China, the United States, the United Kingdom and Ireland. Positive trends were also recorded in the OOH segment, particularly in France, China and the United States.

(1) Portfolio comprising the Royal Bel Leerdammer BV, Bel Italia, Bel Deutschland, the Leerdammer brand and all related rights, plus Bel Shostka Ukraine.

After a first-half 2022 negatively impacted by the time lag between the additional costs generated by inflationary pressure on expenditure items and the implementation of selling price increases to offset those additional costs, Bel benefited in the second half of the year from the combined effect of price increases, trade-offs on investment projects to preserve profitability and the accelerated deployment of productivity improvement measures initiated several years ago. Recurring operating income totaled €187 million, up slightly from the previous year on a comparable structure basis (notably adjusted for the impact of the sale in 2021 of an assets portfolio consisting primarily of the Leerdammer brand). The recurring operating margin held firm at 5.2%.

Free cash flow [1] stood at €214.1 million despite the impact of inflation on working capital requirement and the investments made to support the fruit segment's future development. This solid performance reflects the dynamic management of the company's working capital, a positive calendar effect and the implementation of an off-balance sheet securitization program, which had an €132 million impact on free cash flow generation in 2022 (see Note 4.7).

5.4 | CASH AND CASH EQUIVALENTS AND CAPITAL SOURCES

5.4.1 | INFORMATION ABOUT THE COMPANY'S EQUITY

Information pertaining to the Group's equity is disclosed in paragraph 5.5.1 of the present Annual Report.

5.4.2 | SOURCES AND AMOUNTS OF THE GROUP'S CONSOLIDATED CASH FLOW

Information relating to cash flow is disclosed in paragraph 5.5.1 of this Annual Report. It can be summarized as follows:

(in millions of euros)	2022	2021 [a]	2020
Cash flow from operations	328.8	343.0	399.6
Income taxes paid	(23.8)	(51.6)	(45.3)
Change in operating WCR	97.0	(7.1)	31.9
TOTAL CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	**402.0**	**284.3**	**386.2**
Cash flows from (used in) operating activities	402.0	284.3	386.2
Cash flows from (used in) investing activities	(449.6)	(290.6)	(178.1)
Cash flows from (used in) financing activities	165.3	(88.3)	(21.5)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**117.7**	**(94.7)**	**186.6**
Effect of foreign exchange rate fluctuations	(12.6)	4.9	(9.9)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**105.1**	**(89.7)**	**176.8**
Net cash and cash equivalents at the beginning of the period	490.4	580.1	403.4
Net cash and cash equivalents at the end of the period	595.6	490.4	580.1
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**105.1**	**(89.7)**	**176.8**
Gross financial debt	1,374.2	1,138.2	1,166.3
Current used banking facilities	4.9	4.2	10.2
Cash and cash equivalents	(600.5)	(494.6)	(590.3)
Other financial assets	(0.5)	(2.5)	(2.0)
NET FINANCIAL DEBT	**778.1**	**645.3**	**584.1**

(a) The presentation of the impacts of IFRS 16 on the cash flow statement changed in 2022. As a result, the comparative information presented for 2021 has been restated, with a net impact of €5.3 million on the Cash flow from operations and -€5.3 million on Cash flow used in investing activities.

(1) The free cash flow consists of: (i) gross profit from operations, corresponding to profit before tax adjusted for the following items: depreciation and write-downs, depreciation and amortization – rights of use, capital gains or losses on disposal, financial income and expenses, financial income and expenses on rights of use and other non-cash items on the income statement, (ii) to which is added the change in stock, receivables and payables, income taxes paid, acquisitions of property, plant and equipment and intangible assets, disposals of property, plant and equipment and intangible assets, investment grant received, interest paid, as well as the change in debt resulting from lease contracts, and interest charges on rights of use.

Overall net financial debt includes, as of December 31, 2022 and December 31, 2021, lease liabilities of €78.9 million and €97.8 million respectively.

5.4.3 | BORROWING TERMS AND CONDITIONS AND FUNDING STRUCTURE

Detailed information relating to the Group's financing activities is disclosed in Notes 4.14 and 4.15 to the consolidated financial statements.

5.4.4 | RESTRICTIONS ON THE USE OF CAPITAL

At December 31, 2022, the Group possessed the financing capacity to meet its funding needs for organic or external growth. For certain financing lines (syndicated credit lines, Euro and US Private Placement, *Schuldschein* loans), Bel has pledged to respect a financial leverage ratio of less than 3.75. The ratio is tested at least once a year. Failure to keep the ratio below the threshold could trigger the repayment of a significant portion of the debt.

At December 31, 2022, the financial leverage ratio was 2.27, compared with 2.03 at December 31, 2021 (Note 4.15 to the consolidated financial statements, set out in paragraph 5.5.1).

On December 31, 2022, the Group also had a considerable amount of net cash and cash equivalents, of €595.6 million, including €485 million at Bel SA.

Available cash in African and Middle Eastern countries amounted to €103 million on December 31, 2022 and represented the majority of the non-centralizable cash available.

5.4.5 | ANTICIPATED SOURCES OF FUNDS

Investments are financed, either by operating cash flows generated by the Group, or by use of bank financing, including factoring, NEU CP (Negotiable European Commercial Paper) and NEU MTN (Negotiable European Medium-Term Note) or private placements such as Euro and US Private Placement, *Schuldschein*, and public bond issues (see Note 4.15.2).

5.5 | FINANCIAL STATEMENTS

5.5.1 | CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	Notes	December 31, 2022	12/31/2021
SALES	**3.1**	**3,595.3**	**3,379.0**
Cost of goods and services sold	3.2	(2,718.2)	(2,458.5)
GROSS MARGIN		**877.1**	**920.6**
Sales and marketing expense	3.2	(379.3)	(411.9)
Research and development expense	3.2	(29.4)	(29.0)
Administrative and general overhead expense	3.2	(282.4)	(262.0)
Other operating income and expense	3.2	0.9	5.3
RECURRING OPERATING INCOME		**186.8**	**222.9**
Other non-recurring income and expenses	3.3	(22.6)	406.4
OPERATING INCOME		**164.3**	**629.3**
Income from cash and cash equivalents	3.4	2.4	1.2
Cost of gross financial debt	3.4	(28.5)	(23.4)
NET COST OF FINANCIAL DEBT		**(26.2)**	**(22.2)**
Other financial income and expense	3.4	2.4	(11.9)
Equity affiliates share of net income		0.2	0.0
PROFIT BEFORE TAX		**140.7**	**595.2**
Income tax expense	3.5	(47.9)	(65.1)
NET PROFIT FROM CONSOLIDATED ENTITIES		**92.8**	**530.1**
Non-controlling interests		3.3	(5.6)
CONSOLIDATED NET PROFIT - GROUP SHARE		**96.1**	**524.5**

The notes to the financial statements form an integral part of the consolidated financial statements.

STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	Notes	2022	2021
Net profit/(loss) for the period		**92.8**	**530.1**
OTHER ITEMS OF COMPREHENSIVE INCOME			
Non-reclassifiable items			
Actuarial gains and losses arising from retirement obligations	4.11	9.1	1.9
Income tax impact		(2.4)	(0.5)
Actuarial gains and losses arising on financial assets	4.9.1	(1.0)	79.5
Income tax impact		(2.7)	(17.6)
Reclassifiable items			
Translation differences		(12.9)	70.7
Hyperinflationary revaluation	1.5	19.9	17.0
Gains and losses on cash flow hedging	4.15		
Amounts recognized in equity		20.5	(16.4)
Income tax impact		(5.2)	4.2
TOTAL RECOGNIZED TO EQUITY		**25.3**	**138.9**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**118.1**	**669.0**
Group share		123.2	660.2
Non-controlling interests		(5.1)	8.8

The notes to the financial statements form an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEET

ASSETS

(in millions of euros)	Notes	December 31, 2022	December 31, 2021
NON-CURRENT ASSETS			
Goodwill	4.1	849.0	818.1
Other intangible assets	4.2	590.8	548.5
Property, plant and equipment	4.3.1	937.1	885.2
Property, plant and equipment – right of use	4.3.2	74.2	92.3
Investments in companies accounted for by the equity method		53.3	
Financial investments	4.5	216.5	227.6
Other financial assets	4.4	20.6	7.3
Loans and advances	4.4	11.6	12.4
Trade and other receivables	4.7	3.0	1.0
Deferred tax assets	4.8	10.8	10.3
TOTAL		**2,767.0**	**2,602.7**
CURRENT ASSETS			
Inventories and work-in-progress	4.6	439.3	337.9
Trade and other receivables	4.7	317.1	395.4
Other financial assets	4.4	20.2	10.2
Loans and advances	4.4	0.6	1.0
Current tax assets		23.1	35.6
Cash and cash equivalents	4.14	600.5	494.6
TOTAL		**1,400.7**	**1,274.6**
TOTAL ASSETS		**4,167.7**	**3,877.3**

The notes to the financial statements form an integral part of the consolidated financial statements.

BALANCE SHEET LIABILITIES

(in millions of euros)	Notes	December 31, 2022	December 31, 2021
Share Capital	4.9	7.9	10.3
Additional paid-in capital		22.0	22.0
Reserves		1,539.7	2,310.9
Treasury shares	4.9	(21.8)	(719.9)
EQUITY (GROUP SHARE)		**1,547.7**	**1,623.3**
NON-CONTROLLING INTERESTS		**44.7**	**58.3**
EQUITY		**1,592.5**	**1,681.6**
NON-CURRENT LIABILITIES			
Provisions	4.10	4.4	4.6
Employee benefits	4.11	33.8	43.1
Deferred tax liabilities	4.8	293.6	281.3
Lease liabilities – over one year	4.14	59.3	75.6
Long term borrowings and financial liabilities	4.14	1,082.5	877.7
Other liabilities	4.12	101.7	68.0
TOTAL		**1,575.4**	**1,350.3**
CURRENT LIABILITIES			
Provisions	4.10	4.8	5.1
Employee benefits	4.11	2.3	2.4
Lease liabilities – less than one year	4.14	19.6	22.2
Short term borrowings and financial liabilities	4.14	181.4	162.7
Other financial liabilities	4.16	6.1	13.6
Trade payables and other liabilities	4.13	737.6	603.2
Tax payable liabilities		43.2	32.1
Current bank facilities and other borrowings	4.14	4.9	4.2
TOTAL		**999.9**	**845.4**
TOTAL EQUITY AND LIABILITIES		**4,167.7**	**3,877.3**

The notes to the financial statements form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in millions of euros)	Notes	Number of shares in circulation	Capital	Additional paid-in capital	Translation differences	Treasury shares	Consolidated income	Consolidated reserves	Equity – Group share	Non-controlling interests	Total consolidated equity
BALANCE AT DECEMBER 31, 2020 [(a)]		**6,788,542**	**10.3**	**22.0**	**(199.3)**	**(23.3)**	**143.8**	**1,820.3**	**1,773.7**	**90.8**	**1,864.5**
Allocation of income from the prior year							(143.8)	143.8	0.0		0.0
Dividends paid								0.0	0.0	(2.5)	(2.5)
Profit (loss) for the period							524.5	0.0	524.5	5.6	530.1
Other items of comprehensive income	4.9				67.6		0.0	68.1	135.7	3.2	138.9
Other changes in value directly recognized in restated equity								(114.0)	(114.0)	(38.8)	(152.8)
Purchase of treasury shares		(1,591,690)				(697.1)			(697.1)		(697.1)
Treasury shares distributed		3,391				0.6			0.6		0.6
BALANCE AT DECEMBER 31, 2021		**5,200,243**	**10.3**	**22.0**	**(131.7)**	**(719.9)**	**524.5**	**1,918.1**	**1,623.3**	**58.3**	**1,681.6**
Allocation of income from the prior year							(524.5)	524.5			0.0
Dividends paid								(26.5)	(26.5)	(4.5)	(31.0)
Profit (loss) for the period							96.1		96.1	(3.3)	92.8
Other items of comprehensive income	4.9				(11.1)			38.2	27.1	(1.8)	25.3
Other changes in value directly recognized in equity								(173.3)	(173.3)	(3.9)	(177.2)
Treasury shares distributed		5,203				1.0			1.0		1.0
BALANCE AT DECEMBER 31, 2022		**5,205,446**	**10.3**	**22.0**	**(142.8)**	**(718.9)**	**96.1**	**2,281.0**	**1,547.7**	**44.7**	**1,592.5**

(a) Presentation of 2020 data restated in accordance with the IFRS-IC decision on the measurement of post-employment benefit obligations.

The notes to the financial statements form an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

(in millions of euros)	Notes	2022	2021[(a)]
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES			
Profit before tax		140.7	595.2
Adjustments for :			
Amortization and depreciation and write-downs		119.8	150.9
Amortization – right of use		22.2	24.4
Capital gains (losses) on disposal		2.9	0.3
Reclassification of net financial income and expenses		20.3	30.2
Reclassification of net financial income and expenses – right of use		3.5	3.9
Elimination of équity affiliates share of net income		(0.2)	0.0
Other non-cash items on the income statement		19.7	(461.9)
Cash flow from operations before change in working capital		**328.8**	**343.0**
(Increase) decrease in inventories, current receivables and payables	5.1	99.2	(8.2)
(Increase) decrease in non-current receivables and payables		(2.3)	1.1
Income taxes paid		(23.8)	(51.6)
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES	**(1)**	**402.0**	**284.3**
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES			
Acquisitions of activities		(321.4)	(185.1)
Disposals of activities		11.3	17.4
Acquisitions of property, plant and equipment and intangible assets	5.2	(141.9)	(118.2)
Disposals of property, plant and equipment and intangible assets	5.2	1.0	2.6
Investment grant received		1.3	3.1
Acquisitions of financial assets		(5.8)	(17.8)
Disposals of financial assets		3.2	4.2
Dividends received		2.6	3.1
NET CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	**(2)**	**(449.6)**	**(290.6)**
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES			
Dividends paid		(31.0)	(2.5)
Interests paid		(23.3)	(18.3)
Financial interests – right of use		(3.5)	(3.9)
Increase in debt from lease liabilities		3.2	3.9
Repayment of debt from lease liabilities		(27.3)	(29.5)
(Increase) decrease in current accounts with entities outside the scope of consolidation	5.3.1	(6.8)	(79.0)
Purchase/(sale) of treasury shares		0.0	(0.1)
Borrowings and financial liabilities issued	5.3.2	656.2	352.8
Repayments of borrowings and financial liabilities	5.3.2	(402.1)	(311.7)
NET CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**(3)**	**165.3**	**(88.3)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(1)+(2)+(3)**	**117.7**	**(94.7)**
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**490.4**	**580.1**
Effect of foreign exchange rate fluctuations		(12.6)	4.9
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**4.14**	**595.6**	**490.4**
At the closing date net cash and cash equivalents comprised the following :			
Marketable securities and money market instruments	4.14	173.2	122.6
Cash on hand and balance with banks	4.14	427.3	372.0
Current used bank facilities including overdrafts and accrued interest	4.14	(4.9)	(4.2)
TOTAL		**595.6**	**490.4**

(a) The presentation of the impacts of IFRS 16 on the cash flow statement changed in 2022. As a result, the comparative information presented for 2021 has been restated, with an impact of €5.3 million on depreciation and amortization – right of use, the same impact on net cash flow from operations and -€5.3 million on the net increase/decrease of lease liabilities, with the concomitant impact on net cash flow from (used in) financing activities.

The notes to the financial statements form an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 | ACCOUNTING PRINCIPLES, RULES, METHODS AND HIGHLIGHTS OF THE FINANCIAL YEAR

1.1 — PRESENTATION OF THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Regulation (EC) No. 297/2008 of March 11, 2008 amending Regulation (EC) No. 1606/2002 of July 19, 2002, Bel's consolidated financial statements for the 2022 financial year were prepared in accordance with IFRS as adopted by the European Union and published by the International Accounting Standards Board (IASB) at the date these financial statements were prepared. Closed on December 31, 2022, the financial statements were approved on March 15, 2023 by the Board of Directors.

International accounting standards comprise the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as well as the interpretations of those standards by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE AND MANDATORY FROM JANUARY 1, 2022

Application of the IFRIC-IC final decision of March 2021, Costs of access to software hosted by a third party – Software as a Service (SaaS) contracts

In 2022, the Group conducted a qualitative and quantitative review of its IT tools and the effects of their application. The finalization of this analysis led the Group to conclude that the final IFRIC-IC ruling on the handling of implementation costs of a SaaS contract has no material impact.

The other published amendments or annual improvements applicable as of January 1, 2022 have no impact on the Group's consolidated financial statements.

STANDARDS, AMENDMENTS AND INTERPRETATIONS FOR WHICH APPLICATION IS NOT MANDATORY FROM JANUARY 1, 2022 BUT MAY BE APPLIED EARLY

The Group does not apply early any standard or interpretation that was not mandatory from January 1, 2022.

1.2 — VALUATION BASIS USED IN THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are prepared according to historical cost with the exception of certain categories of assets and liabilities in accordance with IFRS rules. These categories are mentioned in the following notes.

1.3 — USE OF ESTIMATES

In preparing the consolidated financial statements, Group management and fully consolidated companies management may be required to make estimates and retain underlying assumptions that affect the value of assets and liabilities, expenses and income, as well as the information provided in the notes to the Group's financial statements.

These estimates and underlying assumptions are made on the basis of information and positions known at the balance sheet date and may vary significantly from actual values.

The assumptions notably concern the impairment testing of assets, obligations to employees, deferred tax assets, and provisions.

1.4 — CONSOLIDATION METHODS

The Group has exclusive control, whether directly or indirectly, over its subsidiaries. This means that the Group has the power to guide the financial and operating strategies of these subsidiaries so that it may obtain the resulting benefits. Subsidiaries are consolidated using the full consolidation method.

A joint venture, as defined in IFRS 11, is a partnership whereby the Group has joint control, under the terms of which it has rights to the net assets of the partnership but not rights on its assets and obligations arising from its liabilities. The Group's interests in joint ventures are recognized by the equity method. Initially, they are recorded in the financial statements at the cost of acquisition, including transaction fees. After initial recognition of these items, the consolidated financial statements include the Group share in the net profit and other comprehensive income (OCI) of entities accounted for using the equity method, until such time as the Group relinquishes its significant interest or joint control.

Participating interests in entities other than subsidiaries and associates are not consolidated. They are recorded at fair value under "Financial investments."

Newly acquired entities are consolidated at the date when control was effectively transferred to the Group in accordance with the acquisition method described in IFRS 3. Income and expenses from subsidiaries acquired or sold during the financial year are posted to the consolidated statement of comprehensive income from the date of acquisition or until the date of disposal.

The Group's consolidated financial statements are prepared on the basis of the financial statements of its consolidated entities prepared in accordance with the accounting rules applicable in their respective countries and restated beforehand to bring them into compliance with international accounting standards.

All significant transactions between fully consolidated entities as well as gains and losses arising from internal operations within the Group are eliminated.

Group entities close their financial statements on December 31. A list of consolidated entities as of December 31, 2022, is presented in Note 10. In the event of a difference in the financial statement closing date (which may notably occur with new acquisitions), action plans will be put in place to ensure the financial statements are available and accurate.

1.5 — OTHER SIGNIFICANT ACCOUNTING POLICIES AND RULES

TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN COMPANIES

Subsidiaries outside the euro zone whose currency is not that of a hyperinflationary economy use their national currency as their functional currency and translate their financial statements based on:

- the average rate for the financial year for income statement and cash flow items, unless there has been a strong fluctuation in the local currency. In this case, the average rate for the financial year is replaced by distinct average rates for each uniform currency period;
- the applicable year-end closing exchange rate for balance sheet items.

The share of the resulting foreign exchange differences attributable to the Group is recorded in equity under "Translation differences" until the investments from which they arise are sold or disposed of. The translation differences are then recognized in the income statement.

The share attributable to non-controlling interests is recorded under "Non-controlling interests."

FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currency are converted into the subsidiary's functional currency at the exchange rate applicable at the transaction date.

At year-end, receivables, cash and debts denominated in foreign currency are translated at the closing exchange rate or hedging rate, as the case may be, and the resulting translation differences are recorded under one of the following items on the income statement:

- "Gross profit" for sales transactions;
- "Other financial income and expenses" for cash flow operations.

HYPERINFLATION

In 2022, a consensus was reached to estimate that the conditions were met to consider Turkey as a hyperinflationary economy under the definition of IAS 29. These conditions notably include the cumulative inflation rate over three years, which exceeded the 100% threshold during the first half of 2022.

The Group has applied IAS 29 to its subsidiary in Turkey from January 1, 2022, and to its subsidiary in Iran from January 1, 2021.

Accordingly, the non-cash assets and liabilities of these subsidiaries, as well as their income statements, have been restated to reflect changes in the general purchasing power of their functional currency, resulting in a gain or loss that is recorded under financial result. In addition, the financial statements of these countries are translated at the closing rate for the period, as required by the standard.

At the beginning of the 2022 financial year, the application of the standard resulted in a €3.2 million increase in property, plant and equipment and intangible assets (see Notes 4.2 and 4.3) and €0.6 million in non-monetary liabilities, recorded against other comprehensive income.

1.6 — RUSSIA AND UKRAINE CONFLICT

The military conflict following Russia's invasion of Ukraine on February 24, 2022, leaves the Group – like all businesses – facing new types of economic uncertainties.

However, as the Group has no operations in these countries, none of its employees are exposed, nor are any of its assets. Nevertheless, the Group remains attentive to the evolution of the situation and the consequences of this conflict.

1.7 — RECOGNITION OF CLIMATE RISKS

In keeping with its committed and responsible growth model, in 2019, the Group unveiled its new corporate identity, "For All. For Good" [1] and its five priority challenges, including the objective "Fighting climate change and reducing the environmental footprint."

In the first half of the year, Bel increased its carbon-reduction target in order to help keep global warming below the +1.5°C threshold [2]. The Group had already made commitments in this area in 2017, by joining the Science-Based Targets initiative (SBTi) to actively contribute to meeting the objectives of the Paris Agreement, i.e. keeping global warming below the threshold of +2°C. This reinforced commitment implies a net reduction of a quarter of its greenhouse gas emissions, across its entire value chain, by 2035 [3], and integrates carbon reduction as a tool for managing its activities.

In 2022, the Group hit its target in terms of reducing greenhouse gas emissions in scopes 1 and 2.

MONITORING CARBON REDUCTION TARGETS

Bel is one of the **pioneering companies that systematically measures its carbon footprint** by using thorough and integrated performance indicators that complement the Company's accounting indicators.

In order to provide all employees, departments, markets and brands with a precise and regular overview of its carbon footprint and thereby make it possible for them to contribute in a concrete way to the Group's carbon strategy, **Bel has set up a tool to measure the carbon impact** of its products: the **Bel Carbon Impact Tool**. This innovative tool produces an estimation of the carbon impact of the Group's projects, and helps guide the teams toward the right decisions. It was awarded the 2022 project of the year at the Future of Finance's Digital Finance Awards and the LSA "La Conso S'engage" award in the category of "Development of Environmental/Industrial Responsibility."

Based on monthly data, the system provides a **consolidated, accurate and reliable view of the Group's carbon footprint** across all its markets, brands, segments and products. The Group is working to define "carbon budgets" in the same way as financial budgets.

Under the **European Green Taxonomy**, in accordance with Note 3.8 "European Green Taxonomy," the share of eligible CAPEX is 11.3% of the Group's total reported Capex. By analyzing the criteria for eligible projects, aligned CAPEX was found to be 2.8%, thanks to investment in biomass boilers at the Tangier and Evron sites. As a result of analysis of the OPEX selected by the Group in application of the conditions of the Taxonomy, the analyzed amount is considered not to be material with respect to the practices in place and the Group's materiality thresholds.

ACCOUNTING RECOGNITION OF INVESTMENTS IN CARBON CAPTURE PROJECTS

In view of achieving carbon neutrality in its plants by 2025 and throughout its value chain by 2050 at the latest, the Group's teams are focused on reducing greenhouse gas emissions until an irreducible level of emissions is reached. Bel plans to capture residual emissions and support projects that have multiple positive environmental, social and economic impacts.

In 2021, the Group joined the third **Livelihoods Carbon Fund (LCF3)** launched by Livelihoods Venture in June 2021, alongside 13 companies and financial investors. The €5 million investment in this Fund was accounted for as a financial investment.

In December 2022, the Group continued its multi-year investment program with the **Alliance Forêts Bois (AFB)** low-carbon label program. The investment was recorded in intangible assets in progress during the year (for €0.3 million).

(1) "For All. For Good" is the English translation of the French « Pour tous. Pour de bon ».
(2) The Bel group joined the Science Based Targets initiative in 2017 and in 2019 defined its targets to limit global warming to below 2°C.
(3) Vs 2017, taking into account the Group's growth.

STEERING OF STRATEGY IN KEEPING WITH THE SUSTAINABLE DEVELOPMENT GOALS

Committed to creating a responsible and profitable business model, Bel is convinced of the need to combine financial and extra-financial performance and strives to promote more responsible financing practices through the systematic integration of ESG (Environmental, Social and Governance) criteria in its financing with the implementation in 2022 of a Sustainability Linked Financing Framework, validated by Moody's ESG Solutions. This Framework was applied in the main financing put in place in 2022 (see Note 4.14).

ASSESSMENT OF THE EFFECTS OF CLIMATE CHANGE

In relation to:

- Bel's activities and its geographical presence;
- the nature and scale of the actual and potential impacts of the risks and opportunities associated with climate change, as identified and measured in Bel's risk factors and Non-Financial Performance Declaration;
- the Group's commitments in this area, particularly with regard to reducing its greenhouse gas emissions by 2035;

the Bel group has not identified any material impacts for the 2022 financial year.

In particular:

- the Group's balance sheet at December 31, 2022 contains no provisions for contingencies and losses related to the environment;
- in 2022, the Group did not identify any material impacts on the value of its tangible or intangible assets as a result of the commitments made in this area. In particular, the implementation of necessary action plans to adapt production tools does not jeopardize their service life.

NOTE 2 | CHANGES IN THE SCOPE OF CONSOLIDATION AND CHANGES IN THE OWNERSHIP INTEREST OF CONSOLIDATED ENTITIES

In the first half of 2022, the Group completed a major strategic deal initiated in 2016 by acquiring the remaining shares in MOM, becoming the sole owner of all its share capital and voting rights.

The Indian entity Bel India was fully consolidated for the first time.

During the second half of 2022, Bel also continued to implement its international expansion strategy

In August, the Group acquired a 70% stake in Shandong Junjun Cheese to support its growth ambitions in China with manufacturing and innovation capabilities.

In November, Bel signed an agreement with Indian food industry leader Britannia Industries Ltd. (BIL) to create a joint venture aimed at offering consumers in India a world-class range of delicious, nutritious and accessible cheese products. Alongside the Bel brand and its knowledge of cheese products, the joint venture will benefit from Britannia's unequaled distribution network. The deal included the acquisition by Bel of a 49% stake in Britannia's wholly owned subsidiary Britannia Dairy Private Limited (BDPL).

An analysis of the operational and legal governance of the joint venture led the Group to assess its control by the equity method.

On November 30, 2022, Bel finalized the sale to Polmlek of its stake in Moroccan companies Safilai and Ferme Tarmast.

NOTE 3 | INCOME STATEMENT

3.1 — SEGMENT REPORTING AND SIGNIFICANT EVENTS OF THE FINANCIAL YEAR

The Group's activities are managed through two segments: Global (mature) Markets on the one hand and New Territories on the other. New Territories include the activities of MOM and All In Foods businesses and Sub-Saharan African countries, China, India, Latin America and the French overseas departments and territories.

Sales and operating income by segment are the two key performance indicators used by Group Executive management, the main operating decision-maker. Results are prepared by target market on a monthly basis to help monitor and offset the effects of raw material price and foreign exchange volatility on margins across all production entities.

Conversely, cashflow and balance sheet items are not tracked by market. They are instead prepared and tracked on a Group-wide basis.

Accounting principles

Bel group's sales from sales of goods, merchandise and other goods and services rendered in the course of the ordinary activities of consolidated Group entities is recorded net of discounts or commercial rewards and sales tax once the ownership is transferred to the customer or the service is rendered. These amounts are estimated when net sales are recognized, on the basis of agreements and commitments with the customers concerned. It is recognized in the income statement when the products are transferred.

Change in sales and operating income by segment was as follows:

	2022		2021	
(in millions of euros)	Sales	Operating income	Sales	Operating income
Global Markets	2,653.9	53.7	2,712.7	526.9
New territories	941.4	110.6	666.4	102.4
TOTAL	**3,595.3**	**164.3**	**3,379.0**	**629.3**

After a first-half 2022 negatively impacted by the time lag between the additional costs generated by inflationary pressure on expenditure items and the implementation of selling price increases to offset those additional costs, Bel benefited in the second half of the year from the combined effect of price increases, trade-offs on investment projects to preserve profitability and the accelerated deployment of productivity improvement measures initiated several years ago. Recurring operating income totaled €187 million, up slightly from the previous year on a comparable structure basis (notably adjusted for the impact of the sale in 2021 of an assets portfolio consisting primarily of the Leerdammer brand). The recurring operating margin held firm at 5.2%.

GLOBAL MARKETS

The mature markets recorded robust sales growth thanks to the resilience of volumes in Europe and strong momentum in North America, despite the inflationary environment, which tends to erode consumer purchasing power. Growth stood at 8.9% on an organic basis and -2.2% as reported due to changes in the scope of consolidation, primarily relating to the sale of the Leerdammer brand.

NEW TERRITORIES

Bel's new territories recorded strong growth in 2022, with sales up 28.5% versus 2021. The fruit segment continued along its steep growth trajectory, posting a double-digit increase in sales supported by a still-positive volume effect and an excellent performance in the United States, Canada, France and China.

Breakdown of Sales by region

Sales by destination in the main countries were as follows:

(in millions of euros)	2022	2021
United States	970.8	687.1
France	791.9	819.0
Morocco	217.4	231.2
Canada	176.0	138.8

The breakdown by geographic region is as follows:

(in millions of euros)	2022		2021	
	Sales by destination	Tangible and intangible assets by geographic region	Sales by destination	Tangible and intangible assets by geographic region
Europe [a]	1,541.7	1,512.8	1,788.	1,524.7
Middle East – Greater Africa	707.1	126.4	614.7	161.1
The Americas – Asia	1,346.5	811.9	975.5	658.4
TOTAL	**3,595.3**	**2,451.1**	**3,379.0**	**2,344.1**

(a) Includes the effects of changes in scope (see Note 2).

Europe posted organic growth of 8.0%, reflecting a positive price effect and the resilience of Bel's core brands. A double-digit growth was notably recorded in the United Kingdom, Portugal and Spain, while France maintained its positive dynamic.

With the economic situation stabilizing in most of Bel's markets in the Middle East and Greater Africa, this region recorded organic growth of 9.8%.

The North America region continued to pursue its growth trajectory. The United States recorded very positive progress, with double-digit growth in the cheese segment thanks to excellent performances by the Babybel® and Boursin® brands. Canada also saw its sales pick up pace once again in 2022. Launched respectively in April and October 2022, Babybel® Plant-Based put in an excellent performance in these two countries, confirming the high potential of this dairy-free alternative to cheese.

China maintained its dynamic momentum, posting very strong growth – in the double digits for the third consecutive year – across all product segments and all distribution channels despite a contraction in the market due to the country's zero-Covid policy.

3.2 — OPERATING EXPENSES BY NATURE

Operating expenses by nature break down as follows:

(in millions of euros)	2022	2021
Personnel expense	(696.2)	(626.3)
Depreciation and amortization and expense	(143.8)	(168.1)
Other operating expense	(2,568.4)	(2,361.8)
TOTAL OPERATING EXPENSES	**(3,408.4)**	**(3,156.1)**

Other operating expenses include manufacturing raw materials, packaging and consumables used to make products sold, as well as other costs of goods and services sold.

In 2021, following the sale of the Leerdammer brand, its related rights and Bel Shotska Ukraine to Lactalis, the data includes the effects of the temporary distribution contracts between Bel and Lactalis since October 1, 2021.

3.3 — OTHER NON-RECURRING INCOME AND EXPENSES

Accounting principles

Other non-recurring income and expenses primarily include:

- Allowances and reversals of provisions for contingencies and losses, including restructuring costs incurred when assets are sold or operations discontinued, and costs arising from commitments made to employees affected by lay-off plans;
- amortization and provisions of intangible assets with definite useful life;
- any unusual, material gains or losses not linked to operating performance.

Other non-recurring income and expenses break down as follows:

(in millions of euros)	2022	2021
Impairment and gain or loss from disposal of fixed assets	(6.5)	(35.5)
Gain or loss on disposal of fully consolidated entity	(7.0)	458.2
Restructuring costs	(3.5)	(0.9)
Other non-recurring income and expenses	(5.6)	(15.4)
TOTAL OTHER NON-RECURRING INCOME AND EXPENSES	**(22.6)**	**406.4**

In 2022, impairment tests led to the recognition of an impairment loss of -€1.0 million on the Tranchettes brand in Spain (see Note 4.1), as well as impairment and amortization arising from business combinations.

Gain or loss on disposal of fully consolidated entity correspond mainly to the capital loss on the sale of the Moroccan entity Safilait for -€8.0 million (see Note 2).

Restructuring costs stemmed mainly from the massive departure of personnel who were not replaced, decided by the Executive Committee.

In 2021, an impairment loss of -€33.6 million was recorded for goodwill for the Moroccan company Safilait in the "Impairment and gains or losses on disposal of fixed assets" line item. The line item "Gain or loss on disposal of fully consolidated entities" includes the capital gain on the sale of Royal Bel Leerdammer NL, Bel Italia, Bel Deutschland and Bel Shostka Ukraine for €466.1 million.

3.4 — FINANCIAL INCOME AND EXPENSES

Financial income and expenses break down as follows:

(in millions of euros)	2022	2021
Income from cash and cash equivalents	2.4	1.2
Cost of gross financial debt	(28.5)	(23.4)
Net cost of financial debt	**(26.2)**	**(22.2)**
Net cost of discounting	(0.9)	(0.6)
Foreign currency gains (losses) and other hedges	9.5	(6.9)
Hyperinflationary revaluation	(6.6)	(3.3)
Other	0.4	(1.1)
Other financial income and expense	**2.4**	**(11.9)**
TOTAL NET FINANCIAL EXPENSE	**(23.7)**	**(34.1)**

The increase in the Group's cost of net financial debt in 2022 compared to 2021 can be explained by -€4.0 million for the increase in variable rates on the Group's net financial debt, excluding lease liabilities, up by €255 million in 2022 (see Note 5.3.2), and the financial costs of the deconsolidating securitization program on commercial debts, established in 2022, accounting for -€3.9 million. Income from short-term cash investments increased by €1.2 million.

In 2022, the foreign currency gains and other hedges is attributable, for €8.9 million, to the devaluation of the EGP on placements in USD of our Egyptian subsidiary. In 2021, they were mainly due to the change in the market value of fixed-rate receiver swaps for -€6.3 million.

The item "Hyperinflationary revaluation" shows the effects of the revaluation of the non-cash assets and liabilities, and all other income statement items, in accordance with IAS 29 of the entity in Iran for -€6.9 million and the entity in Turkey for €0.3 million.

The item "Other" includes the capital loss on the sale of Ferme Tarmast for -€2.1 million (see Note 2) and dividends received from non-consolidated companies for €2.5 million

3.5 — INCOME TAXES

Accounting principles

Income tax expenses correspond to the income tax due by each tax-consolidated entity, adjusted for deferred income taxes.

In France, the Group has two tax consolidation scopes. On the one hand, Bel, which heads the tax consolidation group made up of SASFR, Fromageries Picon, Fromageries Bel Production France, Fromagerie Boursin, Société des Produits Laitiers, SOFICO, SOPAIC and Atad, and on the other hand, Newton Holding, which heads the tax consolidation group made up of MBMA Holding, MBMA, Materne and Mont Blanc (French entities of MOM).

France's 2010 budget law, approved in December 2009, introduced the CET (contribution économique territoriale), a local tax that supplanted the business tax. The Group qualifies the CET tax as an operating expense rather than an income tax. Accordingly, CET payable falls under operating income.

Taxes payable for the period but not yet paid are recognized on the balance sheet under current payables. Overpaid income tax vs. income tax owed is recorded on the balance sheet under current receivables.

Income tax expenses break down as follows:

(in millions of euros)	2022	2021
Current tax, including withholding tax	(52.7)	(61.4)
Deferred tax	4.8	(3.7)
TOTAL INCOME TAX EXPENSE	**(47.9)**	**(65.1)**

In 2022, the applicable corporate tax rate in France was 25%, to which a social security tax of 3.3% is added, bringing the total rate to 25.83%.

In 2022, the Group's effective tax rate was 34%. The difference between the applicable and effective income tax rates is summarized below:

(in millions of euros and in %)	2022		2021	
Profit before tax	140.7		595.2	
Standard tax rate (including additional contributions)	**(36.3)**	**25.8%**	**(169.1)**	**28.4%**
Impact of differential tax rate and change in tax rate of subsidiaries	3.6	-2.6%	5.6	-0.9%
Tax credits	1.8	-1.3%	1.9	-0.3%
Prior period carryforwards used during the financial year	0.9	-0.6%	0.4	-0.1%
Unused tax loss carryforwards from the period	(0.7)	0.5%	(3.5)	0.6%
Alternative minimum tax and non-creditable withholding tax	(13.8)	9.8%	(6.2)	1.0%
Permanent differences	1.0	-0.7%	110.7	-18.6%
Other items	(4.3)	3.1%	(4.8)	0.8%
EFFECTIVE INCOME TAX RATE	**(47.9)**	**34.0%**	**(65.1)**	**10.9%**

In 2022, the item "Impact of differential tax rate and change in tax rate of subsidiaries" includes €4.9 million due to the effects of the differential in tax rates of the Group's subsidiaries and -€1.3 million from the impact of changes in deferred tax rates in the United States (notably for Materne North America).

The change in the item "Alternative minimum tax and non-creditable withholding tax" in 2022 compared to 2021 includes -€4.4 million from the tax loss situation at December 31, 2022 of Bel SA, the head of the tax consolidation group, -€1.1 million from withholding taxes on dividends received from abroad, and -€2.2 million from the impacts of state taxes in the United States.

In 2021, the permanent differences mainly related to the effects of the disposal of the entities Royal Bel Leerdammer BV, Bel Italia, Bel Deutschland and Bel Shotska Ukraine.

NOTE 4 | BALANCE SHEET

4.1 — GOODWILL

Accounting principles

GOODWILL

Goodwill is the excess of the acquisition cost of shares over the Group's share of identifiable acquired assets and assumed liabilities measured at fair value after taking into account any deferred taxes at the acquisition date. If the acquisition costs exceed the fair value of the identifiable acquired assets and assumed liabilities, the excess is recognized in profit and loss for the financial year when the acquisition is made.

In accordance with IFRS 3 and IAS 36, goodwill is not amortized but is instead subject to annual impairment testing and more frequently in case of unfavorable change of certain indicators (see Note "Impairment of assets").

Goodwill relating to entities over which the Group exercises control is recorded as an asset under "Goodwill."

IMPAIRMENT OF ASSETS

In accordance with IAS 36 "Impairment of Assets," goodwill and intangible assets are grouped into CGUs and are subject to impairment testing at least once a year, or more frequently if events or circumstances indicate a loss of value. Annual impairment testing is carried out in the fourth quarter of the year.

Other capitalized assets are also subject to impairment testing whenever events or changed circumstances indicate that carrying amounts might not be recoverable.

Impairment testing consists of comparing the net carrying amount of the asset to its recoverable amount, which is the higher of the asset's fair value or its value in use.

Value in use is obtained by adding the net present values of the future cash flows expected to be derived from the use of an asset, or group of assets, and terminal value of cash flows.

The after-tax cash flows used to determine value in use are derived from CGU business plans. Sales and terminal cash flow projections are based on reasonable and supportable assumptions in line with market data available for each CGU.

Fair value is the amount obtainable from the sale of the asset or group of assets in an arm's length transaction between knowledgeable, willing parties.

Impairment losses are recognized when testing shows a loss of value to ensure that the net carrying amount of the assets does not exceed their recoverable value.

Impairment losses relating to goodwill may not be reversed.

Changes in goodwill for financial year 2022 break down as follows:

(in millions of euros)	2022	2021
GROSS VALUE AT OPENING	891.0	923.5
Impact of change in consolidation scope [(a)]	47.8	(40.9)
Hyperinflationary revaluation	1.0	0.0
Reclassification	(41.4)	0.0
Translation differences	(1.7)	8.3
GROSS VALUE AT END OF PERIOD	896.8	891.0
Accumulated amortization and impairment at opening	**(72.9)**	**(75.4)**
Impact of change in consolidation scope [(a)]	24.3	3.6
Hyperinflationary revaluation	(1.0)	0.0
Translation differences	1.8	(1.1)
Accumulated amortization and impairment at end of period	**(47.8)**	**(72.9)**
NET CARRYING AMOUNT OF GOODWILL FROM CONTINUING OPERATIONS	849.0	818.1

(a) See Note 2.

The Group performs annual impairment tests on each of its cash generating units ("CGUs"). Each CGU represents the smallest group of assets within which the Group follows goodwill for its internal management needs.

The main goodwill items recorded by the Group were those of the Boursin (€338.5 million net value) and MOM (€383.9 million net value) CGUs.

Following the acquisition of a majority stake in Shandong Junjun Cheese in August 2022 (see Note 2), gross goodwill of €72.1 million was recorded. This amount can be adjusted within 12 months following the acquisition, as stipulated in the amended IFRS 3. Similarly, the acquisition price allocation may be reviewed in 2023.

In 2021, impairment tests implemented on cash generating units led to the recognition of an impairment loss on the tangible and intangible assets of the Moroccan company Safilait for a value of €33.6 million.

The following assumptions and parameters were used in the impairment testing of CGUs to determine their value in use:

- an explicit horizon for forecasts of five years;
- weighted Average Cost of Capital: country risk rates established by Coface were used to revise the discount rates determined for each country to take into account the notions of risk and time according to each CGU's profile and country risk.

The following economic assumptions were therefore adopted after this review:

	Long term growth rate		**Discount rate**	
(in %)	**2022**	**2021**	**2022**	**2021**
Europe	-1.0% to 2.0%	-1.0% to 2.0%	7.9%	6.5%
America	0.0% to 2.0%	0.5% to 2.0%	8.4%	8.0%
Asia	2.0%	0.5% to 2.0%	8.1%	8.1%

The Group tested the sensitivity of its CGUs to the following two factors:

- a 1 point increase in the discount rate;
- a 0.5 point decline in the long term growth rate.

A 1 point increase in the discount rate would result in the Group recognizing an additional impairment of €1.4 million.

No impairment would be recorded in the Group's financial statements if a 0.5 point decrease were applied to the long term growth rate.

4.2 — OTHER INTANGIBLE ASSETS

Accounting principles

Other intangible assets include:

- acquired technologies and patents;
- acquired, well-known and readily identifiable brands whose value growth can be verified;
- computer software.

Acquired patents, technologies and computer software were recognized on the balance sheet at acquisition cost and are amortized over their useful lives. Computer software is amortized over a period of one to eight years.

Brands that are not amortized, are subject to annual impairment testing (also see the "Impairment of assets" Note), and brands with definite useful lives are amortized on a straight-line basis over their estimated economic useful life.

All Research and Development costs are expensed in the financial year in which they are incurred. Development costs are not capitalized since the recognition criteria set by IAS 38 "Intangible Assets" are generally not fulfilled before the products are launched on the market.

Changes in other intangible assets during the year were as follows:

(in millions of euros)	2022	2021
Net carrying amount at January 1	**548.5**	**627.7**
Impact of change in consolidation scope [(a)]	(8.2)	(89.3)
Acquisitions	13.4	14.0
Disposals, assets disposed of	0.7	(0.2)
Hyperinflationary revaluation	0.3	0.1
Translation differences	13.2	18.3
Depreciation and write-downs	(18.5)	(21.8)
Reclassifications	41.3	(0.3)
NET CARRYING AMOUNT AT DECEMBER 31	**590.8**	**548.5**

(a) See Note 2.

As in 2021, acquisitions of other intangible assets in financial year 2022 were primarily related to the Group's IT projects. As explained in Note 1.7 in 2022, acquisitions also include investments in carbon capture projects.

A breakdown of intangible assets by type is presented in the following table:

	December 31, 2022			December 31, 2021
(in millions of euros)	Gross value	Accumulated depreciations and write-downs	Net carrying amount	Net carrying amount
Concessions and patents	34.8	(20.9)	13.9	14.6
Brands	515.5	(22.3)	493.2	491.1
Software	220.0	(175.1)	45.0	42.3
Other	43.2	(4.6)	38.6	0.5
TOTAL	**813.6**	**(222.8)**	**590.8**	**548.5**

The main Group brands recorded under intangible assets stem from the acquisitions of Boursin (€92 million) and MOM (€359.4 million).

4.3 — PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

4.3.1 — PROPERTY, PLANT AND EQUIPMENT

Accounting principles

Property, plant and equipment is measured at acquisition cost (purchase price plus additional costs of bringing the assets to working condition) or production cost (excluding financial charges) except for fixed assets legally revalued before January 1, 2000, in accordance with the exception under IFRS 1, or reassessed at fair value at the date of control for business combinations.

The Group applies the component approach when certain parts of an acquired fixed asset have different useful lives, and the component parts are depreciated and recorded separately.

Replacement or renewal expenses of the component part of an asset are recognized as a distinct asset and the replaced asset is written off.

Interest on borrowings used to acquire fixed assets is treated as a financial expense and is not capitalized in the cost of the asset.

The Group decided against taking the residual values of property, plant and equipment into account because such assets are expected to be used throughout their useful lives and, as a general rule, are not to be sold.

Property, plant and equipment is subject to impairment testing as soon as indications of impairment arise.

When the recoverable amount of an asset or group of assets is less than its carrying amount, the impairment loss is recorded in profit or loss and first posted against goodwill.

Depreciation is calculated on a straight-line basis over the economic useful life of the property, plant or equipment:

Constructions:	
• industrial	30/40 years
• administrative and commercial	40 years
• property fittings and fixtures	10 years
Machinery and equipment	5 to 10 years – 15/20 years
Vehicles	4/10/15 years
Office furniture and equipment	4 to 15 years

Changes in property, plant and equipment during the year were as follows:

(in millions of euros)	2022	2021
Net carrying amount at January 1	**885.2**	**949.4**
Impact of change in consolidation scope [a]	6.7	(73.5)
Acquisitions	143.8	101.7
Disposals, assets disposed of	(3.9)	(4.1)
Hyperinflationary revaluation	14.5	14.5
Translation differences	3.9	31.4
Depreciation and write-downs	(113.2)	(133.9)
Reclassifications	(0.1)	(0.3)
NET CARRYING AMOUNT AT DECEMBER 31	**937.1**	**885.2**

(a) See Note 2.

A breakdown of property, plant and equipment by nature is presented in the following table:

	December 31, 2022			December 31, 2021
(in millions of euros)	Gross value	Accumulated depreciations and write-downs	Net carrying amount	Net carrying amount
Land	32.7	(9.2)	23.5	21.2
Constructions	476.2	(258.2)	218.0	221.6
Technical installations, fixtures, machinery and equipment	1,549.0	(987.3)	561.7	576.6
Other property, plant and equipment	73.3	(52.7)	20.6	15.3
Assets under construction	115.0	(2)	113.3	50.5
TOTAL	**2,246.3**	**(1,309.2)**	**937.1**	**885.2**

The main achievements for the period concern:

- increase in production capacities and improvement of productivity in MOM companies;
- the renovation of our recipes and the launch of several innovations to offer an increasing number of natural products, in line with our long term commitment to healthier food;
- investments in plant-based products;
- implementation of our CSR strategy through the reduction of water and electricity consumption and the use of more responsible packaging;
- safety and maintenance of our plants.

4.3.2 — RIGHT-OF-USE ASSETS

Accounting principles

IFRS 16 concerns both previous lease contracts and operating leases. A lease contract is a contract, or part of a contract, that provides the right-of-use of an asset for a set period of time and fixed payments agreed. Assets held under lease contracts are recorded under right-of-use assets when the contracts meet the criteria set out in the standard. The corresponding liability, net of interest expense, is recorded on the balance sheet. The Group applies the exemptions authorized by the standard, meaning that contracts with a duration shorter than 12 months and contracts of low value are excluded (contracts under $5,000). However, these must be recorded under off balance sheet commitments for an amount equal to the expenses for the financial years during which they will be incurred.

The durations retained to value the contracts are contractual durations with the assumption of only one renewal for each asset, with this assumption having been retained after analysis of the historical lifespan of the main contracts concluded by the Group.

The discount rate corresponds to the marginal debt rate of the subsidiary, considered as being equal to the sum of the risk-free rate for the currency of the lease, in reference to its duration, and of the Group's credit risk for this same currency and duration reference.

On the date the lease contract starts, the asset is recorded as a right-of-use asset in the balance sheet for an amount equal to the discounted amount of future payments for the lease.

Right-of-use assets are depreciated under the straight-line method over the duration of the contract. Any free amount or franchise included in the contract is also spread over the duration of the contract.

Right-of-use assets break down as follows:

(in millions of euros)	2022	2021
Net carrying amount at January 1	**92.3**	**105.3**
Impact of change in consolidation scope[(a)]	(16.1)	(6.5)
Acquisitions	25.6	20.2
Disposals, assets disposed of	(5.4)	(4.8)
Translation differences	(0.2)	2.4
Depreciation and write-downs	(22.2)	(24.4)
Other movements	0.2	(0.0)
NET CARRYING AMOUNT AT DECEMBER 31	**74.2**	**92.3**

(a) See Note 2.

Right-of-use assets correspond to all contracts recognized in view of application of IFRS 16. Lease assets owned by the Group to carry out its activities are primarily buildings used for offices, the largest of which is the head office in Suresnes. Other contracts concern industrial assets such as refrigerated storage equipment, plant cleaning machines, lifting trucks, and fleets of vehicles for sales staff and refrigerated trucks used to deliver the Group's products. The Group leases IT equipment under the framework of rental contracts. These are short-duration operating leases and/or concerning goods of low value. The Group has chosen not to record right of use assets or lease liabilities for these contracts

	December 31, 2022			December 31, 2021
(in millions of euros)	Gross value	Accumulated depreciation	Net carrying amount	Net carrying amount
Land	0.3	(0.2)	0.1	0.1
Constructions	109.0	(55.2)	53.8	65.2
Technical installations, fixtures, machinery and equipment	8.6	(1.9)	6.7	3.5
Shipping	27.4	(14.6)	12.7	22.8
Other property, plant and equipment	1.5	(0.6)	1.0	0.6
TOTAL	**146.8**	**(72.5)**	**74.2**	**92.3**

The most significant contracts concern office buildings leased for around €53.8 million in 2022 vs. €65.2 million in 2021.

4.4 — BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES

Accounting principles: financial assets and liabilities

FINANCIAL ASSETS

In accordance with IFRS 9, the Group distinguishes between several types of financial assets the classification of which depends on the management model and the contractual characteristics of the asset at the time of the acquisition. These criteria determine the accounting treatment applied to these instruments.

Financial assets measured at amortized cost

These are assets for which the Group expects to collect contractual cash flows and for which cash flows are made up solely of the principal and interest. This type of asset includes loans and receivables.

Bills for collection are recorded in "Trade and other receivables."

Since losses on unrecoverable receivables historically shouldered by the Group are virtually zero in value, the depreciation model recommended by IFRS 9 prompts the Group not to depreciate these receivables.

Financial assets measured at fair value through other comprehensive income (non-reclassifiable)

These are financial assets not held for trading purposes. This category includes non-consolidated equity investments. These assets are valued at fair value on the closing date and changes in fair value of these assets are recorded in "unrealized gains and losses on financial assets" under other comprehensive income (non-reclassifiable). As prescribed by the standard, only dividends received from those equity investments are booked to the income statement, gains and losses from disposal of these assets cannot be recognized in the income statement when the instrument is derecognized. No impairment is recognized for these equity investments.

For listed shares, fair value is deemed to be the market price of the shares at the designated closing date.

Financial assets recorded at fair value through Profit or Loss

These assets, held for trading purposes, are expected to be sold in the near term. This category includes marketable securities and derivative instruments other than hedging instruments. Financial assets that meet none of the criteria in the other two types described above are also treated by default in this category (measured at amortized cost or at fair value through non-reclassifiable other comprehensive income).

These assets are valued at fair value and changes in fair value are recorded in the income statement. Underlying gains and losses recognized in OCI on December 31, 2022 are to be transferred to the income statement when they are derecognized.

FINANCIAL LIABILITIES

In accordance with IFRS 9, the Group distinguishes two categories of financial liabilities, each of which is subject to a specific accounting treatment.

Financial liabilities valued and measured at fair value

These are primarily derivative instruments. In accordance with IFRS 9, derivative instruments are recognized in the balance sheet at their market value on the closing date. Changes in the value of these instruments, for the effective part, are recorded as follows:

- for hedging instruments documented as hedging of future flows:
  - as cost of sales for hedging of receivables and debts in the balance sheet at closing date,
  - as equity, for hedging of future cash flows, this amount is transferred to the cost of sales when the receivables and debts covered by the hedge are recognized;
- for hedging instruments documented as hedging of fair value, in equity;
- for financial hedging instruments, in financial profit or loss.

The ineffective part is recorded in financial profit or loss.

If there is no hedging relation, changes in market value of derivatives instruments are recognized under financial profit or loss.

FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST

These are mainly borrowings and financial debt and trade payables.

The standard establishes a third category for financial liabilities measured and classified at fair value in the income statement on option. At the end of 2022, the Group did not apply this option.

Financial assets break down as follows:

(in millions of euros)	December 31, 2022				December 31, 2021
	Amortized costs	Fair value through OCI	Fair value through P&L	Balance sheet amount	Balance sheet amount
ASSETS					
Financial investments	0.4	194.8	21.3	216.5	227.6
Other non-current financial assets		7.2	13.4	20.6	7.3
Non-current loans and advances	11.6			11.6	12.4
Non-current trade and other receivables	3.0			3.0	1.0
Current trade and other receivables	317.1			317.1	395.4
Other current financial assets	20.2			20.2	10.2
Current loans and advances	0.6			0.6	1.0
Cash and cash equivalents	173.2		427.3	600.5	494.6

Financial liabilities recognizable under IFRS 7 are recorded in full at amortized cost with the exception of financial instrument liabilities, which are measured at fair value. They are detailed in Note 4.15.

Financial investments included Unibel shares held by Sofico measured at fair value based on the stock market price, as well as equity investments and partnerships in funds that reflect the values of the Group's CSR approach and its unwavering support for the dairy industry (such as Livelihoods (LCF3), Standing Ovation, etc.).

Other non-current financial assets notably include non-consolidated securities assessed on the basis of the last financial statements available.

4.5 — FINANCIAL INVESTMENTS

Financial investments (excluding deferred taxes) were as follows:

(in millions of euros)	December 31, 2022	December 31, 2021
Financial investments at beginning of period	227.6	128.4
Change in fair value recognized in comprehensive income	(1.0)	79.5
Other movements	(4.0)	19.6
FINANCIAL INVESTMENTS AT END OF PERIOD	**222.6**	**227.6**

Financial investments included 196,350 Unibel shares held by Sofico and acquired at an average price of €14.25 per share. As of December 31, 2022, these shares were valued at €194.4 million based on the December 31, 2022 closing price. On December 31, 2021, these shares were valued at €195.4 million based on the December 31, 2021 closing price.

4.6 — INVENTORIES AND WORK-IN-PROGRESS

Accounting principles

Inventories are valued at the lower of its cost price and net realizable value. Cost price is calculated using the "weighted average cost" or the "first-in, first-out" method.

The cost of materials and supplies is stated at purchase price plus incidental expenses such as transport, commissions and transit.

Manufactured goods are valued at production cost including the cost of materials consumed, the depreciation of production assets, and direct or indirect production costs, excluding financial expense.

An impairment charge for inventories is recognized when:

- the gross amount, as determined above, exceeds market value or net realizable value;
- goods have deteriorated.

Inventories and work-in-progress break down as follows:

(in millions of euros)	2022	2021
Raw materials and other supplies	212.9	154.2
Work-in-progress, goods and services	1.7	0.2
Merchandise, finished goods and intermediate goods	230.7	191.7
GROSS VALUE	**445.3**	**346.2**
Stock write-downs	(6.0)	(8.3)
NET CARRYING AMOUNT	**439.3**	**337.9**

The change in net inventories for the financial years presented breaks down as follows:

	2022			2021
(in millions of euros)	Gross	Amortization and impairment	Net	Net
At January 1	**346.2**	**(8.3)**	**337.9**	**371.2**
Impact of change in consolidation scope [(a)]	0.3	0.8	1.2	(46.2)
Change in gross stock	102.7		102.7	3.7
Change in write-downs		1.6	1.6	(1.8)
Translation differences	(4.0)	(0.1)	(4.1)	10.9
AT DECEMBER 31	**445.3**	**(6.0)**	**439.3**	**337.9**

(a) See Note 2.

4.7 — TRADE AND OTHER RECEIVABLES

Trade and other receivables break down as follows:

(in millions of euros)	2022	2021
Trade and other receivables	323.8	402.2
Write-downs	(6.7)	(6.8)
NET CARRYING AMOUNT	**317.1**	**395.4**

The change in trade and other receivables for the years presented breaks down as follows:

(in millions of euros)	2022 Gross	2022 Amortization and impairment	2022 Net	2021 Net
At January 1	**402.2**	**(6.8)**	**395.4**	**434.2**
Impact of change in consolidation scope[a]	(5.0)	0.7	(4.3)	(108.0)
Changes in WCR	(64.6)		(64.6)	22.5
Change in write-downs		(0.6)	(0.6)	(0.5)
Reclassifications	(0.2)		(0.2)	37.7
Translation differences	(8.5)	0.1	(8.5)	9.4
AT DECEMBER 31	**323.8**	**(6.7)**	**317.1**	**395.4**

(a) See Note 2.

During the first half of 2022, the Group launched a deconsolidating securitization program on its commercial debts in Europe, the United States and Canada, under authorizations granted in its financing agreements.

The total amount of receivables sold represented €186.8 million at December 31, 2022, compared with €48.3 million in factoring receivables, also deconsolidating at December 31, 2021.

At December 31, 2022, net current trade receivables represented 84.5% of total trade and other receivables, with trade receivables under 60 days due accounting for 12.5% and trade receivables over 60 days due accounting for 3.0%. Receivables older than 120 days and not covered by credit insurance are fully impaired.

Restated for the impact of the deconsolidating securitization program, net current trade receivables represented 89.2% of the total, with trade receivables under 60 days due accounting for 9% and trade receivables over 60 days due accounting for 1.8%.

4.8 — NET DEFERRED TAXES AND TAX LIABILITIES

Accounting principles

In accordance with IAS 12, deferred taxes and liabilities are recorded on the temporary differences between the tax and carrying amounts of the assets and liabilities. Based on the liability method, they are measured at the tax rate enacted or substantively enacted for the year in which the assets are realized or the liabilities settled and are classified as non-current assets and liabilities. Changes in the tax rate from year to year are recorded in the profit or loss for the year in which the change was recognized.

Deferred tax assets resulting from deductible temporary differences, unused tax losses and unused tax credits are limited to the estimated amount of recoverable tax. The latter is assessed at the balance sheet date based on the earnings forecasts of the related tax entities. Deferred tax assets and liabilities are not discounted.

Deferred taxes are recognized as income or expenses in the income statement except when they are associated with items directly credited or charged to equity. In this case, deferred taxes are also recognized in equity.

Net deferred tax liabilities as at December 31, 2022 and changes in the net deferred tax position for the last two financial years were recorded as follows:

(in millions of euros)	2022	2021
At January 1	**(270.9)**	**(262.3)**
Impact of change in consolidation scope[a]	0.0	18.6
Changes recognized in equity	(11.6)	(14.0)
Changes recognized in the P&L	4.8	(3.7)
Translation differences	(5.0)	(9.6)
AT DECEMBER 31	**(282.7)**	**(270.9)**

(a) See Note 2.

BASIS FOR DEFERRED TAX ASSETS AND LIABILITIES

(in millions of euros)	December 31, 2022	December 31, 2021
Goodwill from business	(40.5)	(37.8)
Fixed assets	(121.7)	(107.1)
Brands and concessions	(127.8)	(128.3)
Derivative financial instruments	(1.8)	3.9
Valuation of Unibel shares	(49.5)	(46.8)
Pensions and similar employee benefits	8.1	10.8
Tax loss carryforwards	27.2	14.3
Other	23.2	20.2
NET DEFERRED TAXES	**(282.7)**	**(270.9)**
Of which:		
Deferred tax assets	10.8	10.3
Deferred tax liabilities	(293.6)	(281.3)

The "Other" line mainly concerns temporary items that are not tax-deductible.

TAX LOSS CARRYFORWARDS

The Group has tax loss carryforwards that offer potential tax savings.

A deferred tax asset is recognized when the recovery of tax loss carryforwards is more likely than not to arise for either of the following reasons:

- either the deferred tax assets can be offset against tax liabilities set to mature during the period in which they are "deductible"; or
- taxable profits are expected during the recovery period.

The amount of deferred tax assets related to capitalized tax losses relates mainly to the Group's two tax consolidation groups in France for a total of €20.9 million, or €14.7 million for the Bel tax group and €6.2 million for the Newton Holding tax group, and the Fromageries Bel España subsidiary for €4.8 million.

Deferred tax assets that were unrecognized owing to uncertainties about the probability of recovering the corresponding tax loss carryforwards were as follows:

	2022		2021	
(in millions of euros)	Tax loss basis	Unrecognized deferred tax assets	Tax loss basis	Unrecognized deferred tax assets
Expires in				
Less than one year	8.9	1.5	1.9	0.4
One to five years	0.3	0.1	21.7	2.2
> 5 years	0.0	0.0	0.0	0.0
May be carried forward indefinitely	0.3	0.1	11.5	3.3
TOTAL	**9.6**	**1.7**	**35.1**	**5.9**

As of December 31, 2022, the unrecognized deferred tax assets concerned the Bel India subsidiary for 0.8 million, the Moroccan subsidiary Bel Africa for €0.5 million, the Bel Karper Turkish subsidiary for €0.2 million and the Grupo Fromageries Bel España subsidiary for €0.1 million.

Changes in Spain's tax policy in 2014, 2016 and 2017 capped the deductibility of tax losses from previous financial years, and instead offered the possibility of carrying forward tax losses indefinitely.

PROVISIONS FOR TAX RISK

The entities making up the Group are periodically subject to tax audits in the countries where they are based:

- tax arrears and penalties were booked for accepted tax adjustments and provisioned if the amounts in question were not definitively known;
- contested tax adjustments were carefully reviewed and generally provisioned unless it was clear that the entity would be able to assert the validity of its position in the event of litigation.

4.9 — SHARE CAPITAL INFORMATION

PURCHASE COMMITMENTS WITH MINORITY SHAREHOLDERS

The Group has obligations to purchase interests held by the minority shareholders of some consolidated subsidiaries. For the Group, these purchase obligations are optional, relating to put options.

In accordance with IAS 32 – Financial Instruments: Disclosure and Presentation, firm or conditional obligations to buy non-controlling interests are recognized as liabilities in amounts equal to their purchase price.

Any differences in the purchase price of a non-controlling interest and the share of the net equity acquired are recognized in equity without reassessing the value of the acquired assets and liabilities. Subsequent variations in the value of the liability are offset in equity.

4.9.1 — NON-RECLASSIFIABLE ITEMS

Application of IFRS 9 on January 1, 2018 led the Group to assess the management models of the equity interests its holds.

The main shares held by the Group, through the Sofico subsidiary, concern Unibel, for a value of €194.4 million at December 31, 2022. At the closing date, the fair value of these shares not held for trading is marked to market through other comprehensive income. As such, and in application of the standard, all changes in fair value for these shares are recognized in non-reclassifiable reserves in the Group's equity.

4.9.2 — CAPITAL

The number of shares in Bel's capital amounted to 6,872,335.

In 2022, the Group's equity changed mainly as a result of income for the financial year, the increase in treasury stock and changes in the consolidation scope.

Items recognized in comprehensive income are presented in the following table:

(in millions of euros)		December 31, 2022 Group Share	December 31, 2022 Non-controlling interests share	December 31, 2022 Total	December 31, 2021 Total
Cash flow and raw materials price hedging	*Gross*	20.5		20.5	(16.3)
	Income tax impact	(5.2)		(5.2)	4.2
Mark-to-market of financial assets	*Gross*	(1.0)		(1.0)	79.5
	Income tax impact	(2.7)		(2.7)	(17.6)
Actuarial gains and losses arising on retirement obligations	*Gross*	9.1		9.1	1.8
	Income tax impact	(2.4)		(2.4)	(0.5)
Hyperinflationary revaluation		19.9		19.9	17.0
Translation differences		(11.1)	(1.8)	(12.9)	70.7
TOTAL		**27.1**	**(1.8)**	**25.3**	**138.9**

The revaluation of the main hedging positions contracted by the Group's subsidiaries is described in Note 4.15.3. The revaluation of assets available for sale primarily concerns the Unibel shares held by Sofico (see Note 4.5). Actuarial gains and losses recorded for the financial year are set out in Note 4.11.2. The line item "Hyperinflationary revaluation" includes the effect of the application of IAS 29 in Iran and Turkey, totaling €2.5 million (see Note 1.5) and the effect of the translation under IAS 21, totaling €17.4 million.

Depending on its financial positions and changing needs, the Group may adjust its share capital by issuing new shares, for example, or by purchasing and canceling existing shares. The Group is not subject to equity covenants imposed by third parties.

TREASURY SHARES

Accounting principles

Bel shares repurchased by the consolidating company in accordance with law 98-546 of July 2, 1998 are posted directly against consolidated shareholders' equity in an amount corresponding to their acquisition costs, including direct costs linked to the acquisition, net of corresponding tax savings.

In 2022, 5,203 Bel treasury shares were bought back by Unibel.

Following the sale of the Leerdammer brand, its related rights and Bel Shotstka Ukraine, by Sicopa, a wholly owned Bel subsidiary, to Lactalis, the number of treasury shares at December 31, 2021 amounted to 1,672,092. The transfer of all of Sicopa's assets and liabilities to Bel SA on September 1, 2022 (retroactive for tax purposes to January 1, 2022) was followed by the cancellation of the 1,591,472 treasury shares held. At December 31, 2022, the number of treasury shares amounted to 75,414.

BONUS SHARES

Accounting principles

Stock option plans are equity-settled share-based payment systems under IFRS 2. The grant component is measured on the basis of the Bel share price at the grant date and, taking into account the non-payment of dividends during the vesting period, the stock options are recorded as personnel expenses with a corresponding increase in equity. The expense is recognized over the length of the vesting period.

In accordance with IFRS 2, personnel expenses arising from bonus share awards were recognized incrementally over the vesting period with a corresponding increase in equity.

The 2020–2023 plan is ongoing at December 31, 2022. Two new plans – 2022A and 2022B – were set in motion in 2022 and will mature in 2024 and 2025, respectively.

A breakdown of bonus share plans is presented in the following table:

BONUS SHARE PLANS

(in thousands of euros)	Plan 2019/ 2022	Plan 2020/ 2023	Plan 2022A/ 2024	Plan 2022B/ 2025	Total
Number of shares granted at the award date	11,511	14,748	15,324	18,430	
Number of shares awarded at December 31, 2022	5,203	12,085	14,801	17,917	
Fair value of share awarded (in €)	300	256	408	408	
Award criteria: percentage provisioned	61%	100%	100%	100%	
Vesting period	3 years	3 years	2 years	3 years	
AMOUNT EXPENSED AT DECEMBER 31, 2022	**59**	**(812)**	**(1,839)**	**(1,495)**	**(4,087)**

4.10 — PROVISIONS

Accounting principles

A provision is booked when the Group has a legal or implicit obligation to a third party that can be reliably estimated and is likely to result in the outflow of resources. If the amount or settlement date cannot be reliably estimated, the obligation is deemed to be a contingent liability and recognized as an off-balance sheet item.

Restructuring provisions are booked only after the announcement and establishment of a detailed restructuring plan or if the start of a restructuring undertaking gave rise to a constructive obligation.

Changes in provisions for the financial years presented break down as follows:

(in millions of euros)	2022	2021
Provisions at January 1	**9.7**	**11.3**
Impact of change in consolidation scope[(a)]	(0.3)	(0.2)
Increase (charged during the period)	2.6	3.1
Reversals – offset against expenses	(2.0)	(1.8)
Reversals – canceled provisions	(0.8)	(2.9)
Translation differences	(0.0)	0.2
PROVISIONS AT DECEMBER 31	**9.3**	**9.7**
Of which less than a year	4.8	5.1

(a) See Note 2.

(in millions of euros)	December 31, 2022	December 31, 2021
Provisions for disputes and litigation	3.3	3.8
Restructuring provisions	0.0	0.5
Provisions for other contingencies	5.9	5.4
PROVISIONS	**9.3**	**9.7**

In 2022, no significant provision was recorded.

4.11 — EMPLOYEE BENEFITS

Accounting principles

Independent actuaries assess the main employee benefit obligations.

For defined-benefit plans, obligations are measured on a discounted basis using the "projected unit credit" method and taking into account assumptions about salary growth, turnover rates, retirement age and mortality rates. The economic conditions specific to each country are factored into the assumptions used.

The fair value of plan assets, if applicable, is deducted from the calculated obligations. Estimated provisions are recognized on the balance sheet.

Actuarial gains and losses arise from changes in actuarial assumptions in the valuation of obligations and funds from year to year and what actually occurs in terms of market conditions and real data.

For post-employment benefits, actuarial gains and losses are recognized in equity under "Other Comprehensive Income" in accordance with IAS 19. Actuarial gains and losses on other long term benefits are expensed for the year.

Expected proceeds from plan assets that give rise to an expense are calculated using the discount rate.

Costs related to administrative management of funds are also recorded as expenses.

For basic and other defined-contribution plans, the obligation is charged to income as determined by the amounts to be contributed for the period.

The Group contributes to various pension plans, post-employment benefits and long service awards in accordance with the laws and practices of the countries where it is present.

4.11.1 — DESCRIPTION OF THE MAIN DEFINED-CONTRIBUTION PLANS

Employees benefit from defined-contribution plans in some of the Group's entities. These plans mainly provide employees with benefits that complement State pension plans.

UNITED STATES

Bel Brands USA contributes to a multi-employer fund which is a defined-benefit plan by nature. However, the plan administrator is unable to determine precisely the proportion of each participating company's commitment in respect of the rights acquired by their current employees, their former employees with deferred vested rights and retirees receiving a life annuity paid by this fund. Thus, according to the rules of IAS 19, and although this plan is by nature a defined-benefit plan, the company only accounts for its contributions paid to the fund as if it were a defined-contribution plan. Bel Brands USA runs the risk of having to cover a portion of the obligation if the fund is underfunded. The amount of this risk is not yet known.

4.11.2 — DESCRIPTION OF THE MAIN DEFINED-BENEFIT PLANS

Employee benefits concern primarily France, accounting for €32 million in commitment, or 79% of a total of €40 million.

FRANCE

The Group's main French entities are subject to the collective agreement for the dairy industry. This agreement provides for the payment of pensions to employees still present in the firm at the time of their retirement, with the retirement age being the same as that at which citizens are eligible for their State pension. This allowance is calculated as a percentage of the last salary earned, with the percentage determined according to the number of years of service at the time of retirement. These benefits are also subject to payroll on-costs which vary according to occupational category. This plan is not externally managed.

4.11.3 — COMMITMENTS RECORDED IN RESPECT OF DEFINED-BENEFIT PLANS

The following table provides a summary of the financial position of defined-benefit plans:

(in millions of euros)	France	Belgium	Morocco	Rest of the world	Total 2022	Total 2021
Gross defined-benefit commitment	31.5	3.9	1.7	2.8	40.0	45.5
Fair value of plan assets		(3.8)			(3.9)	
NET EMPLOYEE BENEFIT OBLIGATION RECORDED ON THE BALANCE SHEET	**31.5**	**0.0**	**1.7**	**2.8**	**36.1**	**45.5**

Changes in gross employee benefit obligations for defined-benefit plans are presented in the following table:

(in millions of euros)	France	Belgium	Morocco	Rest of the world	Total 2022	Total 2021
Gross defined-benefit commitment at January 1	**39.9**	**0.2**	**2.1**	**3.4**	**45.5**	**120.3**
Correction on opening		2.8			2.8	
Gross defined-benefit commitment at January 1 – restated[(a)]	**39.9**	**3.0**	**2.1**	**3.4**	**48.3**	**120.3**
Change in gross defined-benefit commitments recorded in profit and loss	2.6	0.1		0.1	2.9	1.6
Actuarial gains and losses recorded to other comprehensive income	(9.0)	0.9	(0.1)	0.1	(8.1)	(6.1)
Translation differences			(0.1)		(0.2)	0.1
Benefits paid during the financial year	(1.9)	(0.1)	(0.2)	(0.8)	(3.0)	(5.5)
Impact of change in consolidation scope[(b)]						(64.9)
GROSS OBLIGATION AT DECEMBER 31	**31.5**	**3.9**	**1.7**	**2.8**	**40.0**	**45.5**

(a) At December 31, 2021, the pension commitments in Belgium were recognized directly in the amount of the obligation net of plan assets. At December 31, 2022, gross defined-benefit commitments and plan assets are presented separately.

(b) See Note 2.

Changes in the fair value of benefit plan assets are presented in the table below:

(in millions of euros)	France	Belgium	Morocco	Rest of the world	Total 2022	Total 2021
Fair value of plan assets at January 1		**(2.8)**			**(2.8)**	**(42.6)**
Interest income (expense) on plan assets						(0.2)
Effect of plan curtailments on assets						1.1
Return on plan assets above the discount rate		(1.0)			(1.0)	4.2
Impact of change in consolidation scope [(a)]						37.4
Benefits paid by funds to recipients during the financial year					0.1	2.8
Contributions paid to funds					(0.2)	(2.6)
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31	**0.0**	**(3.8)**	**0.0**	**(0.0)**	**(3.9)**	**(0.0)**

(a) See Note 2.

In 2022, the net amount expensed to the income statement totaled €2.9 million and broke down as follows:

(in millions of euros)	France	Belgium	Morocco	Rest of the world	Total 2022	Total 2021
Service cost for the financial year	3.9	0.2	0.2	0.1	4.4	4.8
Past service cost following a restructuring plan or redundancy/termination by agreement	(1.1)		(0.1)		(1.2)	(2.2)
Interest income from the present value of the obligations	0.4				0.5	0.8
Past service cost following a plan change	0.0					(1.4)
Actuarial gains and losses on other long term benefits during employment recognized during the year	(0.7)	(0.1)	(0.1)		(0.8)	(0.5)
CHANGE IN GROSS DEFINED-BENEFIT COMMITMENTS RECORDED IN PROFIT AND LOSS	**2.6**	**0.1**	**0.0**	**0.1**	**2.9**	**1.6**
Interest income (expense) on plan assets						(0.2)
Effect of plan curtailments on assets						1.1
TOTAL NET EXPENSES RECOGNIZED ON THE INCOME STATEMENT	**2.6**	**0.1**	**0.0**	**0.1**	**2.9**	**2.5**

Actuarial gains and losses recorded in the statement of comprehensive income can be broken down as follows:

(in millions of euros)	France	Belgium	Morocco	Rest of the world	Total 2022	Total 2021
Actuarial gains and losses on the present value of obligations recognized during the year and arising from experience adjustments	**(0.8)**	**0.9**		**0.4**	**0.6**	**(0.5)**
Actuarial gains and losses of obligations recognized during the year and arising from changes to demographic assumptions		(0.1)			(0.1)	(1.2)
Actuarial gains and losses on the present value of obligations recognized during the year and arising from changes to financial assumptions	(8.2)		(0.1)	(0.3)	(8.6)	(4.4)
ACTUARIAL GAINS AND LOSSES RECORDED TO OTHER COMPREHENSIVE INCOME	**(9.0)**	**0.9**	**(0.1)**	**0.1**	**(8.1)**	**(6.1)**
Return on plan assets above the discount rate		(1.0)			(1.0)	4.2
TOTAL NET GAINS RECORDED IN THE STATEMENT OF COMPREHENSIVE INCOME	**(9.0)**	**(0.2)**	**(0.1)**	**0.1**	**(9.1)**	**(1.9)**

For defined-benefit plans, obligations were measured according to actuarial techniques taking long term assumptions into account. The main assumptions used by independent actuaries included the discount rate, the rate of salary increases, the turnover rate, and mortality rates.

In Europe, probable future benefits were written down to their present value using discount rates appropriate to each country. The discount rates were determined by using as a benchmark the yield on AA-rated corporate bonds with the same maturities as the commitments.

Assumptions weighted by obligation	December 31, 2022	December 31, 2021
Discount rate (weighted)	3.73%	1.17%
Rate of salary increases (weighted)	3.73%	3.79%
Duration (weighted)	11.8	9.7

The main financial assumption used to measure obligations in respect of defined-benefit plans is the discount rate, which can have a material impact on the outcome. A 100-point variation in the discount rate versus the main assumption used at December 31, 2022 would have the following effects:

(in %)	Decrease of 100 basis points	Increase of 100 basis points
Impact on obligation at December 31, 2022	8.4%	-7.6%

4.12 — OTHER NON-CURRENT LIABILITIES

Accounting principles

Investment grants received by the Group are recorded on the balance sheet under "Other liabilities" (current/non-current) and apportioned to the income statement in keeping with the depreciation schedule of the assets they financed.

Other non-current liabilities broke down as follows:

(in millions of euros)	December 31, 2022	December 31, 2021
Investment grants	24.1	25.6
Amounts payable to personnel	26.4	28.2
Other	51.3	14.2
TOTAL	**101.7**	**68.0**

Amounts payable to personnel were primarily made up of CETs (Compte Épargne Temps) – Time Savings Accounts of French companies (allowances for paid leave in France) – and debt provisions relating to employee profit-sharing plans at French entities.

The line item "Other" mainly included the recognition of the debt to the multi-employer US pension fund (see Note 4.11 "Employee benefits") for an amount of €4.1 million.

4.13 — TRADE PAYABLES AND OTHER LIABILITIES

Changes in trade payables and other liabilities are presented in the following table:

(in millions of euros)	2022	2021
At January 1	**603.2**	**653.0**
Impact of change in consolidation scope [(a)]	(3.0)	(107.6)
Changes in WCR	144.1	9.4
Reclassifications	(0.1)	37.1
Translation differences	(6.5)	11.2
AT DECEMBER 31	**737.6**	**603.2**

(a) See Note 2.

4.14 — NET FINANCIAL DEBT

Accounting principles

NET CASH AND CASH EQUIVALENTS

Cash and cash equivalents include current bank account cash balances, term deposits that may be sold or used at very short notice (under three months) with no significant risk of losing value should interest rates change, and marketable securities. These are made up of money-market fund units that are highly liquid and carry a very low risk of change in value.

The Group's net cash consists of marketable securities and money market instruments, cash and cash equivalents, net of current bank facilities, including overdrafts, and of any corresponding interest recorded in current financial liabilities.

FINANCIAL DEBT EXCLUDING LEASES

Financial debt is recorded at amortized cost, namely at face value net of issue premiums and fees that are recorded gradually under financial items until maturity.

In the event of hedging of the risk of change in the future interest expense, the financial debt for which flows are hedged remains recognized under amortized cost, since the change in value of the effective part of the hedging instrument is recorded in equity.

Net financial debt is presented in the following table:

(in millions of euros)	December 31, 2022	December 31, 2021
Bonds[a]	900.9	755.8
NEU MTN[b]	70.0	60.0
Bank borrowings	113.5	31.6
Employee profit-sharing	1.9	2.8
Minority shareholders' put options	27.5	27.5
BORROWINGS AND FINANCIAL LIABILITIES	**1,113.9**	**877.7**
TOTAL LONG TERM LIABILITIES	**1,113.9**	**877.7**
Bonds	26.7	6.0
Bank borrowings	2.3	0.3
Employee profit-sharing	0.8	1.3
NEU MTN[b]	50.7	10.0
NEU CP[c]	72.5	110.0
Sundry loans and financial liabilities	8.5	8.8
Current account liabilities	20.0	26.3
BORROWINGS AND FINANCIAL LIABILITIES	**181.4**	**162.7**
TOTAL SHORT TERM DEBT	**181.4**	**162.7**
GROSS FINANCIAL DEBT – EXCLUDING LEASE LIABILITIES	**1,295.3**	**1,040.4**
Long term lease liabilities	59.3	75.6
Short term lease payments	19.6	22.2
LEASE LIABILITIES	**78.9**	**97.8**
GROSS FINANCIAL DEBT	**1,374.2**	**1,138.2**
Current used bank facilities including overdrafts and accrued interest	4.9	4.2
Cash and cash equivalents	(600.5)	(494.6)
NET CASH AND CASH EQUIVALENTS	**(595.6)**	**(490.4)**
Current account assets	(0.5)	(2.5)
TOTAL NET DEBT (NET CASH)	**778.1**	**645.3**

(a) Includes the interest rate hedging instruments for €31.4 million presented in other non-current financial liabilities in the balance sheet.
(b) Negotiable European Medium Term Notes.
(c) Negotiable European Commercial Paper.

The main financing transactions for 2022 are explained in Note 4.15.2.

The put options of the minority shareholders of All In Foods, acquired in 2020, are included in long term liabilities and have been accounted for in equity.

Lease liabilities correspond to the right-of-use liability recognized in application of IFRS 16.

Current account liabilities mainly concern the parent company Unibel for an amount of €18.1 million on December 31, 2022 compared with €25.2 million on December 31, 2021 (see Note 8.2).

The repayment schedule for long term debt excluding leases is set out in Note 4.15.4 "Interest rate risk management."

The repayment schedule for lease liabilities is set out below:

(in millions of euros)	Total	2023	2024	2025	2026	2027	2028 and beyond
Lease liabilities – short term	19.6	19.6					
Lease liabilities – long term	59.3		16.6	13.9	11.0	6.4	11.4
TOTAL LEASE LIABILITIES	**78.9**	**19.6**	**16.6**	**13.9**	**11.0**	**6.4**	**11.4**

4.15 — FINANCIAL INSTRUMENTS

4.15.1 — MARKET RISK MANAGEMENT

The Treasury department, which is attached to the Group Finance Department, has the requisite skills and tools to manage market risk. A monthly report is reviewed by the Management and regular presentations are made to the Audit Committee.

4.15.2 — FINANCIAL AND LIQUIDITY RISK MANAGEMENT

The Group's net debt position on December 31, 2022 stood at €778.1 million, including lease liabilities in application of IFRS 16 and €699.2 million excluding lease liabilities.

The Group implemented policies aimed at limiting liquidity risk. In line with those policies, a significant share of the Group's financial resources is medium-term. The Group has confirmed credit lines and medium-term financing from its banks and from investors.

At December 31, 2022, the Group had significant liquidity including:

- a confirmed syndicated credit line of €550 million maturing in 2027, or 2028 and 2029 if extended. This line has not been drawn;
- a €500 million commercial paper program, of which €72.5 million has been used;
- a NEU MTN program of €200 million, of which €120 million has been used;
- a Euro PP bond loan of €125 million maturing in 2027 and 2029, contracted with private investors;
- a €500 million bond listed on Euronext maturing in April 2024;
- a private bond issue in the form of a USPP under French law of $150 million maturing in November 2035;
- a €122 million Schuldschein and a $10 million Namensschuldverschreibung private bond in *Schuldschein* format, and maturing from 2025 to 2034;
- a €100 million "Recovery" Participative Loan maturing in 2030.

On December 31, 2022, the Group also had a considerable amount of net cash and cash equivalents, of €595.6 million, including €485 million at Bel.

In its syndicated credit lines, its private placements (Euro PP and US PP) and the Schuldschein and Namensschuldverschreibung, Bel SA has committed to keeping its financial leverage ratio below 3.75 over the entire life of the medium and long term financing mentioned above.

Failure to meet the ratio could trigger the repayment of a significant part of the debt.

On December 31, 2022, the financial leverage ratio stood at 2.27, as compared to 2.03 on December 31, 2021.

In addition, a gearing ratio is applicable to 1.3% of the Group's financing.

The Group implemented a policy of pooling liquidity at the Bel level for all countries where the local currency is freely convertible and where there are no legal or fiscal limits on pooling local surpluses or liquidity needs. Internal current accounts and intragroup compensation payment systems are managed by the Group Treasury Department.

In countries where the pooling of surpluses and liquidity needs is not allowed, subsidiaries invest their surpluses in money-market funds denominated in their local currency and, if needed, finance themselves primarily in local currency. The policy of systematic dividend payment also aims to limit recurring surpluses at the subsidiaries level.

Available cash in African and Middle Eastern countries amounted to €103 million on December 31, 2022 and represented the majority of the non-centralizable cash available.

However, some subsidiaries may have no alternatives to local currency financing. In this case, if the local currency is devalued, the subsidiaries recognize the related financial loss.

Surplus liquidity is invested in money-market mutual funds, term deposit accounts or short-term certificates of deposit, thereby meeting the definition of cash equivalents.

MARKET VALUES FOR FOREIGN EXCHANGE, INTEREST RATE AND RAW MATERIALS RISKS VERSUS THE PREVIOUS YEAR

	December 31, 2022					December 31, 2021			
Category of transactions (in millions of euros)	**Cash Flow Hedges (CFH)**	**Fair Value Hedges (FVH)**	**Net Investment Hedges (NIH)**	**Unassigned**	**Total**	**Cash Flow Hedges (CFH)**	**Net Investment Hedges (NIH)**	**Unassigned**	**Total**
Forwards	7.8				7.8	(3.9)	(0.2)		(4.1)
Currency options	4.7				4.7	(1.0)			(1.0)
Currency swaps				(0.3)	(0.3)			(0.1)	(0.1)
Total portfolio related to foreign exchange	**12.5**			**(0.3)**	**12.2**	**(4.9)**	**(0.2)**	**(0.1)**	**(5.2)**
Total portfolio related to interest rates	**5.4**	**(31.4)**			**(26.0)**	**(0.2)**		**(6.0)**	**(6.3)**
Portfolio related to risk of change in US raw materials prices	(0.5)				(0.5)	4.2			4.2
TOTAL BEL GROUP	**17.4**	**(31.4)**		**(0.3)**	**(14.3)**	**(0.9)**	**(0.2)**	**(6.1)**	**(7.3)**
TOTAL ASSETS – NON-CURRENT	**6.1**				**6.1**	**0.1**			**0.1**
TOTAL ASSETS – CURRENT	**16.7**		**0.3**	**0.2**	**17.2**	**8.2**		**0.1**	**8.3**
TOTAL LIABILITIES – NON-CURRENT	**(0.1)**	**(31.4)**			**(31.4)**	**(0.4)**		**(6.0)**	**(6.4)**
TOTAL LIABILITIES – CURRENT	**(5.3)**		**(0.3)**	**(0.5)**	**(6.1)**	**(8.9)**	**(0.3)**	**(0.2)**	**(9.4)**

All changes in value are considered effective for derivatives documented as hedges and have an impact on: (i) “Other comprehensive income” for CFH and NIH hedges and on profit from operations when hedged foreign currency cash flows for foreign exchange derivatives documented in CFH are carried out, (ii) Net financial result for interest rate derivatives documented in FVH, offset by the fair value adjustment of the hedged debts.

4.15.3 — FOREIGN EXCHANGE RISK MANAGEMENT

The Group is subject to foreign exchange rate fluctuations as a result of its international operations and presence.

Group entities are exposed to foreign exchange risk on sales recognized on the balance sheet as well as foreign exchange risk on highly probable future transactions when such business is transacted in currencies other than their functional currency, e.g. imports, exports and financial transactions.

HEDGING POLICY FOR FOREIGN EXCHANGE EXPOSURE

The management policy is to hedge risk on transactions denominated in foreign currency through the use of derivative financial instruments.

The Group implements a central exchange rate policy that aims to hedge the annual budgetary risk on currency purchases and sales for deliverable currencies. The Group Treasury Department provides these entities with the necessary currency hedges. The Group Treasury department is not a profit center.

The Group also hedges exchange rate exposure arising from the payment of intra-group dividends denominated in foreign currency, documented in the form of a net investment hedge, as well as the foreign exchange risk on certain foreign currency financing.

For subsidiaries in countries where there are no financial hedging instruments, the policy is to maximize natural hedging as much as possible, for example through billing currencies. However, local currency devaluations can have a material impact on the profitability of the concerned entity.

When the budget is prepared, budgeted currency prices are set according to market conditions for use as benchmarks to set up hedges. The management period for budgeted hedges does not exceed 18 months. On December 31, 2022, the maturity of the derivatives portfolio did not go beyond January 31, 2024. Cash flow from the budgeted 2022 and 2023 hedges is expected in 2023 and will thus impact income in 2023.

The valuation of hedges contracted by the Group is recorded under the “Other financial assets” and “Other financial liabilities” line items.

On December 31, 2022, the Group had secured the following hedges:

Category of transactions (in millions of euros)	Cross	December 31, 2022 Commitment	Cash Flow Hedges (CFH)	Net Investment Hedges (NIH)	Unassigned	Total	December 31, 2021 Commitment	Cash Flow Hedges (CFH)	Net Investment Hedges (NIH)	Unassigned	Total
FORWARDS											
Forward purchase	EUR GBP	48.3	1.5			1.5	37.6	(0.9)			(0.9)
Forward sale	EUR PLN	38.1	1.2			1.2	32.5	(0.4)			(0.4)
Forward purchase	EUR PLN	3.0									
Forward purchase	EUR USD	198.7	3.7			3.7	128.3	(2.5)	(0.2)		(2.7)
Forward sale	EUR USD	4.6	0.1			0.1	3.4	0.2			0.2
Forward purchase	Other	58.4	1.0			1.0	63.2	(0.4)			(0.4)
Forward sale	Other	11.0	0.3			0.3	0.9	0.2			0.2
CURRENCY OPTIONS											
Call purchase	EUR GBP	58.5	1.4			1.4	51.5	0.3			0.3
Call sale	EUR GBP	4.5									
Put sale	EUR GBP	31.5	(0.1)			(0.1)	25.6	(0.3)			(0.3)
Put purchase	EUR PLN	46.5	1.1			1.1	30.0	0.2			0.2
Call sale	EUR PLN	16.0	(0.1)			(0.1)	11.3	(0.2)			(0.2)
Call purchase	EUR USD	244.2	3.1			3.1	93.2	0.1			0.1
Put sale	EUR USD	165.0	(1.8)			(1.8)	42.7	(1.3)			(1.3)
Call purchase	Other	37.2	1.5			1.5	56.0	0.5			0.5
Put sale	Other	17.5	(0.4)			(0.4)	25.0	(0.3)			(0.4)
Call sale	Other						2.0				
CURRENCY SWAPS											
Swap purchase	EUR GBP	2.6									
Swap sale	EUR GBP	29.1			(0.3)	(0.3)	22.9				
Swap purchase	EUR PLN	19.7			0.1	0.1					
Swap sale	EUR PLN	4.2					3.0				
Swap purchase	EUR USD	23.4									
Swap sale	EUR USD	96.6			(0.2)	(0.2)	84.4			(0.1)	(0.1)
Swap sale	Other	36.3			0.1	0.1	18.2				
Swap purchase	Other	12.6					10.5				
TOTAL PORTFOLIO RELATED TO FOREIGN EXCHANGE						**12.2**					**(5.2)**
TOTAL ASSETS – NON-CURRENT						**0.7**					**0.1**
TOTAL ASSETS – CURRENT						**16.1**					**4.1**
TOTAL LIABILITIES – NON-CURRENT						**(0.1)**					**(0.1)**
TOTAL LIABILITIES – CURRENT						**(4.6)**					**(9.4)**

The transactions are expressed according to the direction of the cross-currency: Examples: forward purchase EUR USD means the Group is buying EUR and selling USD; call purchase EUR GBP means the Group is buying a EUR call/GBP put option; swap on futures sales EUR GBP means that the Group borrows EUR so is selling futures on EUR, lends GBP so is purchasing futures on GBP. NIH: Documented strategies for net investment hedges in foreign currency. CFH: Documented strategies for hedging highly probable foreign currency cash flows.

At December 31, 2022, the market value of derivatives hedging highly probable future transactions and recognized in cash-flow hedging was positive at €12.5 million, compared to a negative €4.9 million at December 31, 2021.

The Group's main currency exposure is the US dollar, the Pound Sterling and the Polish Zloty. The valuations shown exclude the impact of deferred taxes.

A 1% increase in the EUR/USD rate, before hedging, would negatively impact operating income by approximately €3.3 million on an annual basis.

A 1% increase in the EUR/GBP rate, before hedging, would negatively impact operating income by approximately €1 million on an annual basis.

A 1% decrease in the EUR/PLN rate, before hedging, would negatively impact operating income by approximately €0.8 million on an annual basis.

On December 31, 2022, the 2023 budget net exposure (realized and future) relative to the main currencies was hedged at a ratio between 81% and 100%, depending on the currency managed. Currency fluctuation gains and losses arising from the recognition of sales and purchasing transactions of Group entities can thus be offset up to the hedge amount by gains and losses from the hedges.

4.15.4 — INTEREST RATE RISK MANAGEMENT

Most of the Group's financing is arranged by Bel, which also handles interest rate risk management centrally. The policy is designed to protect against an unfavorable rise in interest rates while partially taking advantage of any interest rate declines.

The Group is also exposed to the risk of rising interest rates for its future refinancing which could result in higher financing costs. The Group is therefore obliged to set up firm or optional interest rate hedges designated either as fair value hedges or as cash flow hedges, which also includes hedging of future issues.

At December 31, 2022, the Group hedged interest rate risk through interest rate swaps:

		December 31, 2022				December 31, 2021			
Category of transactions (in millions of euros)	**Currency**	**Commitment**	**Cash Flow Hedges (CFH)**	**Fair Value Hedges (FVH)**	**Total**	**Commitment**	**Cash Flow Hedges (CFH)**	**Unassigned**	**Total**
PORTFOLIO RELATED TO INTEREST RATE									
Fixed-rate payer swaps	EUR	125.0	5.4		5.4	35.0	(0.2)		(0.2)
Fixed-rate receiver swaps	EUR	72.5		(11.2)	(11.2)	72.5		(0.9)	(0.9)
Fixed-rate receiver swaps	USD	70.3		(20.2)	(20.2)	66.2		(4.9)	(4.9)
Fixed-rate borrower cross currency swaps	EUR/CAD					5.2		(0.2)	(0.2)
TOTAL PORTFOLIO RELATED TO INTEREST RATES		**0.0**	**5.4**	**(31.4)**	**(26.0)**	**0.0**	**(0.2)**	**(6.0)**	**(6.3)**
TOTAL ASSETS - NON-CURRENT			**5.4**		**5.4**				
TOTAL ASSETS - CURRENT									
TOTAL LIABILITIES - NON-CURRENT				**(31.4)**	**(31.4)**		**(0.2)**	**(6.0)**	**(6.3)**
TOTAL LIABILITIES - CURRENT									

On an annualized basis, a 1% rise across the entire rates curve would have:

- a positive impact of €3.4 million on the Group's equity;
- a negative impact of -€10.3 million on the Group's financial result.

On an annualized basis, a 1% fall across the entire rates curve would have:

- a negative impact of -€3.6 million on the Group's equity;
- a positive impact of €11.2 million on the Group's financial result.

The following hedging balance corresponds to hedges of Group's loans.

CHANGE IN INTEREST RATE HEDGING PORTFOLIO ON DECEMBER 31, 2022

(in millions of euros)	Currency	2023	2024	2025	2026	2027	2028	2029	2030 > 2035
Interest-rate swaps	EUR	197.5	137.5	137.5	137.5	137.5	31.3	31.3	
Interest-rate swaps	USD	75	75.0	75.0	75.0	75.0	75.0	75.0	75.0

ANALYSIS OF GROSS FINANCIAL DEBT (EXCLUDING LEASING) BY NATURE, MATURITY AND TYPE OF RATE

	December 31, 2022			Impact of derivative instruments			Financial debt after impact of derivative instruments		
(in millions of euros)	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
MATURITY									
2023	(40.6)	(140.8)	(181.4)	(40.0)	40.0	0.0	(80.6)	(100.8)	(181.4)
2024	(503.2)	(0.7)	(503.9)				(503.2)	(0.7)	(503.9)
2025	(18.2)	(16.1)	(34.3)				(18.2)	(16.1)	(34.3)
2026	(30.1)		(30.1)				(30.1)		(30.1)
2027	(195.6)	(45.3)	(240.9)	(35.0)	35.0	0.0	(230.6)	(10.3)	(240.9)
>=2028	(263.3)	(10.0)	(273.3)	132.8	(132.8)	0.0	(130.5)	(142.8)	(273.3)
TOTAL	**(1,051.0)**	**(212.9)**	**(1,263.9)**	**57.8**	**(57.8)**	**0.0**	**(993.2)**	**(270.7)**	**(1,263.9)**

Treasury notes are issued at a fixed rate but are treated as floating rate instruments in the table owing to short maturities and expected renewals.

4.15.5 — COUNTERPARTY RISK MANAGEMENT

All short-term cash investments and financial instruments are arranged with major counterparties in accordance with both safety and liquidity rules. “Major counterparties” are mainly French banks from the banking pool. Money-market mutual funds offering daily liquidity or certificates of deposit account for most of the short-term cash investments.

The DVA (Debt Value Adjustments) and CVA (Credit Value Adjustments) of the Group’s foreign exchange and interest rate hedges were not material at December 31, 2022.

4.15.6 — RAW MATERIALS RISK MANAGEMENT

The Group is exposed to price increases of raw materials, particularly for milk, cheese, milk powder and butter. Given the maturity of the American market compared to the European market, the Group’s American entities are able to manage this risk by setting up hedges.

On December 31, 2022, Bel and Bel Brands therefore had the following positions:

Category of transactions	December 31, 2022 Number of contracts	December 31, 2022 Hedging of future transactions (CFH)	December 31, 2022 Market value (in thousands of euros)	December 31, 2021 Number of contracts	December 31, 2021 Hedging of future transactions (CFH)	December 31, 2021 Market value (in thousands of euros)
CME CLASS III MILK						
Future purchase	684	(0.8)	(0.8)			
Forward purchase				487	2.0	2.0
Call purchase	693	0.8	0.8	216	1.1	1.1
Put purchase	28					
Put sale	395	(0.3)	(0.3)	207		
TOTAL CME CLASS III MILK		**(0.3)**	**(0.3)**		**3.1**	**3.1**
CME CASH SETTLED CHEESE						
Forward purchase				10		
Call purchase	288	0.3	0.3	53	0.1	0.1
Call sale				33		
Future purchase	330	(0.1)	(0.1)	404	0.9	0.9
Future sale				33	0.1	0.1
Put purchase	288	(0.3)	(0.3)	43		
TOTAL CME CASH SETTLED CHEESE		**(0.1)**	**(0.1)**		**1.1**	**1.1**
CME CASH SETTLED BUTTER						
Forward purchase				7		
TOTAL CME CASH SETTLED BUTTER		**0.0**	**0.0**		**0.0**	**0.0**
TOTAL US		**(0.5)**	**(0.5)**		**4.2**	**4.2**
TOTAL BEL GROUP		**(0.5)**	**(0.5)**		**4.2**	**4.2**
TOTAL ASSETS – NON-CURRENT						
TOTAL ASSETS – CURRENT		**1.1**	**1.1**		**4.2**	**4.2**
TOTAL LIABILITIES – NON-CURRENT			**0.0**			
TOTAL LIABILITIES – CURRENT		**(1.6)**	**(1.6)**			

On December 31, 2022, the market value of derivatives allocated to hedge highly probable future transactions and recognized in equity was a negative €0.5 million, compared with a positive amount of €4.2 million on December 31, 2021.

4.15.7 — CLASSIFICATION BY FAIR VALUE HIERARCHY

Derivative instruments used by the Group are valued at fair value, measured using commonly used valuation models and based on market data. Measurements comply with market practices in terms of data for yield curves, foreign exchange rates and volatility curves, as well as valuation models. The Treasury department has the requisite in-house means for calculating the valuations.

	December 31, 2022			December 31, 2021		
(in millions of euros)	Level 1	Level 2	Total	Level 1	Level 2	Total
Foreign exchange derivatives		12.2	12.2		(5.2)	(5.2)
Interest rate derivatives		(26.0)	(26.0)		(6.3)	(6.3)
Raw materials derivatives		(0.5)	(0.5)	4.2		4.2
TOTAL		**(14.3)**	**(14.3)**	**4.2**	**(11.4)**	**(7.3)**
Marketable securities	173.2		173.2	122.6		122.6
TOTAL	**173.2**	**(14.3)**	**158.9**	**126.8**	**(11.4)**	**115.3**

4.16 — OTHER CURRENT FINANCIAL ASSETS AND LIABILITIES

Other current financial assets and liabilities recorded in the balance sheet break down as follows:

(in millions of euros)	December 31, 2022	December 31, 2021
Other current financial assets	**20.2**	**10.2**
Current accounts – assets	2.6	3.7
Derivative instruments – assets	17.2	6.3
Other financial assets	0.4	0.1
Other current financial liabilities	**6.1**	**13.6**
Derivative instruments – liabilities	6.1	13.6

The breakdown of derivative instruments recorded under assets and liabilities, analyzed in Note 4.15, is as follows:

Detailed positions of derivatives (in millions of euros)	December 31, 2022	December 31, 2021
Hedge on foreign exchange	11.5	(5.2)
Hedge on interest rates		(6.3)
Hedge on raw materials USA	(0.5)	4.2
TOTAL	**11.1**	**(7.3)**
Net positions in the assets	17.2	6.3
Net positions in the liabilities	(6.1)	(13.6)

NOTE 5 | CASH FLOWS

5.1 — CASH FLOW FROM (USED IN) OPERATING ACTIVITIES

"(Increase) decrease in stock, receivables and payables" broke down as follows:

(in millions of euros)	2022	2021
Change in stock and write-downs	(104.3)	(2.0)
Change in trade and other receivables	85.5	(20.9)
Change in trade payables and other liabilities	118.0	14.7
(INCREASE) DECREASE IN STOCK, RECEIVABLES AND PAYABLES	**99.2**	**(8.2)**

5.2 — CASH FLOW FROM (USED IN) INVESTING ACTIVITIES

The main achievements for the period concern:

- increase in production capacities and improvement of productivity in the MOM Group companies (see Notes 4.2 and 4.3);
- the renovation of our recipes and the launch of several innovations to offer an increasing number of natural products, in line with our long term commitment to healthier food;
- investments in plant-based products;
- implementation of our CSR strategy through the reduction of water and electricity consumption and the use of more responsible packaging;
- safety and maintenance of our plants.

5.3 — CASH FLOW FROM (USED IN) FINANCING ACTIVITIES

5.3.1 — (INCREASE) DECREASE IN CURRENT ACCOUNTS WITH ENTITIES OUTSIDE THE SCOPE OF CONSOLIDATION

The "Increase (decrease) in current accounts with entities outside the scope of consolidation" breaks down as follows:

(in millions of euros)	2022	2021
(Increase) decrease in current accounts with:		
Unibel	(6.3)	(39.2)
Other non-consolidated companies	(0.5)	(39.7)
TOTAL	**(6.8)**	**(79.0)**

5.3.2 — INCREASE (DECREASE) IN FINANCIAL DEBT

(in millions of euros)	Issues	Repayments	Reclassi-fications	Changes in scope	
GROSS DEBT AT DECEMBER 31, 2021 (SEE NOTE 4.14)					**1,138.2**
Of which:					
Bonds	146.4	(6.6)	26.0		
NEU MTN [(a)]	60.0	(10.0)			
Bank borrowings	103.8	(1.1)	(20.0)	1.2	
NEU CP [(b)]	351.5	(389.0)			
Employee profit-sharing	0.8	(2.2)			
Sundry loans and financial liabilities	1.6	(1.3)		0.3	
GROSS DEBT VARIATION FOR THE PERIOD	**664.1**	**(410.2)**	**6.0**	**1.5**	**261.4**
OTHER FINANCING VARIATIONS					**(25.1)**
Lease liabilities					(18.8)
Current account liabilities					(6.3)
TRANSLATION DIFFERENCES					**(0.3)**
GROSS DEBT AT DECEMBER 31, 2022 (SEE NOTE 4.14)					**1,374.2**

(a) Negotiable European Medium-Term Notes.
(b) Negotiable European Commercial Paper.

Issues and repayments of debt are described in Note 4.15.2.

Changes in debt included in “Other financing variations” correspond to the effects of changes in cash, with the exception of €14.8 million for lease liabilities.

NOTE 6 | FINANCIAL COMMITMENTS

6.1 — TABLE OF OFF-BALANCE SHEET COMMITMENTS

(in millions of euros)	2022	2021
COMMITMENTS GIVEN	**111.5**	**64.6**
OFF-BALANCE SHEET COMMITMENTS GIVEN, RELATED TO COMPANY FINANCING	**14.5**	**7.1**
Financial guarantees given	4.5	4.1
Other	10.0	3.0
COMMITMENTS RECEIVED, RELATED TO THE ISSUER'S OPERATING ACTIVITIES	**97.1**	**57.5**
Asset orders placed	57.4	26.2
Operating leases	8.5	7.2
• less than one year	2.1	2.4
• one to five years	6.4	4.8
Subcontracting	21.1	21.9
Other	10.0	2.2

(in millions of euros)	2022	2021
COMMITMENTS RECEIVED	**759.8**	**542.8**
OFF-BALANCE SHEET COMMITMENTS GIVEN, RELATED TO COMPANY FINANCING	**726.7**	**520.0**
Credit lines received and unused	726.7	520.0
COMMITMENTS RECEIVED, RELATED TO THE ISSUER'S OPERATING ACTIVITIES	**33.1**	**22.8**
Financial guarantees received	31.3	21.5
Other	1.8	1.3

In November 2022, Bel renewed for the sixth consecutive year the agreement with APBO (Association des Producteurs de lait Bel Ouest), for a further 15-month period. It anticipates an increase in the price of milk for the fourth quarter of 2022, and for 2023, on all volumes collected, i.e. 415 million liters.

This new partnership provides visibility to dairy farmers on prices and volumes over the long term, helping maintain the economic viability of France's 700 dairy farms and continuing the development of more sustainable agricultural practices.

The agreement guarantees:

- an annual MonBBLait reference price set at €471/1,000L (based on 38/32, with premiums for pasture grazing and GMO-free animal feed);
- a projected 2023 price, all average qualities included, of €496/1,000L;
- 100% of the 700 farms with access to pasture grazing for cows and fed without GMOs (<0.9%);
- 100% of farms committed to the Low Carbon label since 2021;
- 100% of farms committed to a carbon reduction approach, with the CAP'2ER audit and the definition of specific action plans for each farm.

As part of its acquisition of All In Foods, the Group received a promise to sell that can be fulfilled at Bel's request by January 15, 2025 at the latest.

NOTE 7 | DISPUTES AND LITIGATION

The Group is engaged in a certain number of disputes and litigations in the normal course of its business. Provisions were booked for any probable and measurable costs that might arise from these lawsuits and disputes. Management knows of no dispute or litigation carrying significant risk that could adversely impact the Group's earnings or financial position that was not provisioned for at December 31, 2022.

NOTE 8 | RELATED PARTIES

8.1 — MANAGEMENT BENEFITS

(in millions of euros)	2022	2021
Compensation and benefits in kind	7.1	7.7
Director's fees	0.2	1.2
TOTAL SHORT TERM BENEFITS	**7.4**	**8.9**
Bonus shares	0.9	0.7
TOTAL LONG TERM BENEFITS	**0.9**	**0.7**

Management in this note refers to members of the Board of Directors and the Executive Committee.

8.2 — RELATED-PARTY TRANSACTIONS

(in millions of euros)	2022	2021
Amount of transactions	10.1	13.1
of which Unibel	2.8	5.7
of which other non-consolidated companies	7.2	7.4
Associated receivables	1.8	0.2
Associated payable and current accounts	20.1	27.9
of which Unibel	18.1	25.2
of which other non-consolidated companies	2.5	2.7
Unibel shares	194.4	195.4

At December 31, 2022, the amount of related-party transactions included €2.8 million paid to Unibel (holding company), of which €2.6 million in personnel expenses billed back to Bel under a service agreement dated December 14, 2001, and €7.2 million in operating expenses billed back to Bel by non-consolidated Group entities (Bel Proche et Moyen-Orient Beyrouth, Bel Middle East, etc.).

Related parties' associated payables and current accounts mainly concerned Unibel (holding company), with a €18.1 million current account versus €25.2 million on December 31, 2021 (see Note 4.14).

Unibel shares held by Sofico were valued at €194.4 million, based on the closing share price on December 31, 2022 (see Note 4.5).

The Group had no significant off-balance sheet commitments with related parties.

NOTE 9 | SUBSEQUENT EVENTS

On January 17, 2023, the Bel group made a partial repurchase offer for its €500 million in bonds, bearing interest at a fixed rate of 1.50%, maturing in April 2024, issued in 2017.

On January 25, 2023, at the conclusion of this transaction, the nominal amount accepted by Bel under the Buyback Offer was €198.2 million. The redeemed Bonds will be canceled. The remaining outstanding nominal amount of the Bonds is €301.8 million.

NOTE 10 | CONSOLIDATION SCOPE

		2022		2021	
Companies	**Country**	**Percentage of legal control**	**Percentage of interest**	**Percentage of legal control**	**Percentage of interest**
BY FULL CONSOLIDATION					
Bel SA	France	Parent company	Parent company	Parent company	Parent company
Fromageries Picon	France	99.99	99.99	99.99	99.99
Fromageries Bel Production France	France	100.00	100.00	100.00	100.00
SAS FR	France	100.00	100.00	100.00	100.00
SICOPA[(1)]	France	0.00	0.00	100.00	100.00
SOFICO	France	100.00	100.00	100.00	100.00
SOPAIC	France	100.00	100.00	100.00	100.00
Fromagerie Boursin SAS	France	100.00	100.00	100.00	100.00
Société des Produits Laitiers	France	100.00	100.00	100.00	100.00
Newton Holding	France	100.00	100.00	85.83	88.01
MBMA Holding SAS	France	100.00	100.00	85.83	88.01
MBMA SAS	France	100.00	100.00	85.83	88.01
Mont Blanc SAS	France	100.00	100.00	85.83	88.01
Materne SAS	France	100.00	100.00	85.83	88.01
MOM Investissements	France	100.00	100.00	50.00	50.00
All In Foods SARL	France	100.00	100.00	100.00	100.00
Bel South Africa	South Africa	100.00	100.00	100.00	100.00
Fromagerie Bel Algérie	Algeria	100.00	100.00	100.00	100.00
Bel Brands Deutschland	Germany	100.00	100.00	100.00	100.00
Bel Belgium	Belgium	100.00	100.00	100.00	100.00
Fromageries Bel Canada	Canada	100.00	100.00	100.00	100.00
Materne Canada	Canada	100.00	100.00	85.83	88.01
Bei Lao Zi (Shanghai) Food Trading Co.	China	100.00	100.00	100.00	100.00
Bel Cheese Korea	Korea	100.00	100.00	100.00	100.00

(1) On September 1, 2022, SICOPA transferred all of its assets and liabilities to Bel SA (Universal Transmission of Assets ["TUP"]) with retroactive effect to January 1, 2022.

Companies	Country	2022 Percentage of legal control	2022 Percentage of interest	2021 Percentage of legal control	2021 Percentage of interest
Fromageries Bel Côte d'Ivoire	Ivory Coast	100.00	100.00	100.00	100.00
Bel Egypt Distribution	Egypt	100.00	100.00	100.00	100.00
Bel Egypt Expansion For Cheese Production	Egypt	100.00	100.00	100.00	100.00
Grupo Fromageries Bel España	Spain	100.00	100.00	100.00	100.00
Bel Brands USA	United States	100.00	100.00	100.00	100.00
Bel USA	United States	100.00	100.00	100.00	100.00
Materne North America Corp.	United States	100.00	100.00	85.83	88.01
Bel UK	Great Britain	100.00	100.00	100.00	100.00
Fromageries Bel Hellas	Greece	100.00	100.00	100.00	100.00
Bel-Rouzaneh Dairy Products company	Iran	100.00	100.00	100.00	100.00
Bel Italia Company SRL	Italy	100.00	100.00	100.00	100.00
Bel Japon	Japan	100.00	100.00	100.00	100.00
Fromageries Bel Maroc	Morocco	67.99	67.99	67.99	67.99
S.I.E.P.F.	Morocco	100.00	100.00	100.00	100.00
Bel Africa	Morocco	100.00	100.00	100.00	100.00
Safilait	Morocco	0.00	0.00	100.00	90.40
Bel Nederland	The Netherlands	100.00	100.00	100.00	100.00
Bel Polska	Poland	100.00	100.00	100.00	100.00
Fromageries Bel Portugal	Portugal	100.00	100.00	100.00	100.00
Bel Sénégal	Senegal	100.00	100.00	100.00	100.00
Syraren Bel Slovensko AS	Slovakia	99.91	99.91	99.88	99.88
Bel Nordic AB	Sweden	100.00	100.00	100.00	100.00
Bel Suisse	Switzerland	100.00	100.00	100.00	100.00
Bel Syry Cesko	Czech Republic	100.00	100.00	100.00	100.00
Bel Karper Gida Sanayi	Turkey	100.00	100.00	100.00	100.00
Quesos Bel Mexico	Mexico	100.00	100.00	100.00	100.00
Bel Vietnam	Vietnam	100.00	100.00	100.00	100.00
Bel India	India	100.00	100.00	0.00	0.00
Bel Arabie Saoudite	Saudi Arabia	100.00	100.00	0.00	0.00
Shandong Junjun Cheese Co., Ltd	China	70.00	70.00	0.00	0.00
EQUITY METHOD					
Britannia Dairy Private Limited	India	49.00	49.00	0.00	0.00

NOTE 11 | STATUTORY AUDITORS' FEES

	Grant Thornton				PWC				Deloitte	
	Amounts		%		Amounts		%		Amounts	%
(in thousands of euros)	2022	2021	2022	2021	2022	2021	2022	2021	2021	2021
CERTIFICATION AND LIMITED HALF-YEAR REVIEW FOR INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS										
Issuer	214	133	23%	36%	214	133	25%	89%	133	36%
Fully consolidated companies	664	185	72%	50%	527	5	62%	3%	124	34%
SUBTOTAL	**878**	**318**	**95%**	**86%**	**741**	**138**	**88%**	**92%**	**257**	**70%**
SERVICES OTHER THAN BOOK CERTIFICATION										
Issuer	49	42	5%	11%	84	12	10%	8%	108	29%
Fully consolidated companies		12		3%	20	0	2%	0%	0	0%
SUBTOTAL	**49**	**54**	**5%**	**14%**	**104**	**12**	**12%**	**8%**	**108**	**30%**
TOTAL	**927**	**372**	**100%**	**100%**	**845**	**150**	**100%**	**100%**	**365**	**100%**

These are fees paid to the Company's Statutory auditors for certification of the financial statements of the consolidating entity and its consolidated subsidiaries.

Services other than certification of the financial statements mainly encompass attestations on covenants and investment grants, as well as the mission of third-party bodies concerning the non-financial performance declaration.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

BEL
2, allée de Longchamp
92150 Suresnes, France

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting*,* we have audited the accompanying consolidated financial statements of Bel for the year ended 31 December 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee*.*

BASIS FOR OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1st January 2022 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

MEASUREMENT OF GOODWILL AND BRANDS

(Note 4.1 "Goodwill" and note 4.2 "Other intangible assets" to the consolidated financial statements)

Description of risk

As of 31st December 2022, goodwill and brands amounted respectively to €849 million and to €493 million, representing 32,2% of total assets.

The impairment tests performed by management on the goodwill of each of the Cash Generating Units (CGUs), defined by the Group, include a significant amount of judgement and assumptions, particularly relating to:

- future cash flows,
- discount rates and long-term growth rates used to forecast such cash flows.

As a result, a change in these assumptions could affect the value of such assets.

Given the significant amount of goodwill and brands in the consolidated financial statements and the sensitivity of the measurement of such assets to the assumptions used by management, we deemed the measurement of goodwill and brands to be a key audit matter.

How our audit addressed this risk

We performed the following procedures on the impairment tests of the main CGUs and brands:

1. we obtain un understanding of the process in place to carry out the impairment test for goodwill and brands, the methods for monitoring and determining the main assumptions;
2. we assessed the components of the carrying amount of the Cash Generating Units (CGUs), corresponding to the level at which goodwill is monitored by the Group, and their consistency with those used in projecting future cash flows;
3. we verified the consistency of the methods used in the practical implementation of the impairment tests to measure values and ensure the compliance of the methodology applied by the Company with the applicable accounting standards;

4. we reconciled the cash flow forecasts with the latest budgets reviewed by management; we assessed the consistency of the assumptions used with the historical performance of the Group and the relevant CGUs;
5. we assessed, with the assistance of our valuation specialists, the valuation model and the discount rates used in relation to market benchmarks;
6. we reviewed the sensitivity analyses performed by management in light of our own sensitivity calculations;
7. we also verified that Note 4.1 and Note 4.2 to the consolidated financial statements provide appropriate disclosures pursuant to such analyses.

SPECIFIC VERIFICATIONS

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also performed the specific verifications on the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

OTHER VERIFICATIONS AND INFORMATION PURSUANT TO LEGAL AND REGULATORY REQUIREMENTS

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Bel by the Annual General Meetings held on 12 May 2010 for Grant Thornton and 11 May 2021 for PricewaterhouseCoopers Audit.

At 31 December 2022, Grant Thornton and PricewaterhouseCoopers were in the 13th and the 2nd year of their engagement, respectively.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;

- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Neuilly-sur-Seine, March 31st, 2023
The Statutory Auditors

Grant Thornton	**PricewaterhouseCoopers Audit**
French member of Grant Thornton International	
Vincent Frambourt	Xavier Belet

5.5.2 | COMPANY FINANCIAL STATEMENTS AT DECEMBER 31, 2022

ANNUAL FINANCIAL STATEMENTS AT DECEMBER 31, 2022

COMPARATIVE INCOME STATEMENTS AT DECEMBER 31

(in millions of euros)	Notes	2022	2021
OPERATING INCOME			
Sales of merchandise (goods purchased for resale)		44.3	115.4
Production sold:			
• sales		1,193.8	1,106.3
• construction works			
• services			
• revenues from ancillary operations		46.0	46.5
Total production sold		1,239.8	1,152.8
REVENUE FROM SALES (INCLUDING EXPORTS OF 743.3)	3	**1,284.1**	**1,268.2**
Change in finished goods and in-progress stock:			
• work-in-progress – goods			
• work-in-progress – services		(1.4)	(1.9)
• finished goods		11.8	(13.1)
TOTAL CHANGE IN FINISHED GOODS AND IN-PROGRESS STOCK		**10.4**	**(15.0)**
Self-constructed fixed assets		12.2	13.4
Government grants – farms		0.4	1.1
Reversals of provisions, write-downs, depreciation and amortization		2.6	3.2
Expense transfers	4	28.3	27.7
Other income		74.3	68.7
TOTAL I		**1,412.3**	**1,367.3**
OPERATING EXPENSES			
Cost of merchandise (goods purchased for resale) sold during the financial year			
purchase of merchandise		11.0	75.6
change in stock of merchandise		9.0	(7.1)
Total purchase costs of goods resold		**20.0**	**68.5**
Operating costs incurred through third parties and consumed during the period			
• purchases of stocked raw ingredients and supplies			
raw materials			
other production supplies		1.5	*0.7*
• increase (decrease) in raw material and supply stock		(0.1)	0.1
• purchases from subcontractors		924.7	777.8
• purchases of non-stocked materials and supplies		12.1	10.5
• outside services			
outside personnel	5	6.4	6.6
lease payments			
other		332.7	396.5
TOTAL OPERATING COSTS INCURRED THROUGH THIRD PARTIES		**1,277.3**	**1,192.2**

(in millions of euros)	Notes	2022	2021
Taxes other than income tax			
• on compensation		4.4	4.1
• other		7.3	6.8
TOTAL TAXES OTHER THAN INCOME TAX		**11.7**	**10.9**
Personnel expense			
• wages and salaries		92.7	88.3
• payroll on-costs		39.4	38.0
TOTAL PERSONNEL EXPENSES	**5**	**132.1**	**126.3**
Depreciation, amortization and provisions for the year			
• depreciation of fixed assets		10.5	9.7
• provisions for fixed assets			
• provision for current assets		0.1	0.2
• provision for contingencies and losses		4.9	1.8
TOTAL DEPRECIATION AND PROVISIONS FOR THE YEAR		**15.5**	**11.7**
Sundry expenses		18.9	18.3
TOTAL II		**1,475.5**	**1,427.9**
1 – PROFIT FROM OPERATIONS (I-II)		**(63.2)**	**(60.6)**
NET PROFIT/(LOSS) FROM JOINT VENTURES			
PROFIT OR LOSS TRANSFERRED III			
LOSS OR PROFIT TRANSFERRED IV			
FINANCIAL INCOME			
From participating interests		115.4	118.4
From other long term marketable securities and receivables			
Other interest and similar income		775.1	3.8
Reversal of provisions and transfers of financial expenses		27.1	18.5
Foreign exchange gains		96.8	60.1
Net profits from sales of marketable securities			
TOTAL V		**1,014.4**	**200.8**
FINANCIAL EXPENSES			
Depreciation, amortization and provisions for the year		22.0	5.4
Interest and similar expenses		28.4	24.7
Foreign exchange losses		94.5	46.8
Net losses from sales of marketable securities		42.3	0.2
TOTAL VI		**187.2**	**77.1**
2 – NET FINANCIAL RESULT (V-VI)	**6**	**827.2**	**123.7**
3 – PRE-TAX PROFIT (LOSS) ON ORDINARY ACTIVITIES (I-II+III-IV+V-VI)		**764.0**	**63.1**

(in millions of euros)	Notes	2022	2021
EXTRAORDINARY INCOME			
From operations		0.1	1.8
From capital transactions			
• proceeds from disposal of fixed assets		3.7	1.1
• investment grants transferred to income			
• other			
Total from capital transactions		**3.7**	**1.1**
Reversal of provisions and transfers of extraordinary expenses		10.9	8.4
TOTAL VII		**14.7**	**11.3**
EXTRAORDINARY EXPENSE			
From operations		2.2	3.6
From capital transactions			
• carrying amount of capitalized assets and financial assets sold		6.3	15.8
• other		0.7	0.5
Total from capital transactions		**7.0**	**16.3**
Depreciation, amortization and provisions for the year			
• regulated provisions		13.3	14.3
• Depreciation and other provisions for the year		1.0	0.3
Total depreciation and provisions for the year		**14.3**	**14.6**
TOTAL VIII		**23.5**	**34.5**
4 – EXTRAORDINARY PROFIT (LOSS) (VII-VIII)	**7**	**(8.8)**	**(23.2)**
Employee profit-sharing	IX	2.4	4.1
Income tax	X 8	(6.6)	(17.4)
TOTAL INCOME (I+III+V+VII)	**XI**	**2,441.4**	**1,579.4**
TOTAL EXPENSES (II+IV+VI+VIII+IX+X)	**XII**	**1,682.0**	**1,526.2**
5 – NET PROFIT (LOSS)		**759.4**	**53.2**

COMPARATIVE BALANCE SHEETS AT DECEMBER 31

ASSETS

(in millions of euros)	Notes	2022 Gross	2022 Depreciation and write-downs	2022 Net	2021 Net
CAPITAL ASSETS					
Intangible assets					
Concessions, patents, licenses, brands, processes, software, rights and similar assets		128.8	93.0	35.8	30.2
Business goodwill		221.5		221.5	221.5
Other					
Intangible assets in progress		14.3		14.3	14.7
Advances and down-payments on intangible assets		0.4		0.4	0.3
		365.0	**93.0**	**272.0**	**266.7**
Property, plant and equipment					
Land		1.0	0.6	0.4	0.4
Suspense account					
Constructions		26.4	17.6	8.8	10.0
Technical installations, fixtures, machinery and equipment		48.4	41.0	7.4	8.8
Other		8.7	7.0	1.7	2.2
Property, plant and equipment under construction		0.8		0.8	1.5
Advances and down-payments		0.1		0.1	0.1
		85.4	**66.2**	**19.2**	**23.0**
Financial assets (a)					
Participating interests		1,810.1	145.0	1,665.1	1,396.8
Loans to and receivables from participating interests		646.8	0.8	646.0	636.8
Other long term financial assets		19.7	0.9	18.8	12.8
Loans		6.5		6.5	6.5
Other		23.2		23.2	23.8
		2,506.3	**146.7**	**2,359.6**	**2,076.7**
TOTAL I	**9**	**2,956.7**	**305.9**	**2,650.8**	**2,366.4**
CURRENT ASSETS					
Stock and work-in-progress					
Raw materials and other supplies		0.7	0.1	0.6	0.5
Work-in-progress (goods and services)					1.4
Finished and intermediate goods		16.9		16.9	14.4
Merchandise (goods purchased for resale)		0.3		0.3	0.3
		17.9	**0.1**	**17.8**	**16.6**
Advances and down-payments made to suppliers		**0.2**		**0.2**	**0.4**
Receivables from operations (b)					
Trade and other receivables		186.7	0.3	186.4	176.0
Other	10	38.9		38.9	38.4
		225.6	**0.3**	**225.3**	**214.4**

(in millions of euros)	Notes	2022 Gross	2022 Depreciation and write-downs	2022 Net	2021 Net
Sundry receivables (b)	**11**	**272.4**		**272.4**	**203.2**
Subscribed capital called and unpaid					
Marketable securities	12	144.8		144.8	115.4
Short-term financial instruments	13	53.0		53.0	6.8
Cash on hand and balance with banks		341.7		341.7	294.1
Prepaid expenses and suspense account (b)	14	62.8		62.8	16.1
TOTAL II		**1,118.4**	**0.4**	**1,118.0**	**867.0**
Expenses amortized over several financial years III					
Bond discounts to be amortized IV		**0.5**		**0.5**	**0.9**
Translation differences – Asset V	**15**	**17.7**		**17.7**	**5.9**
TOTAL ASSETS (I+II+III+IV+V)		**4,093.3**	**306.3**	**3,787.0**	**3,240.2**
(a) Of which less than a year (gross)				649.4	639.1
(b) Of which more than a year (gross)				2.9	0.9

LIABILITIES

(in millions of euros)	Notes	2022	2021
EQUITY			
Share capital (of which paid: 10.3)	17	7.9	10.3
Paid-in capital		22.1	22.1
Revaluation adjustments		0.1	0.1
Reserves:			
• Legal reserve		1.1	1.1
• Regulated reserves		0.2	0.2
• Other			487.6
Retained earnings		490.3	681.9
Profit for the year		759.4	53.2
Investment grants		0.2	0.2
Regulated provisions	18	47.4	42.9
TOTAL I	19	1,328.7	1,299.6
PROVISIONS FOR CONTINGENCIES AND LOSSES			
Provisions for contingencies		11.9	8.1
Provisions for losses		6.7	3.9
TOTAL II	20	18.6	12.0
Liabilities [a]			
Financial debt			
• Convertible bonds			
• Other bonds	21	923.9	763.5
• Bank borrowings [b]	22	101.8	22.5
• Sundry borrowings and financial liabilities	23	344.4	327.2
		1,370.1	1,113.2
ADVANCES AND DOWN PAYMENTS RECEIVED		0.1	0.1
Payables from operations			
• Trade and other payables		329.1	228.4
• Taxes payable and payroll and on-cost amounts payable		54.9	50.6
• Other	24	51.6	43.9
		435.6	322.9
Other liabilities			
• Amounts payable to fixed asset suppliers and related accounts		11.9	10.4
• Income tax payable			
• Other	25	504.7	462.9
		516.6	473.3
SHORT-TERM FINANCIAL INSTRUMENTS	13	64.2	12.8
DEFERRED INCOME AND SUSPENSE ACCOUNT	26	43.8	1.9
TOTAL III		2,430.4	1,924.2
Translation differences – Liability IV	15	9.3	4.4
TOTAL LIABILITIES (I+II+III+IV)		3,787.0	3,240.2
(a) Of which more than a year		1,289.8	1,059.0
Of which current/less than a year		1,076.3	852.3
(b) Of which current used bank facilities and cash in bank		1.4	2.3

APPENDIX TO THE ANNUAL FINANCIAL STATEMENTS

NOTE 1 | ACCOUNTING RULES AND METHODS

To give a true and fair view of the operating results of the past year and the financial position, assets and liabilities of the Company at the end of the year, the annual financial statements were prepared in accordance with French GAAP (generally accepted accounting principles) and the rules and regulations of France's accounting standards authority, the Autorité des Normes Comptables (ANC).

The recommended rules and methods were applied with respect to the general principles listed in the French Commercial Code, in particular those pertaining to a going concern, the independence of financial years, the recognition of items in the financial statements on a historical cost basis, prudence, and the permanence of accounting methods fromyear to year.

The various items recorded in the financial statements were measured using historical cost, except for property, plant and equipment, and financial assets adjusted under legal revaluations.

The principal methods used are as follows:

1.1 — INTANGIBLE ASSETS

These include:

- computer software, amortized over a period of five years, except for the PACE project to implement SAP, amortized over an eight-year period;
- goodwill from businesses acquired or received as consideration by Group entities is not amortized but is subject to annual impairment testing and is recorded under assets at acquisition cost;
- goodwill.

Impairment testing consists of comparing the net carrying amount of the asset to its recoverable amount, which is the higher of the asset's fair value or its value in use.

Value in use is obtained by adding the net present values of the future cash flows expected to be derived from the use of an asset or asset group and from the ultimate disposal of the asset.

The cash flows used to determine value in use are derived over five years from the business plans of entities using the brands. Revenue and future cash flow projections are based on reasonable and supportable assumptions in line with market data available for each user entity.

Incidental expenses are included in the acquisition cost.

All Research and Development costs are expensed in the year in which they are incurred. Start-up costs are also expensed in the year in which they are incurred.

1.2 — PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at acquisition cost (purchase price plus additional costs of bringing the assets to working condition), or production cost (excluding financial expense).

In accordance with the components approach (Article 214-9 of the French General Chart of Accounts), each item of property, plant or equipment is accounted for separately and assigned a specific depreciation schedule.

Assets are straight-line depreciated over the period they are actually used, as follows:

- administrative and commercial: 40 years;
- property fittings and fixtures: 10 years;
- machinery and equipment: 5 to 20 years;
- vehicles: 4 to 15 years;
- office furniture and equipment: 4 to 15 years.

In accordance with paragraph 111 of the French Official Tax Bulletin 4A-13-05, when the first original component's normal useful life exceeds the asset's useful life, the said component may be depreciated over the asset's useful life rather than over its normal useful life.

As such, the difference between tax depreciation (calculated according to terms allowed by French tax authorities, e.g. accelerated depreciation, extraordinary depreciation) and depreciation is posted under "Excess tax depreciation" in regulated provisions.

When subjected to impairment losses, all items, depreciable or not, are marked down to current value.

1.3 — FINANCIAL ASSETS

Participating interests and other long term investments are recognized on the balance sheet at their acquisition cost, less write-downs for impairment losses deemed necessary or prudent.

From January 1, 2007, the Company decided to integrate the transfer duties, fees and commissions arising from such acquisitions into the acquisition cost in accordance with Opinion 2007-C of the CNC (French Accounting Board), thereby qualifying them for a tax deduction in the form of excess tax depreciation over five years.

Equity securities are subject to an impairment when their carrying value is confirmed to be lower than their carrying amount. The carrying value is determined based on different criteria, including the market value, the value in use based on the present and provisional cash flows, and the re-evaluated equity.

The cash flow projections are based on five-year budget data taken from subsidiaries' business plans.

Bel SA shares purchased under authorizations granted by the Annual General Meeting are included under this heading at their acquisition cost.

- authorization to be granted to the Board of Directors for the Company to buy back its own shares in accordance with Article L. 22-10-62 of the French Commercial Code, duration of the authorization, purpose, terms and ceiling;
- authorization to be granted to the Board of Directors to cancel the shares purchased by the Company in accordance with Article L. 22-10-62 of the French Commercial Code, duration and limit of the authorization.

If necessary, write-downs for impairment losses based on the weighted average listed share price of the last month of the financial year are recorded.

1.4 — STOCK AND WORK-IN-PROGRESS

Stock is valued at the lower of its cost price and net realizable value. Cost price is calculated using the "weighted average cost" or the "first-in, first-out" method.

The cost of materials and supplies is stated at purchase price plus incidental expenses such as transport, commissions and transit.

Manufactured goods are valued at production cost including the cost of materials consumed, the depreciation of production assets, and direct or indirect production costs, excluding financial expense.

An impairment charge for stock is recognized when:

- the gross amount, as determined above, exceeds market value or net realizable value;
- goods have deteriorated.

The parent company primarily owns finished goods stock acquired from its French production company, Fromageries Bel Production France, with the aim of selling that stock, as well as work-in-progress stock (internally developed IT projects), which will be billed back to its subsidiaries.

1.5 — RECEIVABLES AND PAYABLES

Receivables and payables are recognized at nominal value.

Impairment losses are recognized based on the degree of non-recoverability of the receivables.

Bills for collection are recorded under "Trade and other receivables" once issued or received.

1.6 — MARKETABLE SECURITIES

Marketable securities are recorded at their purchase price, excluding incidental expenses, and are written down to market value at the closing date when closing value is less than their carrying amount.

1.7 — FOREIGN CURRENCY TRANSACTIONS

Income and expenses denominated in foreign currency are recorded in euros based on the exchange rate in effect at the transaction date.

Receivables, cash and debts denominated in foreign currency are translated into euros at the closing exchange rate at year-end.

The resulting translation differences are posted to:

- the income statement for cash and cash equivalents;
- the balance sheet under "translation differences" for receivables and debts.

Unrealized gains on translation differences are not recognized in the income statement.

Conversely, contingency provisions are booked for unrealized losses on foreign exchange transactions that are not offset.

1.8 — PROVISIONS FOR CONTINGENCIES AND LOSSES

Provisions for contingencies and losses are booked when the Company has an obligation to a third party at the balance sheet date in cases where the nature of the obligation is precisely known but there are uncertainties about the amount or timing of related outflows and are no expectations for at least an equivalent, offsetting obligation from the same third party.

Provisions for contingencies and losses are assessed using the most probable assumptions for future events.

1.9 — OBLIGATIONS ARISING FROM PENSIONS, RETIREMENT AND SIMILAR EMPLOYEE BENEFITS

Retirement obligations exclusively concern the allocation of post-employment benefits established by a collective bargaining agreement with the French dairy industry.

Post-employment benefits allocated to employees are not provisioned for but are recorded under off-balance sheet commitments.

Conversely, obligations arising from long service awards due to Bel SA employees are fully provisioned for, based on an actuarial valuation realized under the same conditions as post-employment benefits.

1.10 — FINANCIAL INSTRUMENTS

Bel SA is exposed to foreign exchange risks as a result of its international business and presence. Since 2002, the Company has implemented a central exchange rate policy that aims to hedge the budgetary risk on currency purchases and sales for all French, European and North American entities.

The Company hedges all exposure to exchange risks inherent to transactions denominated in foreign currency by using prime counterparty, market-listed derivative instruments, such as purchases and sales of foreign currency futures and options, thus limiting counterparty risk. The management period for the hedges does not exceed 18 months.

Conversely, exchange risk on net investment in foreign subsidiaries is not hedged, except for the amount of dividends receivable.

While receivables and debts denominated in foreign currency are recorded on the balance sheet in euros at year-end, unrealized net hedging results on transactions already realized have no impact on earnings unless they are losses (in which case a provision is set aside) or gains offsetting unrealized losses on hedging instruments marked to market at the balance sheet date (in which case a provision is not set aside).

Unrealized gains and losses arising from hedging transactions yet to be settled are deferred until the day the transactions are actually realized.

Pursuant to ANC 2015-05 for forward financial instruments and hedging, applicable to commercial and industrial companies for financial years beginning on or after January 1, 2017, foreign exchange gains and losses related to trade receivables/payables are recognized in operating income.

Since the majority of the Group's financing is arranged by Bel SA, management of interest rate risk is also centralized at this unit. All Bel SA financing is issued at floating rates.

To protect against an unfavorable rise in interest rates, while partially taking advantage of any interest rate declines, Bel SA hedged interest rate risk through interest rate swaps or collars which combine simultaneous cap purchases and floor sales.

1.11 — INCOME TAX

In France, Bel SA heads a tax consolidation group that includes the following entities: Fromageries Bel Production France, SASFR, Fromageries Picon, Société des Produits Laitiers, SOFICO, SOPAIC, Atad, and Fromagerie Boursin.

As the lead company, Bel SA is designated as the sole entity liable for corporate income taxes due by the tax consolidation group comprising it and the entities included in the tax consolidation scope.

Income tax that would be payable in the absence of tax consolidation is recorded in the financial statements of the consolidated subsidiaries. Tax savings or expenses related to tax losses or arising from adjustments are now integrated by the parent company and restored to the subsidiaries when they become profitable.

1.12 — INVESTMENT GRANTS

Investment grants are recorded under equity.

They are released to income, reported as extraordinary income and apportioned over the same schedule as the depreciation schedule of the assets they financed.

1.13 — REVENUE

Revenue from sales of goods, merchandise, raw materials and other goods and services rendered in the course of ordinary activities is recorded as soon as the transfer of ownership takes place or the service was rendered.

Revenue from sales is presented net of any discounts or allowances.

Charges arising from trade cooperation agreements with retailers are disclosed in "Other outside services" and presented in operating expenses. These amounts are estimated at the time revenue is recognized, on the basis of agreements and commitments with the customers concerned. It is recognized in the income statement when the products are transferred.

1.14 — ADVERTISING EXPENSES

Also included in "Other outside services" are advertising, promotional and public relations costs which are expensed in the year in which they are incurred.

1.15 — DISTINCTION BETWEEN INCOME FROM ORDINARY ACTIVITIES AND EXTRAORDINARY PROFIT (LOSS)

Income from ordinary activities represents the sum of operating income and net financial income. It therefore includes all income and expense directly related to the Company's ordinary activities.

Extraordinary income and expenses are comprised of material items that cannot be considered inherent to the Company's ordinary activities because of their nature or unusual character.

1.16 — USE OF ESTIMATES

In preparing its financial statements, the Company sometimes uses estimates and assumptions to determine the value of assets and liabilities, notably for provisions, participating interests and intangible assets.

These estimates and assumptions are made on the basis of information and positions known at the balance sheet date and may vary significantly from actual values.

NOTE 2 | MAIN EVENTS

FINANCIAL YEAR 2022

In the first half of 2022, the Group finalized a major strategic transaction initiated in 2016, by acquiring the remaining share capital of the MOM Group, thereby making it the owner of the Group's entire share capital and voting rights, in order to expand its offer of healthy food portions.

During the second half of 2022, the Group pursued its international expansion strategy by carrying out a number of key acquisitions, in line with its ambitions and strategic priorities.

Thus, in August 2022, Bel acquired 70% of the share capital of Shandong Junjun Cheese, contributing to the Group's ambition to grow in China, with cutting-edge production and innovation capacities.

On September 1, 2022, SICOPA was merged into Bel SA's accounts via a transfer of all assets and liabilities, resulting in a merger surplus of €770.6 million. The main financial impacts are described in Notes 6, 9, 16 and 19.

In November 2022, Bel and Britannia Industries Ltd (BIL), India's leading agri-food company, signed an agreement to create a joint venture to offer Indian consumers a range of world-class, nutritious, delicious and affordable cheese products. Given the strong growth of the cheese market in India, this joint venture will allow the company to benefit from the unparalleled distribution network of the Britannia Group, with the Group contributing its brand and cheese know-how. Bel holds a 49% stake in BDPL (Britannia Dairy Private Limited), a subsidiary that was wholly owned by Britannia.

On November 30, 2022, the Group also finalized the sale of its interests in the Moroccan entities Safilait and Ferme Tarmast to the Polmlek group.

NOTE 3 | REVENUE

The revenue presented takes into account the specific characteristics of the Group's sector in accordance with the French General Chart of Accounts.

REVENUE BY REGION

(in millions of euros)	2022	2021
France	540.8	640.3
Other European countries	368.3	339.1
Rest of the world	375.0	288.8
TOTAL	**1,284.1**	**1,268.2**

Revenue was up by 1.3% compared with the previous financial year (down by 4.18% in 2021).

At constant exchange rates, using the average exchange rate for the past financial year, revenue was down by 1.08% (down by 3.55% in 2021).

NOTE 4 | EXPENSE TRANSFERS

Transfer of expenses for a total amount of €28.3 million, included €10.7 million in advertising and retailing expenses, €3.3 million in personnel and expatriate expenses, and €11.7 million in other general management expenses.

NOTE 5 | COMPENSATION AND WORKFORCE

Management compensation (in millions of euros)	**2022**	**2021**
Directors' fees paid to members of the Board of Directors (included in "Other operating expenses")	0.2	0.2

The executive compensation expense incurred by BEL SA for 2022 was €6.3 million.
Note that the expense for the executives paid by Unibel is billed back to BEL SA.

	Personnel employed		**Personnel supplied to the Company**	
AVERAGE WORKFORCE	**2022**	**2021**	**2022**	**2021**
Executives and managers	730	746	1	0
Non-executive technicians and supervisors	286	285	1	5
Staff employees	76	77	1	1
Workers	0	0	0	0
TOTAL	**1,092**	**1,108**	**3**	**6**

NOTE 6 | FINANCIAL INCOME (EXPENSE)

Financial income (expense) concerns:

(in millions of euros)	**2022**	**2021**
Dividends	78.8	81.2
Income from receivables related to participating interests [(a)]	36.6	37.1
Merger surplus	770.6	
Gains from sales of marketable securities	(42.3)	(0.2)
Write-downs (and reversals) on exchange rate risks	(3.0)	(2.5)
Write-downs (and reversals) on participating interests	8.1	15.5
Interest income (expense)	(23.9)	20.9
Foreign exchange gains (losses)	2.3	13.4
TOTAL	**827.2**	**123.7**

(a) Revenue from receivables related to equity interests at the MOM Group (€35.4 million in 2022 vs. €35.9 million in 2021).

NOTE 7 | EXCEPTIONAL PROFIT (LOSS)

Exceptional profit (loss) consisted primarily of:

(in millions of euros)	2022	2021
Regulated provisions	(2.7)	(6.4)
Provisions for disputes and litigation and other extraordinary expenses	(2.9)	(2.9)
Net profit (loss) from disposals of fixed assets	(2.7)	(14.7)
Severance costs	0.0	(0.5)
Other extraordinary income	0.2	1.8
Loss on repurchase of shares awarded to employees	(0.7)	(0.5)
Share of investment grants transferred to income		
TOTAL	**(8.8)**	**(23.2)**

NOTE 8 | INCOME TAX

Income tax breaks down as follows:

(in millions of euros)	Current	Extraordinary	2022
Profit before tax and profit-sharing	764	(8.8)	755.2
Reintegration	38.1	(0.8)	37.3
Deductions	(867.8)		(867.8)
Tax basis before tax group combination	(65.7)	(9.6)	(75.3)
Impact from tax group combination			(4.0)
Tax credit			(2.7)
TOTAL CORPORATE INCOME TAX			**(6.7)**

EFFECT OF PROSPECTIVE INCREASES AND DECREASES

Tax base	Balance December 31, 2022	Changes in 2022	Balance December 31, 2022
TAX-BASE INCREASE			
Excess tax depreciation	49.3	6.6	42.7
Revaluation	1.8	0	1.8
Financial instruments	2.2	0.6	1.6
Other temporary differences	3.2	1.4	1.8
TOTAL 1	**56.5**	**8.6**	**47.9**
TAX-BASE DECREASE			
Employee benefits	9.9	-2.2	12.1
Discounting of deposits and guarantee deposits	2.0	0	2.0
Stock valuation difference	4.2	3.7	0.5
Provisions for risks and liabilities	0.1	0	0.1
Non-tax-deductible expenses	1.8	0	1.8
Employee profit-sharing	1.9	-2.4	4.3
Provision for asset write-downs	1.6	0	1.6
Leasing	1.5	0	1.5
Other temporary differences	2.6	-0.9	3.5
TOTAL 2	**25.6**	**-1.8**	**27.4**
TOTAL A: NET INCREASE IN BASE	**30.9**	**10.4**	**20.5**
PROSPECTIVE INCREASE/DECREASE IN INCOME TAX	**7.3**	**2.3**	**5.0**
2021 effective tax rate = 28.41% 2022 effective tax rate = 25.83%			

In 2022, the applicable corporate tax rate in France was 25% to which was added 3.3% for a total rate of 25.83%.

NOTE 9 | CAPITAL ASSETS

FINANCIAL YEAR 2022

STATEMENT OF FIXED ASSETS

(in millions of euros)	Gross amount at December 31, 2021	Increases	Decreases	Transfers	Gross amount at December 31, 2022
INTANGIBLE ASSETS					
Concessions, patents, licenses, brands, processes, software, rights and similar assets	116.8	3.8		8.2	128.8
Business goodwill	221.5				221.5
Other					
Intangible assets in progress	14.7	9.2	1.4	(8.2)	14.3
Advances and down-payments	0.3	0.2		(0.1)	0.4
PROPERTY, PLANT AND EQUIPMENT					
Real property	27.3	0.1	0.1	0.1	27.4
Technical installations, fixtures, machinery and equipment	48.3	0.5	1.0	0.6	48.4
Other	8.5	0.2			8.7
Property, plant and equipment under construction	1.5	(0.1)		(0.6)	0.8
Advances and down-payments	0.1				0.1
FINANCIAL ASSETS					
Participating interests	1,398.9	417.0	5.8		1,810.1
Other	680.8	810.4	795.0		696.2
TOTAL	**2,518.7**	**1,241.3**	**803.3**		**2,956.7**

STATEMENT OF DEPRECIATION AND AMORTIZATION

(in millions of euros)	December 31, 2021	Increases	Decreases	December 31, 2022
INTANGIBLE ASSETS	**85.0**	**6.4**	0.1	**91.3**
PROPERTY, PLANT AND EQUIPMENT				
Real property	16.9	1.4	0.1	18.2
Technical installations, fixtures, machinery and equipment	39.5	2.0	0.5	41.0
Other	6.3	0.7		7.0
TOTAL	**147.7**	**10.5**	**0.7**	**157.5**

INTANGIBLE ASSETS

The goodwill arising from the acquisition of Boursin totaled €220 million. An impairment test is carried out every year and no provision for impairment was required at December 31, 2022.

The change in this item relates mainly to internally developed IT projects, for €12 million.

PROPERTY, PLANT AND EQUIPMENT

The change of +€0.3 million in this item relates mainly to:

- the acquisition of equipment for the Research Centers (+€0.7 millions), La Maison de la Vache Qui Rit (+€0.1 millions), and the DSI (+€0.3 million).
- disposal of industrial equipment (-€0.5 millions).

FINANCIAL ASSETS

The gross value of participating interests increased by €411.2 million in 2022 (see table of subsidiaries and interests). This change is related to the following transactions:

Acquisition of shares for €338.4 million:

Newton Holding	184.8
MOMI	23.4
JUNJUN	66.0
BRITANNIA	57.3
FERME TARMAST	2.7
BEL CÔTE D'IVOIRE	4.2

Sale of shares for €5.8 million:

FERME TARMAST	5.8

Movements following the SICOPA transfer of assets and liabilities ("TUP") for €78.6 million:

Transfer of securities held by SICOPA to BEL SA	858.8
Cancellation of SICOPA shares at BEL SA	780.2

Receivables relating to participating interests consist of loans granted to the following subsidiaries (excluding accrued interest of €1.7 million):

Newton Holding	526.6
Materne North America	80.0
Bel Brands USA	32.8
Bel Tunisie Distribution	0.8

The Bel Tunisie Distribution loan has been written down 100% since 2009. Bel Tunisie Distribution is in court-ordered liquidation.

The Company held 75,417 treasury shares valued at €21.8 million, compared with 80,620 treasury shares valued at €22.7 million at December 31, 2021.

We also have a provision for dividends receivable in the financial statements in the amount of €4.9 million.

NOTE 10 | OTHER RECEIVABLES FROM OPERATIONS

This line item includes:

(in millions of euros)	2022	2021
Trade and other payables	17.5	20.4
VAT	21.1	17.0
Of which the reimbursements claimed for VAT credits	5.4	1.8
Other	0.3	1.0
TOTAL	**38.9**	**38.4**

NOTE 11 | SUNDRY RECEIVABLES

This line item includes:

(in millions of euros)	2022	2021
Income tax receivables	5.5	14.1
Current accounts	262.7	184.5
Tax consolidation accounts		
Other	4.2	4.6
TOTAL	**272.4**	**203.2**

On December 31, 2022, the gross value of outstanding cash advances to subsidiaries came to:

(in millions of euros)	2022	2021
Fromageries Bel Production France	73.6	34.1
Fromageries Bel Production France KSA		0.4
Bel Canada		11.4
Fromageries Boursin	7.5	1.7
Bel Brands Deutschland GmbH	8.0	19.8
Bel Italia Company SRL		0.1
Bel Syriy Cesko	1.1	
Bel Côte d'Ivoire	0.8	5.1
Bel Polska	14.5	4.3
MBMA	90.9	65.8
Mont Blanc	9.0	13.2
Bel Karper	2.7	4.7
Materne North America	40.5	
Materne Canada	0.6	
All In Foods	13.4	12.5
Other outstanding cash advances (less than €1,000)	0.1	
TOTAL	**262.7**	**173.1**

Additionally, the balance of income tax payable due by entities in the tax consolidation scope totaled €0.04 million versus €11.4 million in 2021.

NOTE 12 | MARKETABLE SECURITIES

Cash on hand, consisting mainly of marketable securities measured at the last known closing price or net asset value, totaled €144.8 million versus €115.4 million in 2021.

NOTE 13 | SHORT-TERM FINANCIAL INSTRUMENTS

Other short-term financial instruments include premiums paid (assets) and received (liabilities) on currency options and interest rate hedges marked to market at the balance sheet date.

Because these are for hedging purposes, the corresponding adjustments are posted to the following balance-sheet line items:

- prepaid expenses and unrealized losses on financial instruments; deferred income and suspense account for unrealized gains on financial instruments;
- they are treated according to the symmetry principle.

NOTE 14 | PREPAID EXPENSES

Prepaid expenses relating to *operational* activities totaled €5.2 million (€3.9 million in 2021) and those relating to *financial* activities amounted to €57.6 million (€12.1 million in 2021).

NOTE 15 | TRANSLATION DIFFERENCES

(in millions of euros)	Amounts	Differences offset	Provisions for foreign exchange losses[(a)]
TRANSLATION DIFFERENCES – ASSET			
• from long term investments	0.5	0.5	
• from trade receivables	4.0	2.5	1.5
• from cash instruments			
• from financial liabilities	13.1	7.2	5.9
• from debts	0.1	0.1	
TOTAL	**17.7**	**10.3**	**7.4**
UNREALIZED GAINS ON TRANSLATION DIFFERENCES			
• from long term investments	7.7	7.7	
• from trade receivables	0.4	0.3	
• from cash instruments			
• from financial liabilities			
• from debts	1.2	1.2	
TOTAL	**9.3**	**9.1**	

(a) From translation differences only.

NOTE 16 | PROVISIONS FOR IMPAIRMENT

(in millions of euros)	Amount at beginning of year	Increase (charged during the period)	Decrease (reversals)	Amount at year end
Intangible assets	1.6			1.6
Property, plant and equipment				
Financial assets	3.0	144.5	0.7	146.8
Stock and work-in-progress	0.1			0.1
Trade receivables	0.8		0.5	0.3
Sundry receivables				
Marketable securities		21.6	21.6	
TOTAL	**5.5**	**166.1**	**22.8**	**148.8**
Of which charges and reversals:				
posted to operating income/expenses			0.5	
posted to financial income/expenses		166.1	22.3	
posted to extraordinary income/expenses				

Provisions for financial assets and marketable securities mainly comprise reversals of provisions in the context of the transfer of all assets (TUP) from Sicopa (€151.9 million). Reversals of financial provisions comprise the reversal of the provision for the Safilait shares (€21.6 million) and Ferme Tarmast shares (€0.7 million).

NOTE 17 | CAPITAL

The share capital is made up of 5,280,863 shares with a par value of €1.50, of which 75,417 were held by the Company on December 31, 2022, carrying 10,073,183 voting rights exercisable at Annual General Meetings.

Double voting rights are attributed to any fully paid-up registered shares held for at least four years by the same shareholder. At December 31, 2022 a total of 4,867,737 double voting rights were available for exercise at Annual General Meetings.

NOTE 18 | REGULATED PROVISIONS

Provision charges and reversals corresponding to regulated provisions are recorded under extraordinary income.

(in millions of euros)	Amount at beginning of year	Increase (charged during the period)	Decrease (reversals)	Amount at year end
Provision for investment				
Provisions for price increases				
Excess tax depreciation	41.2	15.1	10.6	45.7
Special revaluation provisions[a]				
Reinvested capital gains	1.7			1.7
TOTAL	**42.9**	**15.1**	**10.6**	**47.4**

(a) Only concerns the constructions line item.

The decrease in excess tax depreciation was primarily related to intangible assets, in particular internally produced software.

NOTE 19 | CHANGES IN EQUITY

(in millions of euros)	
EQUITY AT DECEMBER 31, 2020	**1,240.0**
Revaluation adjustments	
Dividends (Combined AGM of May 14, 2021)	
Additional paid-in capital	
Cancellation of dividends on treasury shares	
Free reserves	
Investment grants	(0.1)
Regulated provisions	6.5
Profit for the year	53.2
EQUITY AT DECEMBER 31, 2021	**1,299.6**
Capital reduction (EGM of September 19, 2022)	(2.4)
Retained earnings (following capital reduction)	(210.2)
Revaluation adjustments	
Dividends (Combined AGM of May 12, 2022)	(35.0)
Additional paid-in capital	
Cancellation of dividends on treasury shares	0.4
Free reserves	(487.7)
Investment grants	
Regulated provisions	4.6
Profit for the year	759.4
EQUITY AT DECEMBER 31, 2022	**1,328.7**

In 2022, a reduction of capital was carried out through the cancellation of 1,591,472 shares with a par value of €1.50 held by the Company following the transfer of all assets and liabilities resulting from the dissolution without liquidation of SICOPA.

NOTE 20 | PROVISIONS FOR CONTINGENCIES AND LOSSES

(in millions of euros)	Amount at the beginning of the year	Increase (charged during the period)	Reversals – offset against expenses	Reversals – canceled provisions	Amount at year end
Disputes and litigation	2.1	1.0		0.2	2.9
Foreign exchange losses	4.9	7.9	4.9		7.9
Withholding tax	1.1	1.0	1.0		1.1
Stock option plan	3.3	3.8	0.9		6.2
Other	0.6			0.1	0.5
TOTAL	**12.0**	**13.7**	**6.8**	**0.3**	**18.6**
Of which charges and reversals:					
posted to operating income/expenses		*4.9*	*1.8*	*0.1*	
posted to financial income/expenses		*8.8*	*4.9*		
posted to extraordinary income/expenses			*0.1*	*0.2*	

NOTE 21 | OTHER BONDS

Three bond loans and nine Schuldschein loans make up this item:

- a first loan of €500 million contracted in April 2017 with a coupon of 1.50% on maturity on April 24, 2024, excluding accrued interest not yet due of €5.3 million;
- a second loan of €125 million contracted in October 2019 maturing in 2027 and 2029 and indexed to performance in terms of social and environmental responsibility, excluding accrued interest not yet due of €0.4 million;
- a third loan of $150 million (€132.5 million) contracted in November 2020, maturing in 2035, excluding accrued interest not yet due of $0.4 million (€0.3 million);
- one Schuldschein loan of €20 million at a fixed rate, maturing in 2023;
- five fixed-rate Schuldschein loans denominated in euros, maturing from 2025 to 2034;
- two Schuldschein loans denominated in euros and at a variable rate, maturing in 2027 and 2029;
- one Schuldschein loan of €10 million at a variable rate, maturing in 2027.

Accrued interest not yet due on all Schuldschein loans stands at €0.8 million.

All these bonds, which were fully subscribed at the issue date, were issued at par.

NOTE 22 | BANK BORROWINGS

This item is mainly composed of the Participative "Revival" Loan for €100 million, maturing in 2030.

NOTE 23 | SUNDRY BORROWINGS AND FINANCIAL LIABILITIES

This item mainly consists of:

- debts related to investments with Grupo Fromageries Bel España for €140.3 million – accrued interest included (136.2 million in 2021), and with Bel Egypt Expansion for Cheese for €9.6 million – accrued interest included (€8.9 million in 2021);
- other "Treasury notes" loans for €72.5 million (€110 million in 2021), NEU MTM long-term for €70 million (€60 million in 2021) and NEW MTM short-term for €51 million (€10 million in 2021);
- the employee profit-sharing scheme of €1.2 million – accrued interest included (€1.8 million in 2021).

NOTE 24 | OTHER DEBTS FROM OPERATIONS

This line item consists entirely of trade and related receivables amounting to €51.6 million versus €43.9 million in 2021.

NOTE 25 | OTHER SUNDRY PAYABLES

(in millions of euros)	2022	2021
Of which:		
Interest-bearing advances from Group entities, excluding accrued interest	498.9	457.3
Excess payment of income tax of entities included in the tax combination	1.0	0.4
Accrued social debt for employee profit-sharing plan	2.7	4.3
Other	2.1	0.9
TOTAL	**504.7**	**462.9**

NOTE 26 | DEFERRED INCOME AND SUSPENSE ACCOUNT

Deferred income concerns *financial* income of €43.8 million (€2 million in 2021).

NOTE 27 | EFFECT OF TAX EXEMPTION ASSESSMENTS

(in millions of euros)	2022	2021
Net profit for the year	759.4	53.2
Income tax	(6.6)	(17.4)
PROFIT BEFORE TAX	**752.8**	**35.8**
Change in regulated provisions	4.6	6.5
PROFIT BEFORE TAX EXCLUDING ASSESSED TAX EXEMPTIONS	**757.3**	**42.3**

NOTE 28 | DEFERRED INCOME, ACCRUED EXPENSES, PAYABLES AND RECEIVABLES REPRESENTED BY BILLS OF EXCHANGE

DEFERRED INCOME

(in millions of euros)	2022	2021
Trade and other receivables	21.7	3.1
Other receivables from operations	26.4	30.4
Sundry receivables		
Cash on hand and balance with banks	0.3	0.1
TOTAL	**48.4**	**33.6**

ACCRUED EXPENSES

(in millions of euros)	2022	2021
Bonds	6.8	6.0
Bank borrowings	0.5	0.3
Sundry borrowings and financial liabilities	12.5	8.3
Trade and other payables	99.2	85.8
Taxes payable and payroll and on-cost amounts payable	47.2	43.2
Other debts from operations	39.4	43.3
Amounts payable to fixed asset suppliers and related accounts	0.8	0.6
Other sundry payables	0.3	
TOTAL	**206.6**	**187.5**

RECEIVABLES AND PAYABLES REPRESENTED BY BILLS OF EXCHANGE

(in millions of euros)	2022	2021
Trade and other receivables	0.3	0.2
Trade and other payables		
Amounts payable to fixed asset suppliers and related accounts		

The Company does not make payments by bills of exchange but settles its payables by bank transfer.

NOTE 29 | FINANCIAL COMMITMENTS

(in millions of euros)	2022	2021
COMMITMENTS GIVEN		
Bank guarantees	0.2	0.2
Guarantees given for a foreign subsidiary (Bel Rouzaneh and Bel Australia)	0.2	0.2
Partnership liability in GIEs, SCIs, etc.		
Retirement indemnities (see Note 29.1)	10.0	12.1
of which managers	0.1	
TOTAL	**10.4**	**12.5**
COMMITMENTS RECEIVED		
Syndicated credit lines (see Note 29.2)	550.0	520.0
Non-received funding (Schuldschein lines)	73.3	
Export receivable guarantees	6.9	7.5
TOTAL	**630.2**	**527.5**
RECIPROCAL COMMITMENTS (EXCLUDING CURRENCY FUTURES AND FINANCIAL LEASES)		
Real estate rentals (see Note 29.3)	36.0	41.4
• less than one year	7.2	6.9
• from one to five years	28.8	27.6
• over five years		6.9
Put on All in Foods minority interests	27.5	27.5
Asset rentals	2.9	3.4
• less than one year	1.2	1.8
• from one to five years	1.7	1.6
• over five years		
Asset orders	1.6	3.4
Stock option plan (see Note 29.4)	7.5	3.2
TOTAL	**75.5**	**78.9**

29.1 — OBLIGATIONS ARISING FROM PENSIONS, RETIREMENT AND SIMILAR EMPLOYEE BENEFITS

Post-employment benefits were subject to an actuarial valuation using the projected unit credit method based on the following assumptions:

- voluntary retirement (giving rise to the additional payment of payroll on-costs) at the age of:
  - 62 and progressively 65 depending on the year of birth for managers and executives,
  - 60 years and progressively 63 years for technicians, supervisors and other employee categories;
- length of service, mortality rate and employee turnover rate;
- the discount rate and the rate of inflation:
  - 2022: 3.75% including an inflation rate of 2.1%,
  - 2021: 1.1% including an inflation rate of 1.8%.

In accordance with the position of the IFRIC, validated by the IASB at the end of May 2021, for post-employment schemes, with conditions of presence and depending on the number of years of service, the services rendered are recognized only on the last years of service that confer rights on the employees at the time of their departure.

Post-employment benefits earned by employees are not provisioned for but recorded under off-balance sheet commitments (see above).

29.2 — FINANCIAL INSTRUMENTS

29.2.1 — MARKET RISK MANAGEMENT

The Treasury department, which is attached to the Group Finance Department, has the requisite skills and tools to manage market risk. The department reports to Management on a monthly basis and makes regular presentations to the Audit Committee.

29.2.2 — FINANCIAL AND LIQUIDITY RISK MANAGEMENT

At December 31, 2022, the Group had significant liquidity including:

- a confirmed syndicated credit line of €550 million maturing in 2027, or 2028 and 2029 if extended. This line has not been drawn;
- a €500 million commercial paper program, of which €72.5 million has been used;
- a NEU MTN program of €200 million, of which €120 million has been used;
- a Euro PP bond loan of €125 million maturing in 2027 and 2029, contracted with private investors;
- a €500 million bond listed on Euronext maturing in April 2024;
- a private bond issue in the form of a USPP under French law of $150 million maturing in November 2035;
- a €122 million Schuldschein and a $10 million Namensschuldverschreibung private bond in Schuldschein format, and maturing from 2025 to 2034;
- a €100 million "Recovery" Participative Loan maturing in 2030.

Surplus liquidity is invested in money-market mutual funds, term deposit accounts or short-term certificates of deposit.

In its syndicated credit lines, its private placements (Euro PP and US PP) and the Schuldschein and Namensschuldverschreibung, Bel SA has committed to keeping its financial leverage ratio below 3.75 over the entire life of the medium and long term financing mentioned above. Failure to meet the ratio could trigger the repayment of a significant part of the debt. On December 31, 2022, the ratio stood at 2.27 versus 2.03 on December 31, 2021.

The Group implemented a policy of pooling liquidity at the Bel level for all countries where the local currency is freely convertible and where there are no legal or fiscal limits on pooling local surpluses or liquidity needs. Internal current accounts and intragroup compensation payment systems are managed by the Group Treasury department.

29.2.3 — FOREIGN EXCHANGE RISK MANAGEMENT

Bel SA is subject to foreign exchange rate fluctuations as a result of its international operations and presence.

Bel SA is exposed to foreign exchange risk on sales recognized on the balance sheet as well as foreign exchange risk on highly probable future transactions when such business is transacted in currencies other than their functional currency, e.g. imports, exports and financial transactions.

HEDGING POLICY FOR FOREIGN EXCHANGE EXPOSURE

The management policy is to hedge risk on transactions denominated in foreign currency through the use of derivative financial instruments.

The Group implements a central exchange rate policy that aims to hedge the annual budgetary risk on currency purchases and sales for deliverable currencies. The Group Treasury department provides these entities with the necessary currency hedges. The Group Treasury department is not a profit center.

Bel also hedges exchange rate exposure arising from the payment of intragroup dividends denominated in foreign currency.

When the budget is prepared, budgeted currency prices are set according to market conditions for use as benchmarks to set up hedges. The management period for budgeted hedges does not exceed 18 months. On December 31, 2022, the maturity of the derivatives portfolio did not go beyond January 31, 2024. Cash flow from the budgeted 2022 and 2023 hedges is expected in 2023 and will thus impact income in 2023.

HEDGING OF FOREIGN EXCHANGE RATE FLUCTUATIONS ON IMPORTS, EXPORTS AND FINANCIAL TRANSACTIONS

Group entities recalculate their net foreign exchange exposures periodically during each budgetary review. To manage its exposure, the Group mainly uses forward contracts, currency options and cross-currency swaps.

HEDGING POSITIONS FOR FOREIGN EXCHANGE, INTEREST RATE AND RAW MATERIALS RISKS VERSUS THE PREVIOUS YEAR

VALUE OF HEDGES SECURED BY BEL SA

Category of transactions (in millions of euros)	December 31, 2022 Market value	December 31, 2021 Market value
FORWARDS	**7.8**	**(4.1)**
CURRENCY OPTIONS	**4.7**	**(1.0)**
CURRENCY SWAPS	**(0.3)**	**(0.1)**
TOTAL PORTFOLIO RELATED TO FOREIGN EXCHANGE	**12.2**	**(5.2)**
TOTAL PORTFOLIO RELATED TO INTEREST RATES	**(26.0)**	**(6.3)**
Total Bel group	(13.8)	(11.5)
Total Assets – non-current	6.1	0.1
current	16.1	4.1
Total Liabilities – non-current	(31.4)	(6.4)
current	(4.6)	(9.4)

On December 31, 2022, Bel SA had secured the following hedges:

Category of transactions (in millions of euros)	Cross	December 31, 2022 Commitment	December 31, 2022 Total	December 31, 2021 Commitment	December 31, 2021 Total
Portfolio related to foreign exchange risk					
1 – FORWARDS					
Forward purchase	EUR GBP	48.3	1.5	37.6	(0.9)
Forward sale	EUR PLN	38.1	1.2	32.5	(0.4)
Forward purchase	EUR PLN	3.0	-	–	–
Forward purchase	EUR USD	198.7	3.7	128.3	(2.7)
Forward sale	EUR USD	4.6	0.1	3.4	0.2
Forward purchase	Other	58.4	1.0	63.2	(0.4)
Forward sale	Other	11.0	0.3	0.9	0.2
2 – CURRENCY OPTIONS					
Call purchase	EUR GBP	58.5	1.4	51.5	0.3
Call sale	EUR GBP	4.5	-	-	-
Put sale	EUR GBP	31.5	(0.1)	25.6	(0.3)
Put purchase	EUR PLN	46.5	1.1	30.0	0.2
Call sale	EUR PLN	16.0	(0.1)	11.3	(0.2)
Call purchase	EUR USD	244.2	3.1	93.2	0.1
Put sale	EUR USD	165.0	(1.8)	42.7	(1.3)
Call purchase	Other	37.2	1.5	56.0	0.5
Put sale	Other	17.5	(0.4)	25.0	(0.4)
Call sale	Other	-	-	2.0	-
3 – CURRENCY SWAPS					
Swap purchase	EUR GBP	2.6	-	-	-
Swap sale	EUR GBP	29.1	(0.3)	22.9	-
Swap purchase	EUR PLN	19.7	0.1	-	-
Swap sale	EUR PLN	4.2	-	3.0	-
Swap purchase	EUR USD	23.4	-	-	-
Swap sale	EUR USD	96.6	(0.2)	84.4	(0.1)
Swap sale	Other	36.3	0.1	18.2	-
Swap purchase	Other	12.6	-	10.5	-
TOTAL PORTFOLIO RELATED TO FOREIGN EXCHANGE			**12.2**		**(5.2)**
Total Assets – non-current			0.7		0.1
current			16.1		4.1
Total Liabilities – non-current			(0.1)		(0.1)
current			(4.6)		(9.4)

The transactions are expressed according to the direction of the cross-currency: Examples:

- forward purchase EUR USD means the Group is buying EUR and selling USD;
- call purchase EUR GBP means the Group is buying a EUR call/GBP put option;
- swap on futures sales EUR GBP means that the Group borrows EUR so is selling futures on EUR, lends GBP so is purchasing futures on GBP.
- NIH: Documented strategies for net investment hedges in foreign currency
- CFH: Documented strategies for hedging highly probable foreign currency cash flows

Bel SA guarantees its subsidiaries' foreign currency denominated budget year flows through annual foreign exchange guarantees which are issued once the previous budget year has been collected. At December 31, 2022, Bel SA's subsidiary hedging portfolio hedged only subsidiaries' foreign exchange risks relating to the 2022 budget year and collected in 2023.

The Group's main currency exposure is the US dollar, the Pound Sterling and the Polish Zloty. The valuations shown exclude the impact of deferred taxes.

On December 31, 2022, the 2023 budget net exposure (realized and future) relative to the main currencies was hedged at a ratio between 81% and 100%, depending on the currency managed. Currency fluctuation gains and losses arising from the recognition of sales and purchasing transactions of Group entities can thus be offset up to the hedge amount by gains and losses from the hedges.

Hedge measurements comply with market practices in terms of data for yield curves, foreign exchange rates and volatility curves, as well as valuation models. The Treasury department has the requisite in-house means for calculating the valuations. However, the Bel group uses an external provider to determine the valuations.

29.2.4 — INTEREST RATE RISK MANAGEMENT

Most of the Group's financing is arranged by Bel, which also handles interest rate risk management centrally. The policy governing interest rate derivatives is designed to protect against an unfavorable rise in interest rates while partially taking advantage of any interest rate declines.

At December 31, 2022, the Group hedged interest rate risk through interest rate swaps:

Category of transactions (in millions of euros)	Currencies	December 31, 2022		December 31, 2021	
		Commitment	Total	Commitment	Total
Portfolio related to interest rate					
Fixed-rate borrower swaps	EUR	125.0	5.4	35.0	(0.2)
Fixed-rate receiver swaps	EUR	72.5	(11.2)	72.5	(0.9)
Fixed-rate receiver swaps	USD	70.3	(20.2)	66.2	(4.9)
Fixed-rate borrower cross currency swaps	EUR/CAD	-	-	5.2	(0.2)
TOTAL PORTFOLIO RELATED TO INTEREST RATES			**(26.0)**		**(6.3)**
Total Assets – non-current			5.4		-
current			-		-
Total Liabilities – non-current			(31.4)		(6.3)
current			-		

The following hedging balance corresponds to hedges on some of Bel SA's floating-rate loans.

CHANGE IN INTEREST RATE HEDGING PORTFOLIO ON DECEMBER 31, 2022

(in millions of euros)		2023	2024	2025	2026	2027	2028	2029	2030 > 2035
Interest-rate swaps	EUR	197.5	137.5	137.5	137.5	137.5	31.3	31.3	-
Interest-rate swaps	USD	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0

29.2.5 — COUNTERPARTY RISK MANAGEMENT

All short-term cash investments and financial instruments are arranged with major counterparties in accordance with both safety and liquidity rules. "Major counterparties" are mainly French banks from the banking pool. Money-market mutual funds offering daily liquidity or certificates of deposit account for most of the short-term cash investments.

The DVA (Debt Value Adjustments) and CVA (Credit Value Adjustments) of the Group's foreign exchange and interest rate hedges were not material at December 31, 2022.

29.2.6 — RAW MATERIALS RISK MANAGEMENT

At December 31, 2022, Bel SA had no raw materials risk.

29.2.7 — EQUITY RISK MANAGEMENT

At December 31, 2022 Bel SA had no equity derivatives.

29.3 — ASSET RENTALS

By signing a lease on its future head office in the first half of 2014, the Group made a firm commitment to pay rent on the new premises over the next five years, representing a total amount of €35.9 million.

29.4 — EXISTING BONUS SHARE PLANS

The commitment given corresponds to the difference between the award amount, which takes into account the rate of completion of performance milestones, and the provision recorded in the amount of €6.3 million.

A breakdown of bonus share plans is presented in the following table:

(in millions of euros)	Plan 2022b shares	Plan 2022a shares	2020 Plan cash	2020 Plan shares	Total
Number of shares awarded originally[(a)]	18,430	15,324	6,245	14,748	
Award criteria: percentage provisioned	100	100	100	100	
number of shares awarded at December 31, 2022	17,917	14,801	5,120	12,085	
Share value in €	280.00	277.01	289.00	183.81	
Amount expensed in 2020			0.9	1.3	2.2
Amount expensed in 2021			0.4	0.3	0.7
Amount expensed in 2022	1.8	1.9	0.5	0.4	4.6

(a) Authorized by the Board of Directors.

Also included in personnel expenses is the provision for the 2020 Bel SA cash plan totaling €0.6 million and representing 8,905 shares, the provision for the 2022a Bel SA cash plan totaling €0.3 million and representing 11,381 shares, and the provision for the 2022b Bel SA cash plan totaling €0.2 million and representing 14,198 shares.

29.5 — OTHER COMMITMENTS

DISPUTES AND LITIGATION

The Group is engaged in a certain number of disputes and litigation in the normal course of its business. Provisions were booked for any probable and measurable costs that might arise from these lawsuits and disputes. Management knows of no dispute carrying significant risk that could adversely impact the Company's earnings or financial position that has not been provisioned for at the end of the financial year.

NOTE 30 | PARENT COMPANY CONSOLIDATING THE GROUP'S FINANCIAL STATEMENTS

The financial statements of Bel SA, the parent company of the Bel group, are included in the consolidation of the Unibel group, which has its headquarters at 2, allée de Longchamp, 92150 Suresnes. A copy of the financial statements can be obtained at this address and can also be consulted on the website www.groupe-bel.com.

NOTE 31 | SUBSEQUENT EVENTS

On January 17, 2023, the Bel group made a partial repurchase offer for its €500 million in bonds, bearing interest at a fixed rate of 1.50%, maturing in April 2024, issued in 2017. On January 25, 2023, at the conclusion of this transaction, the nominal amount accepted by Bel under the Buyback Offer was €198.2 million. The redeemed Bonds will be canceled. The remaining outstanding nominal amount of the Bonds is €301.8 million.

NOTE 32 | STATEMENT OF MATURITIES AND DEBTS

(in millions of euros)	Gross amount	Maturity: 1 year or less	Maturity: more than 1 year[e]
RECEIVABLES			
Fixed asset receivables:			
Loans to and receivables from participating interests	646.8	646.8	
Loans[a]	6.5	0.4	6.1
Other	42.9	2.2	40.7
Current asset receivables:			
Trade and other receivables	186.7	186.7	
Other	311.2	311.2	
Prepaid expenses	62.8	59.9	2.9
TOTAL	**1,256.9**	**1,207.2**	**49.7**
DEBTS			
Other bonds[b]	923.9	26.9	897.0
Borrowings[b] and current used facilities at banks[c]	101.8	1.8	100.0
Sundry borrowings and financial liabilities[b][d]	344.4	273.4	71.0
Trade and other payables	329.1	329.1	
Taxes payable and payroll and on-cost amounts payable	54.9	46.4	8.5
Amounts payable to fixed asset suppliers and related accounts	11.9	11.9	
Income tax payable			
Other liabilities[d][e]	556.3	556.3	
Deferred income	43.8	43.8	
TOTAL	**2,366.1**	**1,289.6**	**1,076.5**

(a) Loans granted during the financial year	0.4
Loans recovered during the financial year	
(b) Borrowings subscribed during the financial year	666.5
Borrowings reimbursed during the financial year	415.4
(c) Of which:	
originally no more than two years	1.8
originally more than two years	100.0
(d) To associates (line item: Other debts)	499.9
(e) Debts maturing in more than five years	

ELEMENTS CONCERNING AFFILIATES AND PARTICIPATING INTERESTS

	Amounts concerning businesses	
(in millions of euros)	affiliates	in which the Company has an equity interest
Participating interests	1,651.7	13.4
Loans to and receivables from participating interests	646.0	
Other long term financial assets	21.8	
Loans		
Other financial investments		
Trade and other receivables	107.5	
Other current assets	268.1	
Subscribed capital called and unpaid		
Sundry borrowings and financial liabilities	149.8	
Trade and other payables	210.9	
Amounts payable to fixed asset suppliers and related accounts		
Other liabilities	516.9	
Dividends and interest income	115.4	
Other financial income	3.2	
Financial expenses	8.3	

RELATED-PARTY TRANSACTIONS

CASH MANAGEMENT AGREEMENT WITH UNIBEL

At December 31, 2022, the Company had received a €18.1 million cash advance from Unibel. The advance, bearing interest at the ESTR rate plus the Applicable Margin, generated a financial expense of €0.3 million recorded in 2022.

SERVICE AGREEMENT WITH UNIBEL

In 2022, €2.6 million were expensed under the service agreement with Unibel.

OPERATING EXPENSES BILLED BACK TO BEL SA BY UNCONSOLIDATED GROUP ENTITIES

In 2022, a total of €10.2 million in operating expenses were billed back to Bel SA.

TABLE OF SUBSIDIARIES AND PARTICIPATING INTERESTS

FINANCIAL YEAR 2022

Companies	Capital [a]	Equity other than share capital [a]	% capital held	Carrying amount of shares held: Gross	Carrying amount of shares held: Net	Outstanding loans and advances granted by the Company	Amount of endorse-ments, guarantees and letters of intent provided by the Company	Dividends collected by the Company during the financial year	Revenue	Net profit
	(in millions)						(in millions of euros)		(in millions)	
I – DETAILED INFORMATION										
Subsidiaries (more than 50%-owned by the Company):										
French entities										
Fromageries Picon	€0.6	€2.3	99.980	5.6	5.6			0.5	€0.9	€0.5
Fromageries Bel Production France	€48.9	€154.3	100.000	132.2	132.2	73.6		10.3	€722.3	€14.1
SAS des Fermiers Réunis	€7.2	€12.1	99.858	18.1	18.1			0.1	€1.5	€1.1
Sofico	€2.3	€9.5	99.996	2.4	2.4			2.3	€0.0	€2.0
Fromagerie Boursin SAS	€2.8	€19.4	100.000	23.6	23.6	7.5		1.0	€82.2	€0.9
LVQR Diffusion	€0.05	€0.5	100.000	0.1	0.1				€0.6	€0.0
Atad	€0.3	(€0.1)	100.000	0.4	0.2				€0.0	€0.0
Newton Holding	€253.2	€250.4	97.280	516.0	516.0	526.6			€14.8	(€12.6)
MOM INVESTISSEMENT	€6,6	€40.2	100.000	40.4	40.4				€0.0	€0.0
All In Foods	€0.1	€1.9	80.000	56.4	56.4	13.4			€12.8	€0.8
Foreign entities										
Bel UK	GBP 27.3	GBP 26.1	100.000	39.4	39.4				GBP 116.3	GBP 5.8
Bel Belgium	€15.0	€36.1	99.784	15.5	15.5				€80.8	€3.2
Bel Karper Gida Sanayi	TRY 124.3	(TRY 71.0)	100.000	51.4	13.0	2.7			TRY 358.4	TRY (7.9)
Bel Nederland	€0.0	€38.0	100.000	31.8	31.8				€28.1	€0.7
Grupo Fromageries Bel España	€19.6	€242.5	100.000	197.5	197.5				€58.2	€10.1
Bel Nordic	SEK 1.5	SEK 30.9	100.000	1.5	1.5	0.0			SEK 248.6	SEK 5.4
Bel Suisse	CHF 5.5	CHF 10.1	100.000	3.3	3.3				CHF 35.9	CHF 1.1
Bel Africa	MAD 348.3	(MAD 311.9)	100.000	32.1	3.4				MAD 0.0	MAD (51.9)
Fromageries Bel Maroc	MAD 46.2	MAD 675.3	66.072	1.4	1.4				MAD 1,534.1	MAD (0.8)
Bel Brands USA	USD 0.0	USD 206.5	100.000	238.0	238.0	29.2			USD 504.9	USD 16.7
Fromageries Bel Canada	CAD 8.0	CAD 78.3	100.000	5.6	5.6				CAD 189.2	CAD 13.1
KÄVEBE	€26.0	(€1.5)	100.000	0.0	0.0					
Fromageries Bel Côte d'Ivoire	XOF 300.0	(XOF 552.6)	100.000	9.2	0.0	0.8			XOF 1,145.5	XOF (1,127.5)
Bel Rouzaneh Dairy Products Company	IRR 2,798,774.7	IRR 5,051,855.2	70.000	69.0	15.1				IRR 17,436,240.0	IRR 3,174,020.0
Bel Middle East	AED 1,900.0	AED 2,652.6	100.000	0.4	0.4				AED 21,963.6	AED 1,515.2

Companies	Capital [a]	Equity other than share capital [a]	% capital held	Carrying amount of shares held: Gross	Carrying amount of shares held: Net	Outstanding loans and advances granted by the Company	Amount of endorse-ments, guarantees and letters of intent provided by the Company	Dividends collected by the Company during the financial year	Revenue	Net profit
		(in millions)						(in millions of euros)	(in millions)	
Bel Polska	PLN 126.0	PLN 8.8	100.000	31.5	31.5	14.5		2.0	PLN 579.5	PLN 8.1
Bel Slovenko	€42.5	€4.2	99.491	42.4	42.4				€114.6	(€0.1)
Bel Syry Cesko	CZK 152.0	CZK 24.6	100.000	19.1	19.1	1.1			CZK 1,240.5	CZK (40.0)
Bel Tunisie - Tunis/Tunisia	TND 3.0	(TND 7.7)	99.167	2.1	0.0					
Fromageries Bel Hellas	€0.2	€0.8	100.000	0.2	0.0				€9.4	€0.1
Bel Algérie SpA	DZD 3,318.9	DZD 3,877.1	99.997	21.3	21.3			0.8	DZD 9,904.4	DZD 570.6
Bel Egypt Expansion For Cheese Production	EGP 164.7	EGP 970.4	81.823	15.1	15.1			4.5	EGP 2,230.9	EGP 351.3
SIEPF	MAD 26.0	MAD 45.2	99.998	2.4	2.4				MAD 261.0	MAD 9.5
Bel Japon	JPY 530.0	JPY 1,256.1	100.000	4.0	4.0				JPY 9,046.2	JPY 1,138.1
BEl LE (Shanghai)	CNY 41.5	CNY 20.7	100.000	5.8	5.8				CNY 229.3	CNY 8.2
Bel Cheese Korea	KRW 4,950.0	KRW 748.4	100.000	4.0	4.0				KRW 21,831.3	KRW 721.0
Bel Vietnam	VND 298,259.9	VND 299,598.0	100.000	11.5	11.5			0.2	VND 905,647.1	VND 97,044.0
Quesos Bel Mexico	MXN 8.0	MXN 14.2	100.000	0.4	0.4				MXN 0.0	MXN 0.0
Bel PMO Beyrouth	LBP 600,000.0	LBP 335,074.2	99.900	0.3	0.3				LBP 6,109,984.9	LBP 345,669.5
Bel India	INR 36.0	INR 415.7	100.000	18.1	5.9				INR 177.2	INR (297.8)
Bel South Africa (PTY) LTD	ZAR 43.8	(ZAR 4.3)	100.000	2.8	2.8				ZAR 106.3	ZAR 4.2
Bel Senegal SA	XOF 400.0	XOF 202.7	100.000	0.6	0.6				XOF 4,090.5	XOF 181.8
Bel Brands Deutschland GmbH	€0.0	€1.9	100.000	0.0	0.0	8.0			€107.8	€1,551.5
Bel Italia SRL	€0.3	€0.2	100.000	0.3	0.3				€7.4	€0.1
Shandong Junjun Cheese	CNY 33.0	CNY 117.5	63.000	66.1	66.1				CNY 187.5	CNY 10.1
Bel Tunisie Marketing			100.000							
II – GENERAL INFORMATION										
Subsidiaries not covered in paragraph I										
A) FRENCH SUBSIDIARIES (AGGREGATE)										
b) Foreign subsidiaries (aggregate)				57.3	57.3					
Interests not covered in paragraph I										
a) In French entities (aggregate)										
b) In foreign entities (aggregate)										

(a) French GAAP data for French entities and IFRS data for foreign entities.

INVENTORY OF INVESTMENTS AND PARTICIPATING INTERESTS

(in millions of euros)		Net carrying amount in 2022 balance sheet	Net carrying amount in 2021 balance sheet
PARTICIPATING INTERESTS			
French entities			
246,271,745	NEWTON HOLDING	516.0	331.2
6,565,488	MOMI	40.4	17.0
3,706,666	FROMAGERIES BOURSIN SAS	23.6	23.6
239,660	SAS DES FERMIERS RÉUNIS “SAS FR”	18.1	18.1
	SOCIETE INDUSTRIELLE COMMERCIALE ET DE PARTICIPATION “SICOPA”		780.2
132,208,521	Fromageries Bel Production France	132.2	132.2
155,914	Société Financière et Commerciale “SOFICO”	2.4	2.4
19,996	FROMAGERIES PICON	5.7	5.7
10,000	Atad	0.2	0.4
999	SOCIETE DES PRODUITS LAITIERS “SPL”		
3,333	LVQR DIFFUSION		
1,200	All In Foods	56.4	56.4
Entities with a net carrying amount below €15 per category of shares			
		795.0	**1,367.2**
Foreign entities			
163,337	BEL EGYPT EXPANSION FOR CHEESE PRODUCTION	15.1	7.2
3,318,882	BEL ALGÉRIE SpA	21.3	21.2
595	BEL TUNISIE		
100	BEL VIETNAM	11.5	1.1
10	KÄVEBE	0.0	
1,900	BEL MIDDLE EAST	0.4	
1,000	BEL TUNISIE MARKETING	0.0	
27,255,175	BEL UK	39.4	
1,138,577	BEL BELGIUM	15.5	
1,215,513,664	BEL KARPER GIDA SANAYI	13.0	
1,000	BEL NEDERLAND	31.8	
3,254,751	GRUPO FROMAGERIES BEL ESPANA	197.5	
1,500	BEL NORDIC	1.5	
54,824	BEL SUISSE	3.3	
3,482,996	BEL AFRICA	3.4	
305,253	FROMAGERIES BEL MAROC	1.4	
150	BEL BRANDS USA	238.0	
800,000	FROMAGERIES BEL CANADA	5.6	
300,000	FROMAGERIES BEL CÔTE D’IVOIRE	0.0	

(in millions of euros)		Net carrying amount in 2022 balance sheet	Net carrying amount in 2021 balance sheet
699,693,663	BEL ROUZANEH DAIRY PRODUCTS COMPANY	15.1	
252,000	BEL POLSKA	31.5	
1,278,437	SYRAREN BEL SLOVENSKO	42.4	
152	BEL SYRY CESKO	19.1	
10,000	FROMAGERIES BEL HELLAS	0.0	
259,995	SIEPF	2.4	
10,002	BEL JAPON	4.0	
1	BEI LE (SHANGHAI)	5.8	
495,000	BEL CHEESE KOREA	4.0	
2,600	BEL SOUTH AFRICA (PYT) LTD	2.8	
40,000	BEL SENEGAL SA	0.6	
25,000	BEL BRANDS DEUTSCHLAND GMBH	0.0	
1	BEL ITALIA SRL	0.3	
70	BEL SHANDONG JUNJUN CHEESE	66.1	
5,063,854	BRITANNIA DAIRY PRIVATE LIMITED	57.3	
4	QUESOS BEL MEXICO	0.4	
999	BEL PMO BEYROUTH	0.3	
3,595,167	BEL INDIA	5.9	
1,629,535	ZHEIJIA1NG RENZHICH	13.4	
Entities with a net carrying amount below €15 per category of shares			
		870.1	**29.5**
TOTAL PARTICIPATING INTERESTS		**1,665.1**	**1,396.7**
Other long term financial assets			
French entities			
37,051	FPCI CAP AGRO-INNOVATION B	3.7	3.7
20,000	CAP AGRO II	2.0	
1,120	SOGAL – SOCAMUEL		
75,417	Bel SA	21.8	22.8
620	STANDING OVATION	0.5	
		28.0	**26.5**
Foreign entities			
4,790,000	NEW PROTEIN FUND	4.0	4.1
50,000	LIVELIHOODS CARBON FUND	5.0	5.0
5,000,000	AGRI-VIE FUND	3.5	
		12.5	**9.1**
TOTAL OTHER LONG-TERM FINANCIAL ASSETS		**40.5**	**35.6**
MARKETABLE SECURITIES		**144.8**	**115.4**

STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Year ended December 31, 2022

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the BEL Shareholders' Meeting,
BEL
2 Allée de Longchamp
92150 Suresnes

OPINION

In compliance with the engagement entrusted to us by your Shareholders' Meetings, we have audited the accompanying financial statements of BEL for the year ended December 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors, for the period from January 1, 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

MEASUREMENT OF THE FAIR VALUE OF EQUITY SECURITIES

(Note 1.3 "Accounting rules and methods - Financial assets" to the financial statements)

Risk identified

As of December 31, 2022, equity interests are recorded on the balance sheet at a net carrying amount of €1,665 million, or 44% of total net assets. They are recorded at acquisition cost on initial recognition.

When the fair value of these securities is lower than their net carrying amount, an impairment is recognized in the amount of the difference. Fair value is determined based on a range of criteria, including market value, value in use based on discounted forecast cash flows and the share of revalued equity.

Cash flow projections are based on 5-year budget data taken from subsidiary business plans.

Given the significant amount of equity securities in the balance sheet and the sensitivity of valuation models to the assumptions used to determine cash flows, we considered the fair value measurement of equity securities to be a key audit matter.

Our response

Our assessment of the measurement of the fair value of equity securities is based on the process implemented by the Company to determine the value in use of equity securities.

Our work mainly consisted in:

- reconciling the net equity amounts used by the Company with the financial statements of subsidiaries;
- where the share in net equity is less than the net carrying amount of the securities:
  - obtaining cash flow forecasts for the relevant entities and comparing them with the subsidiary business plans;
  - verifying the consistency of the assumptions underlying the determination of cash flows with the historical performance of the Group and the entities, and confirming future growth prospects, primarily through interviews with local finance managers in each geographical area;

- assessing, with the assistance of our valuation experts, the valuation model and discount rates adopted with respect to market benchmarks.

SPECIFIC VÉRIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

OTHER LEGAL AND REGULATORY VERIFICATIONS OR INFORMATION

Appointment of the Statutory Auditors

We were appointed as statutory auditors of BEL by the Annual General Meetings held on May 12, 2020 for Grant Thornton and May 11, 2021 for PricewaterhouseCoopers Audit.

As of December 31, 2022, Grant Thornton and PricewaterhouseCoopers were in the 13th and 2nd year of uninterrupted engagement, respectively.

Information given in the management report and in the other documents addressed to shareholders with respect to the financial position and the financial statements

We have no matters to report on the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to shareholders.

We attest the fair presentation and consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (*Code de commerce*).

Information relating to corporate governance

We attest that the Board of Directors' report on corporate governance contains the information required by Articles L. 225-37-4 and L. 225-10-10 of the French Commercial Code.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests has been properly disclosed in the management report.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- évaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Neuilly-sur-Seine, March 31, 2023
The Statutory Auditors

Grant Thornton
French member of Grant Thornton International
Vincent Frambourt

PricewaterhouseCoopers Audit
Xavier Belet

5.5.3 | INFORMATION ON THE STATUTORY AUDITORS

IDENTITY OF THE STATUTORY AUDITORS

The Statutory Auditors are:

- **Grant Thornton,** represented by Vincent Frambourt

  29, rue du Pont, 92200 Neuilly-sur-Seine

  Grant Thornton was appointed as Statutory Auditor by the Combined Annual General Meeting on May 16, 2013, replacing Pierre-Henri Scacchi, a company that resigned as Statutory Auditor; its term was renewed on May 12, 2016, and then on May 12, 2022 for a term of six financial years, expiring on 2028 after the Annual General Meeting that will meet to vote on the financial statements for the financial year ending December 31, 2027.

  Grant Thornton is a member of the Compagnie régionale des Commissaires aux comptes de Versailles.

- **PricewaterhouseCoopers,** represented by Xavier Belet and Xavier Leroux

  63, rue du Pont, 92208 Neuilly-sur-Seine

  PricewaterhouseCoopers was appointed as Statutory Auditor by the Combined Annual General Meeting on May 11, 2021 or a term of six financial years, expiring on 2027 after the Annual General Meeting that will meet to vote on the financial statements for the year ending December 31, 2026.

  PricewaterhouseCoopers is a member of the Compagnie régionale des Commissaires aux comptes de Versailles.

INFORMATION ON RESIGNATIONS OR NON-RENEWALS OF THE STATUTORY AUDITORS' TERMS

No resignations or non-renewals occurred in 2022.

STATUTORY AUDITORS' FEES

This information is included in Note 11 to the consolidated financial statements.

5.6 | VERIFICATION OF ANNUAL FINANCIAL INFORMATION

5.6.1 | STATEMENT OF VERIFICATION OF HISTORICAL FINANCIAL INFORMATION

See the Statutory Auditors' Reports on the consolidated financial statements and the annual financial statements for the year ended December 31, 2022, in paragraphs 5.5.1 and 5.5.2 respectively of this Universal Registration Document.

For previous years, see the following reports included by reference in this Universal Registration Document pursuant to Article 28 of Commission Regulation (EC) No 809/2004:

- the Statutory Auditors' Reports on the consolidated financial statements and the annual financial statements for the year ended December 31, 2020, as well as the financial statements themselves, can be found in paragraphs 5.5.1 "Consolidated financial statements at December 31, 2020" and 5.5.2 "Company financial statements at December 31, 2020," respectively, of the Company's Universal Registration Document filed with the AMF on April 6, 2021 under number D.21-0258;
- the Statutory Auditors' Reports on the consolidated financial statements and the annual financial statements for the year ended December 31, 2019, as well as the financial statements themselves, can be found in paragraphs 5.5.1 "Consolidated financial statements at December 31, 2019" and 5.5.2 "Company financial statements at December 31, 2019," respectively, of the Company's Universal Registration Document filed with the AMF on April 3, 2020 under number D.20-0244.

Both of these Registration Documents referred to above are available on the website of the AMF (www.amf-france.org) and on the Company's website (www.groupe-bel.com).

Since the Bel 2021 annual report and following the delisting on January 25, 2022, the document is filed only on the Company's website (www.groupe-bel.com).

5.6.2 | OTHER INFORMATION VERIFIED BY THE STATUTORY AUDITORS

IN THE CONSOLIDATED FINANCIAL STATEMENTS

Research and Development expenditure totaled €29.4 million in 2022.

IN THE ANNUAL FINANCIAL STATEMENTS

In accordance with Article 223 quater and Article 39.4 of the French General Tax Code, expenses and costs that are not tax-deductible totaled €455,308.01.

ARTICLE D. 441-6: OPEN TRADE PAYABLES WHICH ARE OVERDUE AT THE CLOSING DATE

	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (more than 1 day)
(A) Overdues groups						
Number of invoices	4,476					1,565
Total amount (incl. VAT) (in euros)	213,746,995	4,374,858	1,675,883	287,747	8,024,839	14,363,327
in % of the annual purchase amount (incl. VAT) for the financial year	15.15%	0.31%	0.12%	0.02%	0.57%	1.02%
in % of the annual revenue amount (incl. VAT) for the financial year						
(B) Excluded invoices from (A), related to non-posted or under litigation trade payables/receivables						
Number of exclusions	227					
Total amount of exclusions (incl. VAT) (in euros)	2,795,340					
(C) Reference payments terms (contractual or legal – Art. L. 441.6 or Art. L. 443.1 of the French Commercial Code)						
Payment terms used to calculate overdues	30/40/50 days end of 10-day period: contractual payment terms					

ARTICLE D. 441-6: OPEN TRADE RECEIVABLES WHICH ARE OVERDUE AT THE CLOSING DATE

	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (more than 1 day)
(A) Overdues groups						
Number of invoices	13,188					3,201
Total amount (incl. VAT) (in euros)	132,565,493	3,989,852	2,380,925	3,039,438	13,175,297	22,585,513
in % of the annual purchase amount (incl. VAT) for the financial year						
in % of the annual revenue amount (incl. VAT) for the financial year	9.2%	0.3%	0.2%	0.2%	0.9%	1.6%
(B) Excluded invoices from (A), related to non-posted or under litigation trade payables/receivables						
Number of exclusions	1,491					
Total amount of exclusions (incl. VAT) (in euros)	1,181,449					
(C) Reference payments terms (contractual or legal – Art. L. 441.6 or Art. L. 443.1 of the French Commercial Code)						
Payment terms used to calculate overdues	30 days end of 10-day period, invoice date (France) 60 days boarding date (Export)					

COMPANY EARNINGS AND OTHER FINANCIAL HIGHLIGHTS OVER THE LAST FIVE YEARS (ARTICLES R. 225-81, R. 225-83 AND R. 225-102 OF THE FRENCH COMMERCIAL CODE)

Type of information	2022	2021	2020	2019	2018
I. SHARE CAPITAL AT YEAR END					
Share capital	7,921,295	10,308,503	10,308,503	10,308,503	10,308,503
Number of ordinary shares outstanding	5,280,863	6,872,335	6,872,335	6,872,335	6,872,335
II. OPERATIONS AND RESULTS FOR THE FINANCIAL YEAR					
Revenue, net of VAT	1,284,088,178	1,267,171,218	1,323,456,351	1,317,068,112	1,314,188,053
Profit before tax, profit-sharing, depreciation, amortization and write-downs	766,329,708	41,504,823	112,165,679	66,840,700	114,668,722
Income tax	(6,670,287)	(17,398,163)	(1,771,915)	(7,084,961)	(6,015,645)
Employee profit-sharing owed for the financial year	2,412,750	4,074,976	3,474,969	3,675,049	2,053,071
Earnings after tax, profit-sharing, depreciation, amortization and write-downs	759,399,952	53,203,747	91,664,534	93,085,516	92,230,775
Dividends paid out	0	35,048,909[a]	0	24,053,173[a][b]	34,018,058[a]
III. EARNINGS PER SHARE					
Earnings after tax and profit-sharing, but before depreciation, amortization and write-downs	146	6.04	16.09	10.22	17.26
Earnings after tax, profit-sharing, depreciation, amortization and write-downs	144	7.74	13.34	13.54	13.42
Dividend per share	0	5	0	3.50	4.95
IV. PERSONNEL					
Average workforce during financial year	1,092	1,108	1,033	1,000	1,020
Total payroll for the financial year	90,454,007	86,109,488	83,871,141	92,957,668	76,417,529
Amount of employee benefits paid in the financial year (social security, volunteer work)	41,639,198	40,194,108	39,035,947	38,985,414	38,678,052

(a) Theoretical amount since treasury shares held by the Company are not entitled to dividends. The corresponding amount of unpaid dividends is allocated to “Retained earnings.”

(b) Amount modified vs 2019 URD. In the context of the Covid-19 pandemic, the Board of Directors’ meeting of April 20, 2020 decided to reduce the amount of the dividend proposed by the Board of Directors on March 11, 2020.

5.6.3 | FINANCIAL INFORMATION NOT INCLUDED IN THE FINANCIAL STATEMENTS

This paragraph is not applicable.

5.7 | DATE OF LATEST FINANCIAL INFORMATION

The most recent financial year for which financial information was audited was the year ended December 31, 2022.

5.8 | INTERIM AND OTHER FINANCIAL INFORMATION

5.8.1 | QUARTERLY AND HALF-YEARLY FINANCIAL INFORMATION

None.

5.8.2 | INTERIM FINANCIAL INFORMATION

As no financial position after December 31, 2022 has been published, these paragraphs are not applicable.

5.9 | DIVIDEND POLICY

(in euros per share)	2017	2018	2019	2020	2021
Net dividend	7.00	4.95	3.50	0.00	5.10

A proposal will be submitted to the Combined Annual General Meeting of May 16, 2023 for no dividend payout for 2022. Future net dividends will depend on the Company's ability to generate profits, its financial position, its growth strategy and any other factor deemed relevant to the dividend distribution by the Board of Directors.

5.10 | LEGAL AND ARBITRATION PROCEEDINGS

Information concerning judicial and arbitration proceedings appears in Chapter 2 "Risk factors and insurance" of this Annual Report.

5.11 | SIGNIFICANT CHANGE IN THE FINANCIAL OR TRADING POSITION

The main changes in the financial position during the financial year are set out in section 5.3.1 and in Note 4.15.2 to the Consolidated Financial Statements.

The main events during the financial year concerning the Group's trading position are described in the Integrated Report.

6.

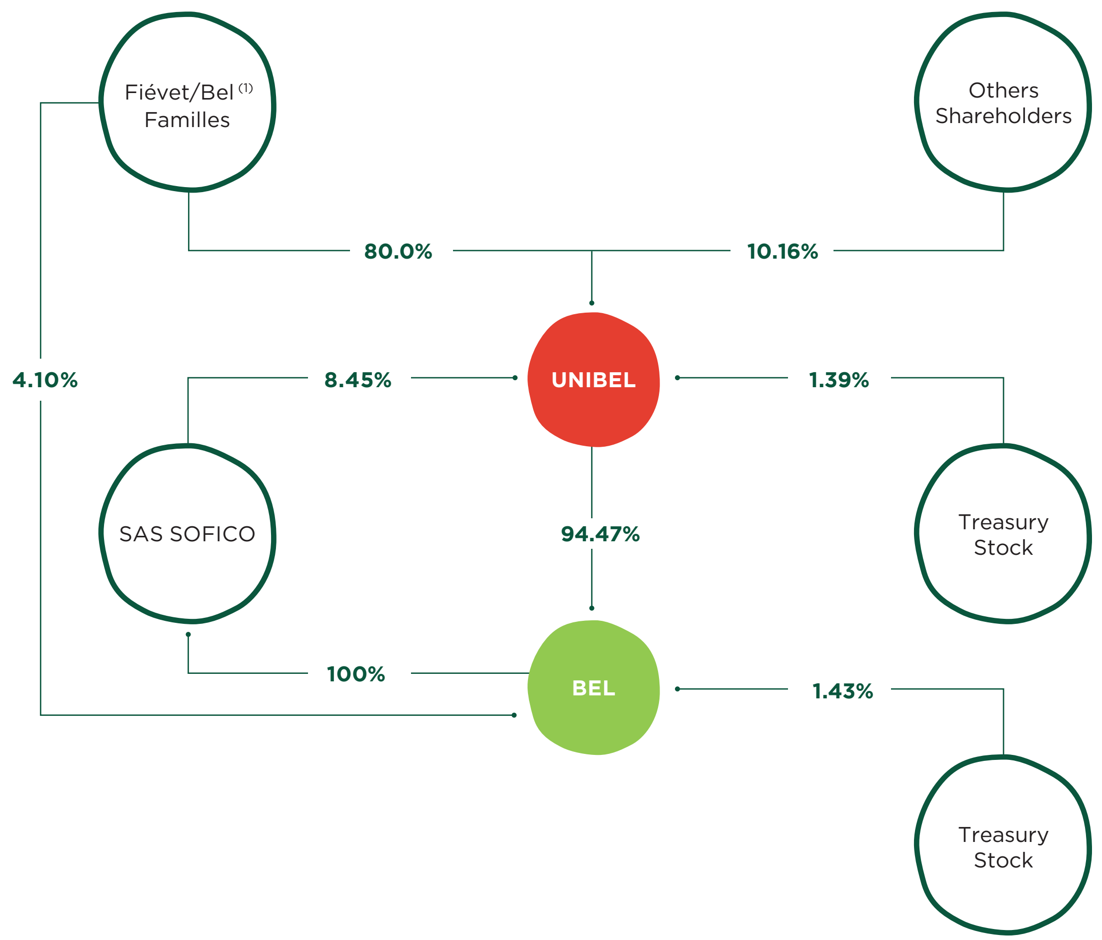
SHAREHOLDING AND MARKET[1]

(1) Certaines informations de ce chapitre font partie du Rapport de gestion et du Rapport sur le gouvernement d'entreprise.

6.1 | SHAREHOLDING AND SHARE CAPITAL

6.1.1 | SHAREHOLDING AT DECEMBER 31, 2022 AND OVER THE LAST THREE YEARS

BEL GROUP SHAREHOLDING ORGANIZATIONAL CHART
(as a % of share capital)



(1) This item includes the signatories of the Unibel shareholders's agreement which came into on September 19, 2013 and controlled companies.

To the issuer's knowledge, Bel's share capital is broken down between shareholders as follows:

	Share capital		"Gross" voting rights		AGM voting rights	
Bel at December 31, 2022	**Number**	**%**	**Number**	**%**	**Number**	**%**
Unibel[(a)]	4,988,946	94.47%	9,640,183	94.99%	9,640,183	95.70%
Fiévet-Bel family group[(b)]	216,500	4.10%	433,000	4.27%	433,000	4.30%
SUBTOTAL	**5,205,446**	**98.57%**	**10,073,183**	**99.26%**	**10,073,183**	**100.00%**
TREASURY SHARES	**75,417**	**1.43%**	**75,417**	**0.00%**	**-**	**0.00%**
TOTAL	**5,280,863**	**100.00%**	**10,148,600**	**100.00%**	**10,073,183**	**100.00%**

(a) Entity controlled at the highest level by the Fiévet-Bel family.
(b) Signatories of the Unibel shareholders' agreement which came into force on September 19, 2013, and the companies other than Unibel that they control.

On December 30, 2022, the share capital consisted of 5,280,863 shares carrying 10,148,600 gross voting rights and 10,073,183 voting rights that could be exercised at the Annual General Meeting (the difference corresponding to treasury shares and double voting rights).

During the financial year, the following disclosures of threshold crossings were made:

- disclosure of individual threshold crossing by Unibel on October 6, 2021;
- disclosure of in-concert threshold crossing by Unibel, Sicopa and the Fiévet-Bel family group acting in concert toward Bel.

These disclosures of threshold crossings were made in the context of the acquisition by Sicopa (a wholly owned Bel subsidiary), on September 30, 2021, of 1,591,472 Bel shares transferred by Sofil, in exchange for the transfer by Sicopa of business assets including Royal Bel Leerdammer NL, Bel Italia, Bel Deutschland, the Leerdammer brand and all related rights, and Bel Shostka Ukraine.

On December 31, 2021, Unibel, which, together with the members of the Fiévet-Bel family group, directly and indirectly held 94.47% of the share capital and 95.70% of the Company's theoretical voting rights, launched a public buyback offer followed by a mandatory squeeze-out offer ("OPR-RO") at a price of €550 per share.

At the end of this public offer, lasting from December 24, 2021 to January 10, 2022, Unibel, the members of the Fiévet-Bel family group and the simplified joint stock company Société Industrielle Commerciale et de Participation, controlled by Unibel, together held 97.41% of the share capital and at least 83.33% of Bel's theoretical voting rights.

In accordance with the AMF notice of January 12, 2022 (D&I No. 222C0119), the Mandatory Squeeze-out was implemented as of January 25, 2022, the date on which Bel's shares were delisted from the regulated market of Euronext Paris.

Unibel, a French société anonyme (public corporation) with a Management Board and a Supervisory Board, is controlled by members of the Fiévet-Bel family group who are bound by an agreement published by the AMF (French financial markets regulator) on September 19, 2013. This agreement is described in AMF notice No. 213C1436 of September 19, 2013 and in Unibel's Universal Registration Document. These shareholders currently control 80% of the share capital and 84.9% of Unibel's gross voting rights.

In addition, Société Financière et Commerciale (Sofico), a wholly owned subsidiary of Bel, holds 8.45% of Unibel treasury shares.

The Dutreil agreement No. 2019/2 signed on January 7, 2019 and registered on January 9, 2019, for a minimum period of two years, tacitly renewable for an additional period of three months, was terminated by a letter dated February 24, 2021 to the tax authorities. As a result, the agreement was not renewed and expired on April 9, 2021, the date on which the individual lock-up agreements for the beneficiaries of donations made through this agreement came into force. The individual lock-up agreements are valid for a period of four years, i.e. until April 9, 2025.

Accordingly, a new collective lock-up agreement relating to BEL shares was entered into on April 1, 2021, with the following characteristics:

Lock-up agreement	
Type	Collective
Registration date/start date	04/06/2021
Initial duration of the collective commitment	2 years
Renewal	
% of share capital committed on the signing date	71.58%
% of voting rights committed on the signing date	72.91%
Executive signatory	Antoine Fiévet
Signatory holding at least 5% of the share capital	Unibel

In light of the delisting of BEL on January 25, 2022, an amendment to this collective lock-up agreement is planned.

"Dutreil agreements" provide direct or indirect shareholders covered by the scope of the agreement with tax exemptions of 75% of the tax base in terms of transfer duties and solidarity wealth tax. In return, beneficiaries of these exemptions commit not to sell or transfer their shares for a minimum individual or collective period of six years.

CHANGES IN THE BREAKDOWN OF SHARE CAPITAL OVER THE LAST THREE FINANCIAL YEARS

The following table indicates the breakdown of share capital and voting rights that could be exercised at AGMs over the last three financial years.

	12/31/2022			12/31/2021			12/31/2020		
	Shares	% share capital	% of AGM voting rights	Shares	% share capital	% of AGM voting rights	Shares	% share capital	% of AGM voting rights
Unibel[(a)]	4,988,946	94.47%	95.70%	4,680,560	68.11%	91.58%	4,651,237	67.68%	69.42%
Fiévet-Bel family group[(b)]	216,500	4.10%	4.30%	216,500	3.15%	4.25%	237,221	3.45%	3.54%
Concert subtotal	5,205,446	98.57%	100.00%	4,897,060	71.26%	95.83%	4,888,458	71.13%	72.97%
Sofil/Lactalis Group[(c)]				61,851	0.90%	1.21%	1,653,323	24.06%	24.68%
Other shareholders				241,332	3.51%	2.96%	246,791	3.59%	2.36%
Public subtotal				303,183	4.41%	4.20%	1,900,084	27.65%	27.03%
TREASURY SHARES	**75,417**	**1.43%**	**0.00%**	**80,620**	**1.17%**	**0.00%**	**83,793**	**1.22%**	**0.00%**
SOFICO				**1,591,472**	**23.16%**	**0.00%**			
TOTAL	**5,280,863**	**100%**	**100%**	**6,872,335**	**100%**	**100%**	**6,872,335**	**100%**	**100%**

(a) Entity controlled at the highest level by the Fiévet-Bel family.
(b) Signatories of the Unibel shareholders' agreement which came into force on September 19, 2013, and the companies other than Unibel that they control.
(c) Entity controlled at the highest level by the Besnier family and not represented on the Board of Directors.

6.1.2 | SHARE CAPITAL

BALANCE AT DECEMBER 30, 2022

The amount of share capital subscribed and fully paid up was €7,921,294.94 at December 30, 2022. It is divided into 5,280,863 shares with a par value of €1.50.

Each share confers the right to ownership in the Company's assets, a share in the profits, and in the liquidation surplus proportional to the percentage of share capital that it represents.

EQUITY SECURITIES, NON-EQUITY SHARES, OPTIONS

At December 31, 2022, there were no equity securities, non-equity shares, or options. Information on bonus share award programs in place is detailed in section 6.2.3 "Stock options/performance shares."

DELEGATIONS AND AUTHORIZATIONS GRANTED BY THE ANNUAL GENERAL MEETING TO THE BOARD OF DIRECTORS (IN ACCORDANCE WITH ARTICLE L. 225-100 OF THE FRENCH COMMERCIAL CODE) CURRENTLY VALID OR TERMINATED DURING THE YEAR

Date of the AGM	Purpose of the delegation	Authorized maximum nominal amount or number of shares	Delegation duration and/or end date	Date and terms of use by the Board of Directors
May 14, 2020	Delegation to be given to the Board of Directors to increase the share capital in favor of employees who are members of a Company savings scheme, without subscription rights, possibility of allocating bonus shares in application of Article L. 3332-21 of the French Labor Code.	The maximum nominal amount of capital increases may not exceed 1% of the share capital at the date on which the decision to increase the share capital was made	26 months, i.e. up to July 13, 2022	
May 14, 2020	Authorization to be given to the Board of Directors to grant bonus shares already existing and/or to be issued by the Company for personnel and/or certain corporate officers of the Company and related companies.	30,000 shares	38 months, i.e. up to July 13, 2023	
May 11, 2021	Authorization to be given to the Board of Directors for the Company to buy back its own shares in accordance with Article L. 22-10-62 of the French Commercial Code, duration of the authorization, purpose, terms and ceiling.		18 months, i.e. up to November 10, 2022	
May 11, 2021	Authorization to be given to the Board of Directors to cancel the shares purchased by the Company in accordance with Article L. 22-10-62 of the French Commercial Code.		24 months, i.e. up to May 10, 2023	
May 12, 2022	Authorization to be given to the Board of Directors to grant bonus shares already existing and/or to be issued by the Company for personnel and/or certain corporate officers of the Company and related companies.	45,000 shares	38 months, i.e. up to July 11, 2025	

Date of the AGM	Purpose of the delegation	Authorized maximum nominal amount or number of shares	Delegation duration and/or end date	Date and terms of use by the Board of Directors
May 12, 2022	Delegation to be given to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities granting access to capital, without subscription rights, in favor of employees who are members of a Company savings scheme in application of Article L. 3332-18 et seq. of the French Labor Code.	The maximum nominal amount of capital increases may not exceed 1% of the share capital at the date on which the decision to increase the share capital was made	26 months, i.e. up to July 11, 2024	
May 12, 2022	Delegation to be given to split the nominal value of the shares according to the suspensive condition that the Board of Directors decides for the principle of the capital increase in favor of employees who are members of a savings scheme under the thirteenth resolution of this Annual General Meeting and, if necessary, delegates its implementation to the Chief Executive Officer		26 months, i.e. up to July 11, 2024	

CHANGES IN THE SHARE CAPITAL OVER THE LAST FIVE YEARS

Date	Type of transaction	Number of shares created or canceled	Variation of nominal capital *(in euros)*	Reserves	Nominal capital following transaction *(in euros)*	Number of shares
01/01/2016	Starting position	–	–	–	10,308,502.50	6,872,335
12/31/2022	Final position	–	–	–	7,921,294.50	5,280,863

CHANGES TO SHAREHOLDERS' RIGHTS

As the Articles of Association do not set out any specific provisions, any change in rights attached to securities making up the share capital is governed by legal requirements.

ANNUAL GENERAL MEETINGS – MEETING NOTIFICATION METHOD – TERMS OF ADMISSION AND CONDITIONS FOR EXERCISING VOTING RIGHTS

Meeting notification methods, terms of admission and conditions for exercising voting rights for the Annual General Meetings are governed by law and Articles 20 and 21 of the Company's Articles of Association, and read as follows:

- Ordinary and Extraordinary General Meetings are made up of all shareholders, regardless of the number of shares they hold;
- the Ordinary Annual General Meeting meets at least once a year in the half-year following the closure of each financial year, subject to the extension of this deadline by adjudication;
- Extraordinary General Meetings or Ordinary General Meetings convened extraordinarily may meet during the year;
- Annual General Meetings take place at the head office or in any other location indicated in the Notice of Meeting;
- the agenda is approved by the party issuing the notice, subject to the exceptions provided for by law. Only items on the agenda may be discussed, except for circumstances permitted by law concerning the removal of Directors and their replacement;
- shareholders may also vote by mail in accordance with applicable laws and regulations.

If unable to attend the Annual General Meeting in person, any shareholder may participate either by:

- voting by mail; or
- designating a representative of his or her choice, such as the Chairman, the shareholder's spouse or civil partner, another shareholder or any other person (individual or legal entity), under the terms and conditions set forth by the legal and regulatory provisions in force, even without appointing a proxy.

If power of representation is given by a shareholder without indicating a specific proxy, the Chairman of the Annual General Meeting shall vote in favor of adopting draft resolutions presented or approved by the Board of Directors and shall vote against adopting any other draft resolutions.

The forms for designating a proxy and voting by mail are drawn up and made available to shareholders pursuant to current legislation.

6.1.3 | VOTING RIGHTS

On December 2, 1935, the Extraordinary General Meeting instituted double voting rights.

In accordance with Article 24 of the Articles of Association, a voting right that is double that which is conferred on bearer shares in respect of the proportion of share capital they represent is granted to fully paid-up shares having proof of being registered under the same shareholder for at least four years.

The double voting right automatically ceases for any share that is converted to bearer form or transferred. However, transfer following inheritance, liquidation of marital property between spouses, or inter vivos donations for a spouse or relative entitled to inherit shall not interrupt the aforementioned four-year time frame and the acquired rights shall be retained.

Furthermore, in the event of a capital increase by capitalization of reserves, profits or share premiums, the double voting right may be conferred, as from their issue, to registered shares granted freely to a shareholder in connection with old shares that received this right.

The double voting right may be removed by a decision of the Extraordinary General Meeting after approval by the Special Meeting of Beneficiary Shareholders.

In the event of the division of share ownership, the voting rights attached to the shares belong to the bare owner, with the exception of decisions relating to the allocation of profits, which fall to the beneficial owner.

6.1.4 | STOCK OPTIONS – PERFORMANCE SHARES

To date, the Group has never used stock options.

However, bonus issue plans under performance conditions have been implemented since 2007. Beneficiaries of Bel's first 12 plans have been able to sell the shares they were awarded.

A plan has been put in place each year, except 2021, since 2007. The following table summarizes the plans affecting 2021.

BEL BONUS ISSUE PLANS

Plan No.	13	14	15	16
Status	**Closed**	**In progress**	**In progress**	**In progress**
AGM authorization	05/22/2019	05/22/2019	05/12/2022	05/12/2022
Award date	05/22/2019	03/11/2020	05/12/2022	05/12/2022
Vesting date	05/22/2022	03/21/2023	05/13/2025	05/13/2025
Availability date	05/23/2022	03/21/2023	05/13/2023	05/13/2023
Number of securities attributed	11,511	14,748	15,324[b]	18,430[b]
Number of securities transferred (transferable)	(5,203)[a]	(12,085)[a]	(14,801).	(17,917)
Number of employee beneficiaries	71	87[a]	92[a]	101[a]

(a) Subject to continuous service and performance conditions.
(b) Plan only in shares.

After taking into account known results and departures, a total of 44,803 existing shares could still be awarded under the plans underway at December 31, 2022.

At December 31, 2022, employees held no stake in Bel's share capital within the meaning of article L. 225-102 of the French Commercial Code.

Following the delisting of Bel shares, Unibel will provide each beneficiary with a promise to purchase the shares awarded under plans 13 and 14.

6.1.5 | SHARE BUYBACK PROGRAM: REPORT AND DESCRIPTION

REPORT ON SHARE BUYBACK PROGRAMS

The Combined Annual General Meeting of May 11, 2021 authorized the Board of Directors to implement a share buyback program in accordance with applicable regulations for a period of 18 months from said Meeting (i.e. until November 10, 2022). This authorization replaced the one granted by the Annual General Meeting of May 14, 2020.

NO. OF TREASURY SHARES AT DECEMBER 31, 2021

Number of shares held in treasury	75,417
% of capital held in treasury	1.43%
Net carrying value	€22,745 thousand
Par value (€1.50 per share)	€113 thousand

OBJECTIVES OF SHARE CAPITAL HELD ON FEBRUARY 28, 2022

Number of shares held directly and indirectly: 75,417, representing 1.43% of the capital.

NUMBER OF SHARES HELD BROKEN DOWN BY OBJECTIVE

Supporting the stock price via a liquidity contract	None
Acquisition	None

7.

ADDITIONAL INFORMATION

7.1 | INFORMATION ON THE COMPANY

CORPORATE NAME, TRADE NAME AND ACRONYM

Bel

This name may or may not be followed by the reference: The Laughing Cow.

Acronym: Bel SA

Commercial name: The Laughing Cow – FBSA

PLACE OF REGISTRATION AND REGISTRATION NUMBER

Company register number and place: 542 088 067 Nanterre

NAF/APE code: 1051 C – Cheese making

LEGAL ENTITY IDENTIFIER (LEI)

Legal entity identifier (LEI): 5493005GNGE7UFJCIL03

DATE OF INCORPORATION AND DURATION

Date of incorporation: November 16, 1922.

Date of expiration: December 31, 2040, except for early dissolution or continuance decided by the Extraordinary General Meeting.

REGISTERED OFFICE, LEGAL FORM AND APPLICABLE LEGISLATION

Registered office: 2, allée de Longchamp – 92150 Suresnes

Telephone: +33 1 84 02 72 50

Legal form: limited liability company with Board of Directors

Bel is a limited liability company (société anonyme) under French law, subject to all of the texts governing commercial companies in France, and in particular to the provisions established by the French Commercial Code and to the provisions of its Articles of Association.

FINANCIAL YEAR

January 1 to December 31 of each year.

COMPANY PURPOSE

(Excerpt from the Articles of Association – Article 2)

The purpose of the Company, in all countries, is to:

- sell, manufacture and process any types of dairy products, their derivatives and their components;
- sell, manufacture and process any types of food products, their derivatives and their components;
- perform any financial operations such as acquiring, managing, and in some cases reselling all types of equity stakes in French or foreign companies;
- build, purchase, sell, lease, transform and appropriate any buildings and premises necessary for operations;
- study, create, take over, purchase, lease, use or represent any patents, manufacturing processes or brands;
- take a stake in any company or companies whose purpose is to manufacture and sell any type of chemicals.

In general, any industrial, commercial, financial, stock and real estate transactions that may be related directly or indirectly to the Company purpose or likely to foster its development, such as the dissemination or sale of objects of an advertising nature or intended to promote sales.

This may be done, in any direct or indirect way, by any means deemed appropriate, with no restriction as intermediary or by intervention and, in particular, by designing and founding new companies or taking stakes in any existing firms in the form of shareholdings, granting of licenses, or through subscriptions or purchases of securities, shares and ownership interests, or by merging or taking over any companies.

CONDITION, ESTABLISHMENT AND DISTRIBUTION OF PROFITS

(Excerpt from the Articles of Association – Article 26)

If the distributable profits determined in accordance with the law and established at the Ordinary Annual General Meeting after approval of the financial statements are sufficient, the General Meeting may decide to assign them to one or several reserve positions (for which it determines the assignment or use), to carry them forward or to distribute them to shareholders as a dividend.

The Annual General Meeting may grant each shareholder the choice between payment in cash and/or in shares, for all or part of the dividend to be distributed or for an interim dividend.

The Meeting may also withdraw all amounts on the reserve funds at its disposal in order to distribute them to shareholders, indicating expressly the positions on which the withdrawals are made. However, dividends are drawn first from distributable profits of the financial year.

7.2 | INFORMATION ON SUBSIDIARIES AND INTERESTS

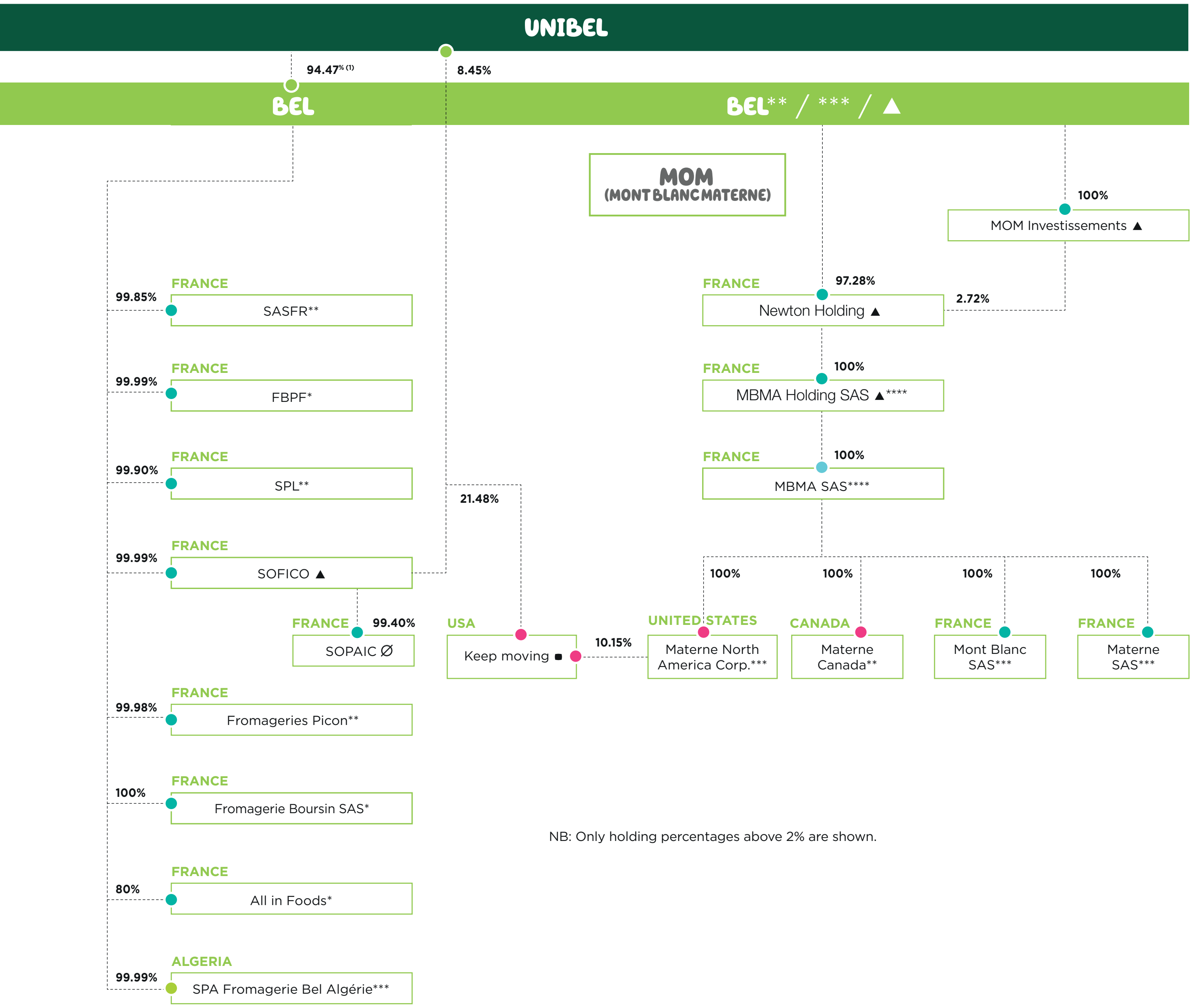
UNIBEL

- FRANCE – Vegehub ■ – 44.44%
- POLAND – AYBIOO ■ – 34%
- LEBANON – Biomass ■ – 35.80%

FRANCE – BEL

- UNITED KINGDOM – Bel UK** – 100%
- GERMANY – Bel Brands Deutschland** – 100%
- ITALY – Bel Italia Company** – 100%
- ESPAGNE – Grupo Fromageries Bel España S.L.*** – 100%
  - PORTUGAL – Fromageries Bel Portugal*** – 100%
- BELGIUM – Bel Belgium** – 99.88%
- SWITZERLAND – Bel Suisse** – 100%
- THE NETHERLANDS – BEL Nederland** – 100%
- GREECE – Fromageries Bel Hellas**** – 100%
- SWEDEN – Bel Nordic AB** – 100%
- POLAND – Bel Polska*** – 100%
- CZECH REPUBLIC – Bel Syry Cesko*** – 100%
- SLOVAKIA – Syraren Bel Slovensko AS*** – 99.91%
- CANADA – Group Bel Canada*** – 100%
- UNITED STATES – Bel Brands USA*** – 100%
  - UNITED STATES – Bel USA*** – 100%
- MEXICO – Quesos Bel Mexico ∅ – 100%
- SOUTH AFRICA – Bel South Africa (PTY) LTD** – 100%
- SENEGAL – Bel Sénégal** – 100%
- MOROCCO – Fromageries Bel Maroc*** – 66.07%
- MOROCCO – Bel AFRICA ∅ – 99.99%
- MOROCCO – SIEPF*** – 99.99%
- IVORY COAST – Fromageries Bel Côte d'Ivoire*** – 100%
- TURKEY – Bel Karper Gida Sanayi A.S.*** – 100%
- EGYPT – Bel Egypt Expansion for cheese production*** – 99.17%
  - EGYPT – Bel Egypt Distribution** – 99.86%
- IRAN – Bel Rouzaneh Dairy Products Company*** – 99.99%
- CHINA – Zhejiang Renzhichu Health Industry Co.. Ltd. ■ – 13.44%
- CHINA – Bei Lao Zi (Shanghai) Food Trading Co Ltd**** – 100%
- CHINA – Shandong Junjun cheese Co.. Ltd.*** – 70%
- JAPAN – Bel Japon*** – 100%
- SOUTH KOREA – Bel Cheese Korea** – 100%
- INDIA – Fromageries Bel India Pvt. Ltd** – 99.99%
  - INDIA – Britannia Dairy Private Ltd*** – 49%
- VIETNAM – Bel Vietnam*** – 100%
- SINGAPORE – Bel Hub Asia**** – 100%

NB : Regarding AIF, the level of control is 80%, and the percentage shareholding for the purposes of the consolidated financial statements is 100%.
Only holding percentages above 2% are shown.



- * Production activity
- ** Marketing activity
- *** Production and marketing activity
- **** Administrative services
- ▲ Holding company
- ∅ No activity in 2022
- ■ Acquisition of a stake / diversification

- Europe
- The Americas
- Asia-Pacific
- Middle East / Greater Africa

(1) 95.84% excluding treasury shares.

7.3 | MATERIAL CONTRACTS

Contracts concluded by the Company and its subsidiaries in the ordinary course of business are not included below.

On March 12, 2020, Bel purchased an 80% stake in the company All In Foods, which manufactures and markets plant-based cheese alternatives. A liquidity facility will enable Bel to acquire 100% of the company's share capital by 2024.

On July 8, 2022, Bel acquired a 70% stake in the Chinese company Shandong Junjun Cheese Co, Ltd. Bel benefits from an exclusive call option exercisable for a period of three years from July 8, 2022 to acquire the remaining share capital of this company.

On November 29, 2022, Bel acquired a 49% stake in BDPL (Britannia Dairy Private Limited), a wholly-owned subsidiary of Britannia, India's leading agri-food company. Bel and Britannia have also entered into a joint venture to accelerate the growth of India's immature cheese market.

For more information, see Note 6 in section 5.5.1 "Consolidated Financial Statements" on the total commitments recorded at December 31, 2022.

Information on the existing service contract between Unibel and Bel is provided in section 4.4.2 "Related Parties".

7.4 | DOCUMENTS AVAILABLE

Group information is available on the corporate website www.groupe-bel.com, under the Finance heading.

The Articles of Association, minutes of the Annual General Meetings, Statutory Auditors' Reports and other corporate documents may be consulted at the Company's registered office at the secretariat of the Board of Directors, at 2, allée de Longchamp 92150 Suresnes, France.

2, allée de Longchamp
92150 Suresnes
A French limited company (*société anonyme*)
with share capital of €7,921,294.50
Nanterre Trade and Companies
Register 542 088 067
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