



BEL CHARTER TO FIGHT AGAINST FOOD WASTE



2022

PREAMBLE

Nowadays, **40% of food produced is never eaten¹**, having major social, economic and environmental impacts. When food is lost or wasted, all the resources that were used to produce this food - including water, land, energy, labour and capital - go to waste. The consequences on climate change are staggering as it generates **10% of total man-made greenhouse gas emissions¹**. Paradoxically, 1 out of 9 people suffer from malnutrition in the world².

Thus, the fight against food waste offers **multi-faceted wins for people and planet** such as improving food security, addressing climate change, saving money and reducing pressures on land, water, biodiversity and waste management systems.

“Food loss” happens at harvest or processing stages, while “food waste” happens after the food reaches the retailer or consumer. Approximately 1/3 of food loss and waste (FLW) happens during the production of raw materials, 1/3 during manufacturing and distribution and 1/3 at consumption stage³.

Therefore, at Bel we have drawn up this framework with our key focus areas and collective actions **to fight against food waste all along the value chain from the farm to the consumers.**



BEL'S CHALLENGE

Bel Group is a family business whose mission is to **offer healthier and responsible food for all**. The fight against food waste has always been part of Bel's history since the creation of the portions of The Laughing Cow a century ago. The single portion format, which is the DNA of the Group, **is an efficient way to avoid food waste** as it enables optimum conservation and provides consumers the right amount of cheese thus reducing leftovers.

Cutting down food waste is an enabler to achieve our **“BeLowCarbon”** goal, the ambitious Bel plan to align on the 1.5° trajectory, validated by the Science Based Target Initiative (The Bel Group strengthens its carbon reduction target - YouTube). It is also aligned with our Mission **to provide access to healthier and responsible food to as many consumers as possible**. On top, the fight against food waste has also a positive impact on financial results, fueling to that extent Bel's model to combine sustainability and profitability.

Because an impactful positive change can only come through collective action, Bel collaborates with its entire ecosystem both internally and externally from farm to fork. **At Bel, we know that collaboration with all the food actors is key to tackling this challenge of food waste together.**



¹ WWF 2021

² FAO 2018 The state of food security and nutrition in the world

³ WRI analysis based on FAO 2011



HALVE FOOD WASTE BY 2030

Since 2019, **Bel is engaged in the Consumer Goods Forum (CGF) Food Waste Coalition of Action (CoA)**. It aims at contributing to the Sustainable Development Goal (SDG) 12.3 to halve global per capita food waste for retail and consumer trade, and to reduce food losses throughout the production and supply chains. In 2021, the group joined the 10x20x30 initiative⁴, thus committing externally to **halve food waste in its own operations by 2030** (vs. 2021 baseline).

Bel's vision is to tend toward zero destruction of edible products and toward 100% of food waste valorized when destruction is inevitable.

⁴ The 10x20x30 initiative brings together 10+ of the world's largest food retailers and providers, each engaging at least 20 suppliers to halve food loss and waste by 2030 with a "whole chain" approach to fighting food loss and waste.

Bel commits to follow the hierarchy of food wastage at each step of the value chain:

- 1 Prevention and reduction** of losses is the first goal
- Losses in production and co-products are reused for **industrial reprocessing**, when possible, while respecting high quality standards
- Other losses in the chain should then be redirected** first to **feed people** via donations, second to **feed animals**
- Only if **previous options are not possible**, we should valorize food waste through methanization, compost, land application or incineration with **energy recovery**
- The very last option is disposal of food by incineration without energy recovery or landfill** and should be avoided. In case of quality issues with food safety concerns, products are destroyed according to local regulations.



WORK COLLECTIVELY WITH OTHER FOOD STAKEHOLDERS

To achieve maximum positive impact, Bel is committed to fighting food waste through **two external coalitions** bringing together different food stakeholders. Bel is actively participating to the **CGF Food Waste CoA** with a focus on the target-measure-act approach. As of 2022, we are publishing the harmonized Food Loss & Waste Reporting once a year on the Food Waste Atlas (thefoodwasteatlas.org/). Since 2019, Bel is also a member of **Too Good To Go Pact** on Expiry Dates alongside 65 manufacturers, distributors and associations (in 2022), following 10 concrete commitments to drive significant change at distribution and consumption stages.

BEL'S PRIORITY ACTIONS ALONG THE VALUE CHAIN



Bel group strives to **reduce FLW along its entire value chain**, from the production and collection of its raw materials to the consumption of its finished products.



SOURCING OF RAW MATERIALS: MAKE THE MOST OF IT

We encourage our suppliers to minimize the loss of raw materials during agricultural production, especially milk because it is a fragile, perishable ingredient. **The milk is collected locally and regularly** (at least every three days) from partner producers to reduce the time between milking and processing and thus, guaranteeing the best quality of the milk used for our cheese. Bel also contributes to farmers producing the right amount needed by committing to buy certain volumes. **All the milk is either used on the farm or collected by Bel all year long, even in case of peak output.**

We also support our partner farmers by identifying and sharing best practices to avoid milk losses at the farm and ensure the maximum milk is compliant with food usage, such as:



Further **improve animal health performance** especially preventing mastitis by upholding rigorous hygienic standards and minimizing antibiotic use thanks to preventing actions



Avoid any issue in the supply chain such as power failures leading the tanks or the trucks to warm up and altering the milk's quality

As a member of **10x20x30 initiative**, Bel invites its suppliers to join our efforts in the fight against FLW. This topic is part of the CSR engagements we evaluate and **on which we sensitize our dairy suppliers.**

On the fruit part of the business, we actively participate **to avoiding post-harvest losses.** Indeed, our products are, for a great part, made with the fruits that are of high quality but were discarded for table consumption due to the size or look, or because of a gap between the demand and the production. **Valorizing the fruits unfit for direct consumption** not only reduces waste, it also provides additional revenue to our growers.



KEY ACHIEVEMENT

In 2022, 100% of the milk collected & compliant was used in dairy products.



DEVELOPMENT OF NEW PRODUCTS: THINK WASTE REDUCTION FROM THE START

AT BEL, OUR TEAMS INTEGRATE FOOD WASTE REDUCTION AT ALL STEPS OF PRODUCT DEVELOPMENT:

1

Optimize usage of raw materials and production outputs by assessing losses from the beginning, making the right quantity of trials to qualify the product and defining the action plan to reduce, reuse, recycle losses

2

Define the right shelf life considering not only food safety and consumer's satisfaction, but also food waste reduction. And then put in place quality requirements to ensure product integrity along the shelf life.

3

Optimize packaging design to deliver protection, optimal conservation & efficient reuse or recycling while answering consumer needs both in terms of usage and cost.

4

Define the right portion size according to nutritional needs and consumers' expectations in terms of food quantity and cost.

5

First commercialize trials whenever possible, then reuse in our processes, and if not possible donate the remaining raw materials or products to avoid any food destructions.



key achievement

In 2022, over 80% of products from industrial trials were commercialized



MANUFACTURING: TAKE A CIRCULAR ECONOMY APPROACH TO MINIMIZE LOSSES

Many efforts are made in the Group's plants to **minimize food loss from raw materials to finished goods**.

All steps of manufacturing are carried out according to strict quality requirements and in such a way as to preserve the taste and nutritional qualities of Bel products over their full shelf life.

The good maintenance of production equipment and the rationalization of the portfolio **ensure optimal performance and maximize industrial output**. The industrial teams follow the «Overall Material Efficiency» continuous improvement approach to monitor losses and set up action plans to tend towards zero losses. **On top, Bel provides training to all workers on Good Manufacturing Practices (GMP)** including food waste reduction.



At Bel, we valorize milk production surpluses even during peak outputs. Also, we aim to **use all components of the milk, including by-products* of cheese production**, such as cream and whey. All manufacturing cycles generate some substandard products because of deviations from production specifications (weight differences, aesthetic reasons etc.). By-products and production surpluses are reused in the Group's own plants, resold as raw ingredients to manufacture other products or, to a lesser extent, reused for animal feed or to generate energy (methanization).

Regarding our fruit business, we also strive to use the whole goodness that fresh apples have to offer. When transforming apples into puree, the peel, seeds and stems are discarded. **To valorize this apple pomace, that represents less than 5% of the fruit, we send it to methanization to produce energy.** In parallel our team is exploring how to simply use or reuse those into our recipes and other products.

*By-products are unintended but inevitable matters derived from the production process of the principal product.



key achievement

In 2022, almost all by-products from cheese production, such as cream and whey, were recycled by being used in the composition of other products based on a circular economy approach.



TRANSPORT & DISTRIBUTION: CONSTANTLY LOOK FOR EFFICIENCIES

Bel strives to reach zero waste of finished product during transport, storage and distribution to final consumers.

We seek to reduce distances between the plants and the clients and to produce locally when reaching the critical size.

Carton boxes (logistic units) and pallet configurations are specifically designed **to ensure that products retain their integrity until they are sold to consumers.** Bel follows strict quality guidelines for storage and transport conditions (such as temperature, humidity etc.) and ensures the respect of these rules in the distribution network.

We aim for excellence in sales forecast accuracy **to avoid overstock and guarantee the best freshness for consumers.** We closely monitor stock levels and take quick action when

obsolescence risk is flagged (beyond client guaranteed shelf life).

Bel participates in several coalitions **bringing together food manufacturers and retailers**, such as the Consumer Goods Forum or Too Good To Go, to find efficiencies in the system to reduce food waste. Beyond coalition agreements, we seek transparent communication with our customers and retailers to minimize waste.

First, we maximize the quantity of finished products sold in distribution channels. Nevertheless, when the Group must deal with excess inventory, obsolete products are sold at a discount or via other channels, including anti-waste and social-solidarity grocery stores, or donated to non-profit associations such as food banks. **We tend towards zero destruction of finished products that are still good to be consumed.**



key achievement

In 2022, Bel sold or donated over 99% of finished products from Bel warehouses.



CITIZENS: FOSTER ANTI-WASTE ACTIVISM



Because every action counts, the collective fight against food waste is ultimately a **matter of citizenship involving our consumers, but also our employees** and more generally all the people we influence in our ecosystem.

It is through our iconic brands that we have chosen to empower citizens to take actions against food waste.

First Bel offers **different pack sizes** to enable consumers to match their purchase with their needs and always provide **clear usage and storage instructions** to preserve the freshness of products. Some brands also provide **recipes and cooking tips** to help consumers use leftovers.

One of the main drivers of household food waste **is a lack of understanding about consumption dates**, especially differentiating use-by dates and best-before dates. At Bel, we believe **that education and awareness efforts aimed at all citizens are powerful ways to prompt actions to reduce food waste at home.**

This is why, as part of our collaboration with Too Good To Go, we included messages to **encourage consumers to look, smell and taste the product with a best-before date before throwing it away.** The initiative started in France with The Laughing Cow brand and is gradually rolling out to several European countries and other Bel brands.

We also educate our employees – also citizens – through regular internal communication and events **to help them to adopt anti-waste habits and become ambassadors of the fight against food waste** in their professional and personal networks. Since 2021, Bel employees can actively reduce food waste at work by purchasing Too Good To Go baskets made with the leftovers of the restaurant in Suresnes headquarters.

Externally Bel is also sensibilizing food service clients, restaurant owners and chefs to reduce food waste by **sharing best practices from planification of quantities, anti-waste recipes until quantities in plates.**



key achievement



Too Good to Go partnership is now active in France, Portugal, Great Britain, Spain, Italy, Belgium and the Netherlands and soon in Germany, Austria and Switzerland. In 2022, we extended the usage of the "Look, Smell, Taste, Don't Waste" pictograms to Kiri, Pom'Potes, Go Go Squeez, Mont Blanc and Materne brands.