



BEL'S CSR PROGRAM

2020 COMMUNICATION ON PROGRESS

* Pour tous. Pour de bon



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ABOUT THIS DOCUMENT

This document describes the Bel Group's corporate social responsibility (CSR) approach and its resulting actions with a view to creating value over the short, medium and long term. It specifically outlines the progress made in incorporating the principles of the UN Global Compact, which the Bel Group joined in 2003.

The data published in this document cover all of Bel's entities and subsidiaries, as consolidated in its Annual Financial Report. These data cover the period from January 1 to December 31, 2020, or provide a snapshot at December 31, 2020.

When historical data is available, they cover the last three financial years in order to provide an overview of the Group's progress. For environmental data, Bel believes its progress is better illustrated over a longer timeframe. For this data, the baseline year is 2008.

WHERE CAN THIS INFORMATION BE FOUND?

To provide further information on certain topics, this report refers to the Universal Registration Document 2020 (available on the website www.groupebel.com).

This document is available on the www.groupebel.com website, as well as on Global Compact website : www.unglobalcompact.org

STATEMENT

STATEMENT OF SUPPORT FOR THE UNITED NATIONS GLOBAL COMPACT



Antoine FIÉVET

Antoine Fiévet, Chairman
and CEO, Bel group

June 1st, 2021

For five generations, the Bel group has been built on a long-term vision and strong values: dare, care, commit. As early as 2003, we chose to join the United Nations Global Compact, demonstrating the reality of our family group's values and our desire to act in accordance with its ten fundamental principles, including human rights, international labour standards, environmental protection and the fight against corruption.

This commitment is stronger than ever, and even more so after the crisis of 2020, which highlighted the need to develop responsible growth models. At Bel, we are constantly innovating to build positive brands and a wide range of offers that are accessible and affordable for the greatest number of people. We believe that responsibility and profitability are as essential to our company's sustainability as they are inseparable. Based on this conviction, we want to help contribute to the future of food while having a positive impact on our environment. This is the meaning of our mission: to offer healthier and responsible food for all.

This mission involves five priority challenges that we are determined to take up with our entire ecosystem: promoting sustainable and regenerative agriculture, contributing to a healthier diet, fighting climate change and reducing our environmental footprint, designing responsible packaging, and increasing the accessibility of our products.

This Communication on Progress - which meets the GC Advanced criteria - is a testament to the high standards we set ourselves to meet these challenges. In it, you will find the short, medium and long-term commitments we are taking in each of these five areas of action, and the results we already achieved.

These results are largely due to our 12,500 employees around the world and our ecosystem of producers, partners, distributors and consumers, who are acting towards this inclusive growth model. Their mobilisation and solidarity have enabled us to get through an unprecedented year, both humanly and economically, and allow us today to look to the future with confidence.



A GLOBAL PLAYER IN HEALTHY, DAIRY, FRUIT AND PLANT-BASED SNACKS

KEY INFORMATION

5TH
GENERATION
OF FAMILY
MANAGERS

12,510
EMPLOYEES



1865
CREATION
OF THE COMPANY

4,500
SUPPLIERS



2,500
PARTNER
DAIRY PRODUCERS



20 BILLION
PORTIONS

OVER 30
BRANDS

OVER 40
SUBSIDIARIES

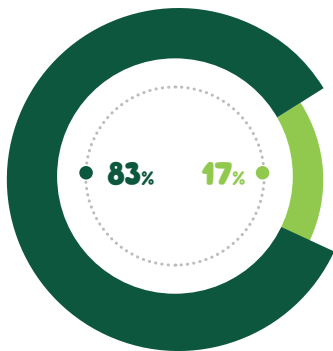


€3,456M
IN REVENUE

33
PRODUCTION
SITES



SEGMENT BREAKDOWN MATURE MARKETS / NEW TERRITORIES



NEW
TERRITOIRES
591 M€

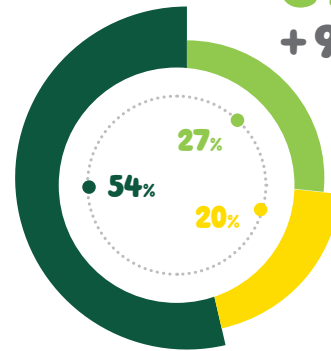
MATURE
MARKETS
€2,864M

* Organic growth between 2019 and 2020.

BREAKDOWN BY GEOGRAPHICAL AREA

AMERICAS,
ASIA-PACIFIC

€920M
+9.5%*



EUROPE
€1,858M
+1.9%*

MIDDLE EAST,
GREATER AFRICA
€678M
-3.1%*

HIGHLIGHTS OF 2020

Publication of
the biodiversity policy
**CO-CONSTRUCTED
WITH WWF FRANCE**

128

**RECIPES
REFORMULATED**

Signature of the
Consumption Dates Pact
TOO GOOD TO GO

OUR BUSINESS MODEL CREATES VALUE FOR ALL

Since 1865, we have relied on...

OUR RESOURCES

ICONIC BRANDS

recognized throughout the world

MEN AND WOMEN

promoting recognized unique know-how

OUTSTANDING INDUSTRIAL SITES

with strong regional ties

NETWORKS

of partners who are committed to working with us and whom we support

NATURAL RESOURCES

with a consumption that is decreasing year after year

A SOLID, STABLE FAMILY STRUCTURE

that provides regular financial resources

A portfolio of more than **30 brands**

12,510 employees in more than **40** subsidiaries

Industrial know-how deployed in **33 industrial sites** and **16 countries**

Developed **territories** (infrastructures, networks, etc)

2,500 partner dairy producers and **69%** of purchases made from suppliers with an average Ecovadis supplier score of **52/100**

More than **6,000 customers** / retailers in **120 countries** generating **€3.5bn** in revenue

Coalitions of stakeholders, communities and expert associations

Water consumption / **6.48m³** per ton produced

96% of paper-based packagings are certified and/or contain more than **85%** of recycled fibers

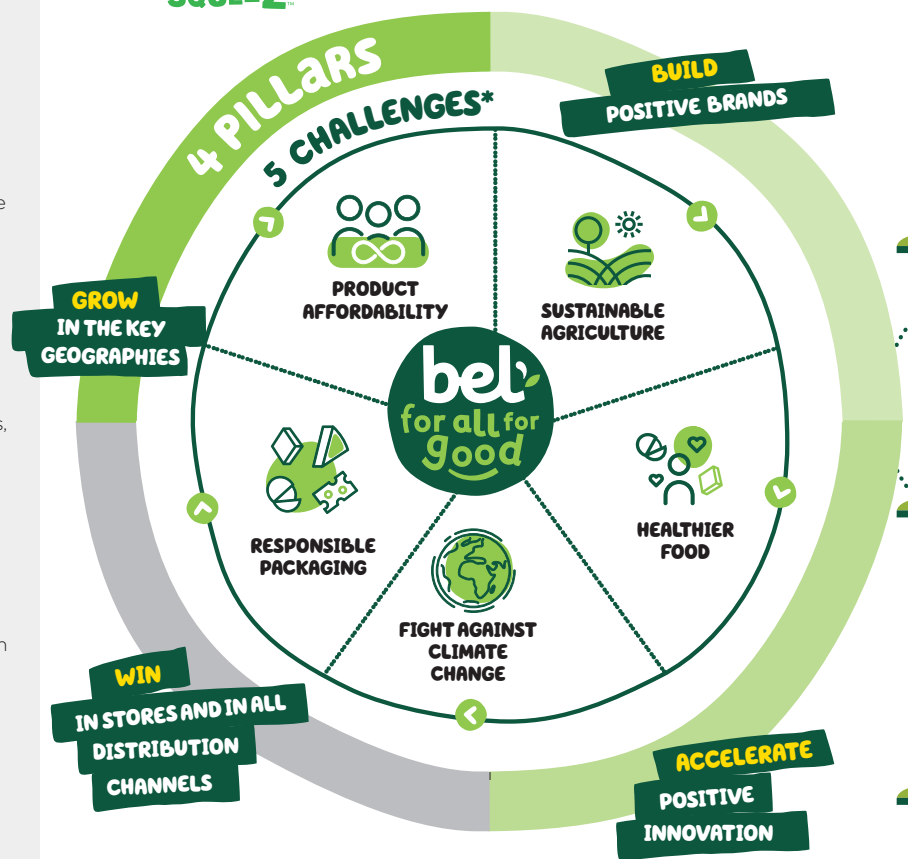
0.72 MWh PCI / metric tons produced

Healthy soils, rich biodiversity (Regenerative agriculture)

5th generation of family shareholder-managers

€820m in undrawn credit lines and **€1,800m** in equity

OUR STRATEGY



* Identified by materiality and risk analyses.

OUR VALUES
DARE, COMMIT
AND CARE.

OUR ETHICAL PRINCIPLES

OUR MISSION
TO CHAMPION HEALTHIER
AND RESPONSIBLE
FOOD FOR ALL

OUR ACTIVITIES

Bel produces healthy, responsible and affordable food for everyone, everywhere, at any time, by offering consumers around the world portioned snacks and culinary solutions, allowing them to enjoy the benefits of dairy, fruit and plant-based products.



OUR AMBITION
A RESPONSIBLE
AND PROFITABLE
COMPANY

OUR IMPACTS

OUR CONTRIBUTION

For our employees

Competitive salaries and benefits, a safe working environment, and a healthy lifestyle

31 subsidiaries with an employee program (“Healthy smiles”)

For our consumers

Healthier food for all

Six nutrition education programs, especially for children

For our customers

Innovative distribution models for 7,500 street vendors and Moroccan grocers and a presence in over 120 markets

For our partners

Sustainable and responsible relations throughout the value chain

For the planet

Clean water (more than €6m/year for wastewater treatment), renewable energy (47% of electricity from renewable sources) and recyclable-ready and/or biodegradable packaging (82%)

For our shareholders

Recurring dividend and regular growth

For NGOs and scientific experts

Our experience and our data

For our communities and institutions

Support for the territories and taxes paid in 26 states, representing 30% of income

OUR RISKS

Corruption, human rights abuses and tax evasion

Quality, food safety and product regulation

Image and reputation

Accessible and affordable products for all

Raw materials price volatility

Partner producers relationship management

Climate change

Sustainability of natural resources and responsible packaging

Geopolitical environment and geographic breakdown of our activities

OUR AMBITIONS FOR 2025

For our employees

- 100% of employees completed at least one training course during the year
- Working towards zero accidents
- 100% of subsidiaries have set up nutrition education programs for their employees

For our consumers

- 80% of product volumes for children and families comply with the “Bel Nutri+” promise

For our partners

- Our partners have an average Ecovadis score of 55
- 100% of partner dairy producers have access to innovative societal schemes
- 80,000 participants in inclusive business programs

For the planet

- Carbon neutrality of our operations (Scopes 1 and 2) and 27.5% reduction in our GHG emissions (Scopes 1, 2 and 3) in 2030 (versus 2017) per metric ton of finished product
- - 80% water consumption per ton of finished product versus 2008
- 100% of key commodities deforestation-free
- 100% of packaging recyclable-ready and/or biodegradable

To sustain our activities

- results that allow us to support our territories, invest in the preservation of our resources and participate in “well-being” for all



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

1.1. BUSINESS MODEL

Group profile

Bel is a French family-owned agri-food group, created in the Jura region of France in 1865. It is currently led by Antoine Fiévet, the fifth generation of family managers.

More than 150 years old, Bel is one of the global leaders in the branded cheese sector and a major player in healthy snacks. The Group sells its products in individual portions in three complementary fields: dairy, fruit and plant-based. It boasts a portfolio of international, positive and affordable brands, such as The Laughing Cow®, Kiri®, Mini Babybel®, Leerdammer®, Boursin®, Pom'Potes® and GoGo squeeZ®, as well as around 30 local brands.

Driven by its mission to “champion healthier and responsible food for all”, its values - dare, care and commit - and through the mobilization of its 12,510 “activist” employees, Bel intends to help build the food of the future: healthy, sustainable and inclusive. For this, it relies on a business model that creates value for all, and in which responsibility and profitability are inseparable.

The Group is present in 120 countries, with around 40 subsidiaries and 33 production plants throughout the world.

A business model creating value for all

Bel offers consumers the goodness of dairy, fruit and plant products through safe, high-quality products. The Group aims to have a positive impact on all of its stakeholders, from farmers to consumers, while protecting the planet.

In 2003, the Group joined the United Nations Global Compact, thereby confirming its commitment to sustainable development. Since then, every year, in its “Communication on Progress” report, Bel reviews the initiatives and progress made by the Group to contribute to the 10 principles of the Compact, such as human rights, international working standards, environmental protection and the fight against corruption.

In 2016, the Group structured its approach to place corporate social responsibility and shared value creation (creation of underlying value by a company that also benefits society at large, by meeting its needs and challenges) at the heart of its growth model, by creating trusting, lasting and profitable relations for all players in its value chain.

Faced with mounting climate and demographical challenges, and to meet the new expectations of its stakeholders, the Group has chosen to go even further in contributing to feeding tomorrow's global population of 10 billion people, while preserving the planet's

resources. In 2018, it began a radical and voluntary transformation of its business model, under which profitability and responsibility are inseparable. For this, the Group adapted its corporate mission to “champion healthier and responsible food for all”, thereby restating its commitment to sustainable and inclusive nutrition.

A year later, Bel unveiled its new corporate identity “For All. For Good” and its five priority challenges:

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

These were defined on the basis of teachings from the Group's materiality and risk analysis. They have become the base of the Bel Group's sustainable growth model, including concrete commitments out to 2025 and complementing the Group's strategy and its four pillars:

- building positive brands;
- accelerating positive innovation;
- developing in key geographies;
- adapting to tomorrow's distribution channels.

In this way, the Group aims to expand by offering increasingly responsible products that meet consumers' growing expectations for environmentally-friendly, natural foods.

It has also developed Company-specific tools to guide action by Bel employees and its stakeholders:

- the Code of Good business practices, which defines the principles, values and rules of the best business practices that the Group intends to have respected throughout the world and in all circumstances, by its employees when they face ethical questions as part of their professional activity (see section 1.4 “Ethics: a common foundation for conducting business”);
- the Sustainable Purchasing Charter presents Bel's commitments to its suppliers. It also defines what the Group expects from them in return, in terms of major social issues such as business conduct, respect of human rights and children's rights, and the fight against corruption (see section 1.4 “Ethics: a common foundation for conducting business” and section 2.2 “Promoting responsible practices with its business partners”);

- Bel Global Sustainable Upstream Dairy Charter, co-signed by WWF France, guides the Group's practices out to 2025, to answer economic, social and environmental challenges in the dairy industry and changes in consumer expectations for all dairy (supply) basins (see section 4.1 "Taking action for a sustainable upstream dairy");
 - the "Bel Nutri+" nutritional profile system defines the Group's ambitions to continuously improve the nutritional value of Bel products (see section 3.3 "Improving the nutritional quality of its products");
 - the Responsible Communications Charter lists principles to be followed in all types of communication (advertising, packaging, digital), especially when they directly target children under 12 years old; (see section 2.3 "Communicating responsibly and transparently with its consumers");
 - the CSR scorecard defines the Group's key non-financial indicators out to 2025, aimed at supporting the development of its sustainable growth model.
- confirmed the relevance of the Group's long-standing commitment to conducting its business ethically (see section 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 2 "A model that creates value for all its stakeholders"); and
 - highlighted the priority challenges for the Group to address in the future, which are reflected in its new identity For All. For Good (see sections 3. "Contributing to healthier food" through 7 "Improving the accessibility and affordability of its products"):
 - contributing to healthier food,
 - promoting sustainable agriculture,
 - committing to responsible packaging,
 - fighting climate change and reducing its environmental footprint, and
 - improving the accessibility and affordability of its products.

Ambitious targets for 2025

Bel believes that competitiveness and sustainability go hand in hand. This is why the Group is committed to making a positive contribution to its environment and has given positive innovation a central place in its business model.

Bel's view is that everyone must play their part in lastingly improving our children's and grandchildren's futures. The Group has therefore aligned its business strategy and commitments with the Sustainable Development Goals (SDG) defined by the United Nations (UN) (see Appendix 4).

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

- first, on the Group's risk management approach. Five non-financial risks were deemed significant:
 - risks related to corruption, human rights abuses and tax evasion,
 - risks related to suppliers and the priority challenge to promote sustainable agriculture,
 - risks related to quality, food safety and product regulation,
 - risk of environmental impact from Bel's direct and indirect operations and the priority challenge of committing to responsible packaging,
 - risks related to the sustainability of natural resources and climate change;
- second, on its updated materiality analysis conducted in 2018 on a panel of internal and external stakeholders representing the diversity of the Group's ecosystem (see Appendix 1 «Results of the Bel Group's materiality analysis»).

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

This combined assessment is presented in Appendix 2 «Summary table - Bel's material non-financial challenges, remediation policies and corresponding objectives».

For each of the 5 priority challenges, the Group has identified quantified objectives to guide its actions as it works toward its 2025 vision. These five challenges will be the base of its action and constant improvement program to make its brands ever more innovative and responsible, from the farm to the fork.

In 2017 Bel chose to tie its financial to its non-financial performance, by signing an addendum to extend the maturity of its multi-currency revolving credit facility and include environmental and social impact criteria. In October 2019, the Bel Group successfully completed a Euro Private Placement ("Euro PP") transaction with social and environmental conditions. The criteria included in the Euro PP and credit agreement are based, respectively, on two and three objectives related to the Group's sustainable development strategy:

- deployment of a concrete action program for a sustainable upstream dairy sector;
- reduction of greenhouse gas emissions; and
- development of nutrition education programs in the Group's key countries (credit agreement only).

The Group reports annually on progress toward these goals in its Non-Financial Performance Report, which is audited by an independent third-party organization. In order to simply and transparently share its entire approach with its internal and external stakeholders, Bel has developed a scorecard to monitor the progress made with its objectives year after year. This scorecard is presented in each of the following chapters.

Significant events in 2020

Bel, resilient in crisis periods

2020 was affected by several events unspecific to Bel, but which took a toll on the Group in all its regions: the Covid-19 pandemic, the Beirut port explosion and a complicated geopolitical situation in certain countries where the Group operates.

Faced with these unprecedented situations, Bel made the health and safety of its employees its absolute priority. The Group also supported its partners and with them, maintained the food chain. Finally, loyal to its values, commit and care, the Group chose to take action for those particularly exposed and affected, by providing financial aid and donating hygiene equipment or products.

Faced with this health crisis, Bel was particularly attentive to the needs of its partners and communities:

- with dairy producers: in France, Bel maintained the purchase price and milk volumes collected with its partner producers in the Bel West Producers Association (APBO);
- with suppliers: For certain supplier categories, Bel proposed measures enabling them to benefit from early payments on more advantageous terms;
- with its communities: The Group allowed employees at the head office to engage in missions of national urgency identified by the French government, during their working hours, or to propose skill-based sponsorship. Almost 50 solidarity missions were undertaken by the Group's employees.

Bel also organized an International Solidarity Day, where a day's worth of Laughing Cow production was donated entirely to key workers (hospitals, care workers) and to people in need. As such, the Group's 12 Laughing Cow plants were mobilized to produce the equivalent of 20 million portions of cheese.

Similarly, at the time of the explosion at the port of Beirut in Lebanon, the Group, which has been present locally for 55 years, offered its support to the populations affected by donating one million portions of Picon cheese.

Innovation at the service of healthy eating

Portions are at the heart of Bel's offer. They enable the Group to provide the right dose of "healthy food" for consumers. To meet new consumer expectations and the need to open the way to more inclusive nutrition, during 2020, Bel stepped up the transformation of its brands and its product portfolio.

The Group continued to renovate its recipes and launched numerous innovations to offer increasingly natural products, meeting the nutritional needs of consumers, their usages and their purchasing power throughout the world. New product launches and 128 renovations to enhance nutrition and naturalness were launched, enabling 72% of the Group's portfolio (Children and Families) to respect the *BelNutri+* commitments and more than 98% of its products (core

brands) to be free of colorings and artificial flavorings. Among these were:

- a new, simplified Kiri® recipe, including only five ingredients and launched across Europe;
- functional ranges (nutrient-enriched): Babybel 5G Proteins was launched in Belgium, Spain, Portugal, the Netherlands, the Czech Republic, Slovakia and Ukraine. The two Babybel Plus references, enriched with nutrients (probiotics and vitamins) were launched in the US and the UK. In the majority of these markets, Babybel represents the first functional cheese offer;
- the Laughing Cow Big 4, in Algeria, Morocco and Egypt. This new recipe is enriched with iron, zinc, iodine and vitamins (A and D) in response to the main deficiencies of local populations.

Finally, Bel continued its strategy to make organic foods available to all. In September 2020, the Group joined forces with McDonald's France to offer an organic Mini Babybel in Happy Meal menus at the 1,490 McDonald's restaurants in France, leading to the sale of €3.7 million Mini Babybel portions as of 31 December 2020.

The challenge of plant-based foods

Bel announced its aim to become the leader in plant based foods in its category. For this, the Group is banking on both organic growth, consisting of diversifying the offer of its core brands to propose plant-based and mixed specialties, and on acquisitions, by taking stakes in companies or innovative start-ups, developing the innovations of tomorrow (for both ingredients and technologies).

In 2020, Bel launched its first 100% plant-based product under the Boursin brand in the US. It also announced the launch of The Laughing Cow Blends range as of January 2021. This range of three products combines cheese, leguminous plants and herbs and is to be commercialized as a priority in the US, the UK, Canada, Germany and Australia at the start of 2021. A Mini Babybel plant-based version is also due to be launched in the US in 2021, as well as a new 100% plant-based brand, that will round out the Group's portfolio of core brands.

In June 2020, Bel also acquired 80% of the capital of All In Foods, a French start-up located in Saint-Nazaire and developing a wide range of plant-based specialties, alternatives to cheese, and plant-based sauces. In December 2020, the Bel Group also joined the New Protein Fund, a European investment fund of Big Idea Ventures LLC, specialized in cell-based and plant-based tech. Big Idea Ventures is the global leader in investments in the FoodTech sector, committed to identifying and supporting the most promising companies and projects in alternative proteins.

CSR at the heart of our responsible and profitable business model

The Bel Group is convinced that placing responsibility at the heart of its decisions is the way to sustain and improve its growth over the long term. As such, in 2020, Bel chose to merge CSR and Finance into a single division and to continue to act in concrete terms to meet its five priority challenges: sustainable agriculture, healthier food, responsible packaging, fight against climate change and product accessibility.

- Bel joined the Consumption Dates Pact launched by *Too Good To Go*, aimed at reducing food waste. Bel was one of the first companies to confirm its commitment: making French consumers aware of 'best before date' labels. Explanations on consumption dates and how to conserve the products were inserted into 17 million boxes of Laughing Cow cheese. Pictograms were placed on the dividers separating the cheese portions to encourage consumers to trust their senses and observe, smell and taste the product once the date has passed, and to decide whether it should be thrown away. Since then, the initiative has been deployed in Portugal and will be extended to several other European countries in 2021;
- Bel unveiled its biodiversity policy, co-constructed with the expertise of WWF France. This includes the commitments made by the Group and ambitious quantified targets for its entire value chain "from farm to fork" for preserving, valuing and restoring biodiversity. At the same time, Bel joined the Act for Nature international initiative, which brings together companies, public institutions, scientists and associations in order to create a genuine international collective to protect, value and restore biodiversity.

- for the fourth year in a row, Bel renewed its agreement with the Bel West Producers Association (APBO) following on from the first three years of the partnership. The agreement was renewed for the whole of 2021 and provides a secure economic framework for the 780 APBO producers and further deployment of sustainable practices to favor animal welfare and reduce the environmental footprint of the farms;
- the Bel Group is eager to promote good eating habits and healthy lifestyles for children and families. It sets up long-term partnerships with NGOs and government authorities to promote healthy eating habits and support food education programs. The Group aims to implement nutritional education programs in 10 countries where it is present between now and 2025. In 2020, Bel signed three new partnerships: in Egypt with the UN Food and Agriculture Organization (FAO) and the Ministry of Education, in the Ivory Coast and in Congo with Action Contre la Faim ("Action Against Hunger");
- to help it provide a concrete response to the food challenges facing the Group, Bel convened a committee of high level experts, recognized in nutrition and public health. Including sociologists, nutritionists, general practitioners and public health researchers, the committee of experts aims to challenge the Group and accompany it towards high-quality, widely affordable food, contributing to reducing our environmental impacts.

1.2. GOVERNANCE OF CSR ISSUES AT EVERY LEVEL OF THE COMPANY

The Group's structure facilitates the consideration of CSR challenges at all levels, from management bodies to operational employees. The Group's commitment to combining responsibility with performance is even reflected in its organization: it decided in 2020 to merge CSR and Finance within a single division.

The Board of Directors as the commitment watchdog

The Group's Board of Directors makes all decisions about the Group's strategic, economic, social, environmental, financial and industrial objectives, and ensures that they are implemented by Senior Management.

The Ethics and Compliance Committee

The Ethics and Compliance Committee assesses and oversees compliance policies. It receives assistance from an Ethics Coordinator and reports on its work to the Group Audit Committee.

The CSR Operational Committee as the promoter of strategic CSR priorities

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

To support the roll-out of this ambitious plan, Bel also has a CSR Operational Committee that includes several members of the Executive Committee and meets four times a year. The objectives of this committee's meetings are to validate the CSR policies in line with

the Group's strategic decisions and commitments and to monitor the CSR scorecard and changes in the performance indicators. In addition, two annual sessions of the Executive Committee focus more specifically on long-term strategic CSR matters.

The Investment Committee as the guarantor of sustainable growth

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

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

Specific committees to guide priority issues

The CSR Operational Committee is supplemented by specific steering committees dedicated to priority challenges for the Group's sustainable growth model, such as the Sustainable Agriculture Committee (see section 4 "Promoting sustainable agriculture"). Their purpose is to define a road map and to track its operational deployment and progress. These dedicated committees meet four times a year and convene multidisciplinary teams.

1.3. A COMPANY FULLY MOBILIZED TO ADDRESS THE HEALTH CRISIS

In 2020, an unprecedented global health crisis triggered many economic, social and environmental challenges. In this difficult situation, the Bel Group successfully rallied its employees, partners and citizens to maintain the continuity of the food chain, lend its support to communities and keep everyone safe and healthy - especially the most vulnerable.

Organizing crisis management across the Group

The Group transitioned to crisis management mode in January 2020 with three objectives: monitor the global evolution of the pandemic and its consequences on each market, protect its employees and ensure the continuity of operations and of the food chain.

The Group stood up a multidisciplinary crisis unit with representatives from all key functions in the Company. In parallel, crisis units were also mobilized in each

Brand Steering Committees

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

Employee networks to support operational deployment

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

- a network of "Champion" employees representing various Group functions whose primary role is to monitor and report on Group KPIs and to lead CSR initiatives in their functions and communities; and
- a network that includes, among others, employees from the Marketing and Regulatory Departments, is deployed to all the Group's subsidiaries to further strengthen this system. The role of this network is to speed up the deployment of the CSR initiative to all the Group's functions and regions. Four annual meetings are held to share the latest news on the Group's CSR policies and commitments and to showcase the good practices put in place in various countries.

country to operate either in crisis mode or standby mode depending on the local health situation.

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

Preserving employee health: an absolute priority for the Bel Group

From the start of the pandemic, Bel adopted extremely strict preventive measures in accordance with the Group's internal health and safety procedures and with guidance from the World Health Organization (WHO). Based on those recommendations, Bel drew up a list of 80 measures to implement at all its sites.

For example, the Group established systematic temperature checks before entry, distributed health supplies (gloves, masks, hand sanitizer, etc.) and installed protective barriers at its 33 plants.

Access to the Group's other facilities was limited during the lockdown periods and teleworking was encouraged. The behaviors and key measures applied in the plants (e.g. temperature taking, masks, social distancing, cleaning and disinfection) were extended to other sites and everyone participated in a 15-minute mandatory training that reviewed the rules to follow.

In addition to these personal safety measures, the Group developed several initiatives to support its employees during this trying period. For example, Bel gave its employees access to various training modules to help them successfully work from home, maintain a healthy diet and exercise. The training team also encouraged employees who were working fewer hours because of the pandemic to sign up for training. Bel employees in several countries, such as France, Italy, Greece and Canada, had access to a counseling and support service if they needed it.

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

Helping partners weather the crisis and maintaining the food chain

As a major player in the global food industry, Bel sprang into action to ensure the continuity of the food chain by supporting its producers and suppliers.

In France, Bel honored its milk purchase price commitments, underscoring the importance of the agreement negotiated with the APBO (*Association des Producteurs de Lait Bel Ouest*, or "Bel West Producers Association").

Bel also gave some of its suppliers in the eurozone the option to take advantage of modified payment terms to help them get through the crisis. Therefore, at a supplier's request, payment times were reduced (to 10, 20 or 30 days instead of the usual 60-day terms) with no deductions from their invoices.

Promoting action and solidarity

True to its values, the Bel Group sought opportunities to assist communities that were especially exposed to and affected by the crisis.

Throughout the world, Bel's teams responded to the many needs created by the crisis by providing financial aid and donating products and/or health supplies to local associations or hospitals near the Group's production sites.

On April 16, 2020, for example, the Group set aside a full day's worth of The Laughing Cow production (the equivalent of 20 million portions) to donate, in kind or in cash equivalent, to healthcare workers and the most disadvantaged citizens. This operation mobilized 12 plants and 20 countries.

In addition, in Morocco, where the Group has deep and far-reaching roots, Bel donated 5 million dirhams to the Special Fund to Fight Covid-19.

Furthermore, the Group teamed up in France with the association "*Tous confinés, Tous engagés*" ("Everyone confined, Everyone committed") to allow employees to spend work time volunteering for national emergency missions identified by the government or other solidarity actions. More than 200 work hours were devoted to such programs.

Finally, Bel invited its employees in France to give away their paid leave with a matching contribution by the Group. As a result, more than €100,000 was donated to healthcare facilities located near the Group's plants and head office to support medical personnel and fund the purchase of equipment and supplies.

1.4. ETHICS : A COMMON FOUNDATION FOR CONDUCTING BUSINESS

Definition of the challenge

Bel is firmly committed to preventing the risk of environmental harm, protecting human rights and fighting corruption and it has always placed ethics at the heart of its business methods.

Moreover, by adopting the "Sapin II" and "Due Diligence" 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.

Governance

To ensure ethical behavior along its entire value chain, several years ago the Group put in place strong governance bodies to ensure adherence to Bel's values and principles at all levels of operation within the Company.

The Group's Ethics and Compliance Committee - created in 2012 - is now supported by an Ethics Coordinator and a network of ethics officers who are appointed within the subsidiaries' HR departments to oversee the implementation of the various commitments and their operational application. The Ethics Coordinator interacts as needed with the Risk Committee and updates the Group Audit Committee on the progress of projects. Once a year, the Audit Committee presents a work report to the Board of Directors. This governance structure was adopted by the Executive 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. In addition, it can address any ethics alerts, including those that cannot be handled within the hierarchy. It can also be asked to issue an opinion on any compliance matters.

The role of the Ethics Coordinator is to oversee the definition and implementation of compliance actions - especially those relating to fighting corruption and respecting human rights and the environment - at the local level, with the support of ethics officers. He/she regularly briefs the Ethics and Compliance Committee on these actions.

The ethics officers are responsible for taking the necessary steps to raise awareness and for training local employees in the Code of Best Business Practices and the related policies. They are indispensable local liaisons for all the business ethics initiatives introduced at the Group level.

Policies

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

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

The code also stipulates that the principles laid out do not stand in place of 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 Best Business Practices has been supplemented by policies dedicated to fighting corruption and to Group rules regarding gifts.

In 2017 these policies were revised to reflect the provisions of the "Sapin II" law. They were integrated into the internal regulations of the French sites, disseminated to foreign sites and, where applicable, are currently being transposed to the foreign sites' internal regulations.

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

Action plan

In addition to due diligence 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 3.1.6 "Vigilance plan"), Bel has also joined several voluntary ethics initiatives for many years. Indeed, the Bel Group signed on to the United Nations Global Compact in 2003, well before it adopted its Code of Good Business Practices. Since then, the Group has reaffirmed its commitments each year and reports on its progress regarding four fundamental principles: respect for human rights, respect for labor standards, the fight against all forms of corruption and respect for the environment. Bel pays particular attention to respect for children's rights given the positioning of most of its brands. The Children's Rights and Business Principles, drafted jointly by the UN Global Compact, UNICEF and Save the Children, are Bel's reference framework and are fully incorporated within its Code of Best Business Practices.

Alert system

Beyond the conventional alert reporting channels (contacting human resources officers, employee representative bodies or ethics officers), in 2015 Bel created 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 2020, three alerts were submitted; one of them was received in December 2020 and was processed in 2021.

PERFORMANCE INDICATORS			
Bel’s objectives	KPI	2019	2020
Promote ethics as a common foundation	Number of alerts received	2	3
	Number of alerts processed	2	2
	Number of employees trained on corruption risks (in-person training)	500	500
	Number of employees trained on corruption risks (e-learning)	594	652

1.5. VIGILANCE PLAN

The adoption in 2016 of the anti-corruption aspect of the “Sapin II” law and in 2017 of the law on due diligence has led the Group to strengthen its monitoring in the fight against corruption, environmental damage related to its activity and violations of human rights and individual health and safety.

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

1.5.1 A system founded on risk identification

Corruption risks and the risk of human rights, individual health and safety and environmental violations are monitored within the framework of the Group’s Enterprise Risk Management (ERM) system).

Nevertheless, since the adoption of the “Sapin II” and “Due Diligence” 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 exercise in 2017, which was updated in 2019. Risks were evaluated according to three criteria:

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

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

This first study phase was supplemented by a thorough analysis of the Group’s current policies and checklists that limit these risks, in order to adopt appropriate action plans. In connection with the roll-out of these initial action plans, the Group also strengthened the mechanisms governing ethics and compliance (see section 1.4 “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 through trainings arranged for all the Management Committees of the Group’s subsidiaries to educate the local staff about the corresponding issues. After these training sessions, participants completed self-assessment questionnaires about risks relating to corruption, violations of human rights, individual health and safety, and the environment. The questionnaires were then analyzed to measure the actual risk in light of the policies and control points in effect at the subsidiaries.

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

The gross risk mapping and the analysis of the compliance and effectiveness of Group policies and control points were updated in 2019 and 2020 to measure the progress made. The implementation of additional policies and reinforced control points between 2018 and 2019 led to a marked improvement in the management of these risks.

Finally, in 2019 the Group rolled out a digital risk mapping tool that enabled it to complete a corruption risk mapping in 2020. Bel opted for a qualitative approach that essentially consisted in formalizing corruption scenarios specific to each of the Group's subsidiaries and taking into account aggravating exogenous factors, where applicable (for more details, see section 1.5.2 "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 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 exercises led to the identification of "purchasing category/country" pairs and the reinforcement of the due diligence steps taken prior to approving suppliers that come under those categories.

In 2020, the Group used a digital tool to update its supplier risk mapping. The software enables mass analysis of the portfolio, which pinpoints suppliers for whom greater diligence is required, based on a theoretical risk level. The digital resource can then be employed to access detailed reports about this set of theoretically risky suppliers to make well informed decisions about whether to continue doing business with the partner in question. These reports and the content of due diligence work performed are stored and can be viewed on a dedicated digital platform. In this respect, subcontractors, intermediaries and other consultants are considered to be suppliers and will, therefore, be included in the aforementioned category (a new risk mapping was carried out for this group in 2020).

The same approach will be rolled out in 2021 to all clients of the Bel Group.

1.5.2 Actions implemented

To fight corruption

The Group supplemented its Code of Good Business Practices with a gift policy and an anti-corruption policy, which was revised in 2017 to apply the provisions of the "Sapin II" law. They were incorporated within the French sites' internal regulations following consultation of the staff representative bodies and were conveyed to all the Group's subsidiaries.

Relating to its internal stakeholders

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

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

This risk mapping exercise was conducted again in 2020 and will be updated at regular frequencies in accordance with legal requirements.

Moreover, in addition to the in-person trainings that have benefited more than 500 employees since 2015, an e-learning module on fighting corruption was launched in late 2018. The training was offered again in 2019 and 2020. The module was completed by all Management Committee members at every Bel Group subsidiary in 2020, prior to carrying out the dedicated risk mapping exercise for their subsidiary. As a result, this e-learning was completed by 650 Group employees.

Lastly, the entire anti-corruption system underwent an internal audit. The report's conclusions were presented to the Group Audit Committee and resulting action plans will be 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 in 2019 with a mapping focused on corruption risks. Its conclusions made it possible to base the degree of due diligence on the risk level identified by "purchasing category/country" pair (see section 2.2 "Promoting responsible practices with its business partners").

As regards its other external stakeholders, the Group has put in place measures to be notified if any of its retailers, customers or agents is found guilty of a crime, politically exposed or added to a blacklist or embargo. This continuous monitoring system will be supplemented with in-depth assessments of the most exposed stakeholders in 2021 thanks to a dedicated digital tool (see section 1.6.1 "A system founded on risk identification").

In addition to these specific action plans, since 2014 the Group has participated in the Supply Chain Initiative in 16 European countries⁽¹⁾ which make up more than 40% of its revenue. This voluntary, self-regulatory code establishes 10 principles to be followed in commercial relations, with an emphasis on 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. Moreover, the Group's alert system was opened to external stakeholders through the Group's website, with a redesigned user interface to give them more intuitive access to the system. This alert processing system is similar to the one used for alerts sent by internal stakeholders (see section 1.4 "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 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.

In 2017, the Group ran a project aimed at detecting and measuring the risk of human rights violations, focusing on the risks of modern slavery, forced labor, child labor, and violations of individual health and safety, freedom of association, or the right to collective bargaining. This work also raised the awareness of the local Management Committees about these issues. In 2018, like the work carried out to fight corruption (see 1.5 "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.

Employee awareness is at the core of Group actions to fight human rights violations. Because of the public health crisis, in 2020 it was not possible to offer as rich an array of in-person trainings as in other years. However, the Group is rolling out an e-learning module on respecting human rights with an explanation of Bel's policies to protect such rights. Also, respect for human rights and adherence to related Group policies are discussed systematically at in-person trainings on the Code of Good Business Practices.

Finally, the Group naturally carried on with long-running social initiatives (see 2.1 "Building a sustainable future with its employees") and, again in 2020, pursued its continuous improvement programs aimed at guaranteeing the health and safety of its employees through its "zero accidents" goal (see section 2.1.1 "Guaranteeing health, safety and well-being at work").

Relating to its external stakeholders

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

That system was supplemented with the CSR risk mapping exercise intended to define the purchasing categories most exposed to the risk of human rights violations (see section 2.2 "Promoting responsible practices with its business partners").

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

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. As part of its risk mapping, the Group identified the major risks to the ongoing viability of its activities and the risks that weigh on its ecosystem.

In its operations

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

⁽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.

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

Thus, the Group has a strict, longstanding environmental policy that defines the its goals and its guidelines for reaching those goals, especially the ones pertaining to its carbon footprint and water consumption. Furthermore, since 2017 the Group has participated in the Science-Based Targets (SBT) initiative started by the Carbon Disclosure Project (CDP), the World Resources Institute (WRI), the WWF and the United Nations Global Compact. This initiative aims to reduce greenhouse gas emissions along the entire Bel value chain (Scopes 1, 2 and 3).

In 2019, the Bel Group also formalized a policy on protecting natural ecosystems and forests, which seeks to ensure that, by 2025, none of its key raw materials contributes to deforestation or the conversion of natural ecosystems.

All these adopted policies are accompanied by objectives with corresponding action plans that are closely monitored (for details on the action plans, see sections 6.1 “Fighting climate change”, 6.2 “Preserving biodiversity and fighting deforestation and ecosystem conversion” and 6.3 “Using water sustainably”).

Along its entire value chain

In light of the significant impact of agricultural raw materials on the Group’s overall carbon footprint (72%), Bel has made its commitment to a sustainable dairy sector a priority within its corporate social responsibility strategy, especially to achieve objectives set in connection with the Science-Based Targets initiative.

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

Moreover, in 2020 the Group adopted a biodiversity policy that incorporates all the corresponding challenges at every stage in its value chain (see section 6.2 “Preserving biodiversity and fighting deforestation and ecosystem conversion”).

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

Its engagement is characterized by its work to limit the risk of negative biodiversity impact and deforestation in its supply chain, fight food waste from production to consumption, and make Group packaging a part of the circular economy (see sections 6.1 “Fighting climate change”, 6.2 “Preserving biodiversity and fighting deforestation and ecosystem conversion”, 6.3 “Using water sustainably” and 6.4 “Fighting food waste”).

1.5.3 Dedicated controls

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

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

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

HIGHLIGHTS OF 2020

- Creation of Brand Committees to steer the brands’ CSR road maps.
- Strong Group response to its employees, partners and communities during the Covid-19 pandemic.

PRIORITIES FOR 2021

- Roll out the client assessment process.

2

A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

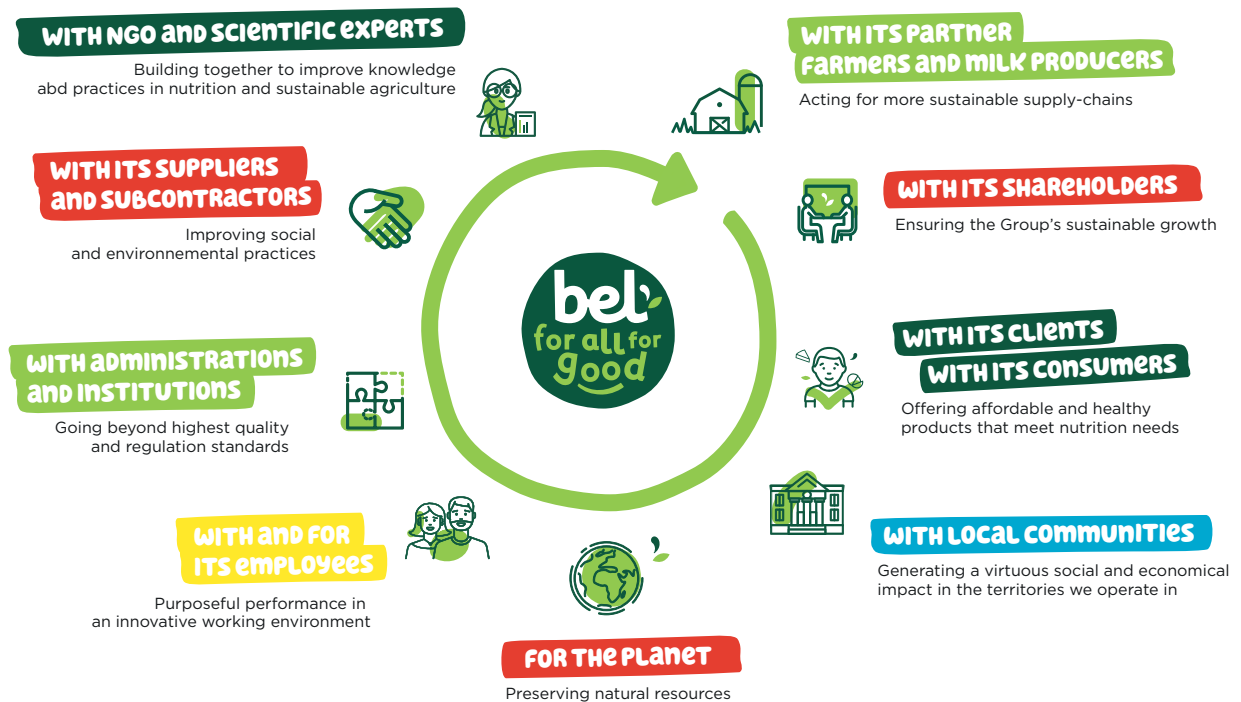
Because Bel's business model and operations are founded on interactions amongst a large number of stakeholders, maintaining long-term, beneficial and sustainable relationships with those stakeholders is crucial.

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

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

WITH ITS ecosystem

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



2.1. BUILDING A SUSTAINABLE FUTURE WITH ITS EMPLOYEES

Definition of the challenge

Bel's mission to "Champion healthier and responsible food for all" guides the Group's 12,510 employees in rolling out a sustainable and profitable model that places the consumer and shared valued creation at the heart of its decisions.

Bel's human capital is the indispensable foundation which enables it to fulfill its corporate mission. Therefore, the Group strives to offer its employees working conditions that promote wellness and safety and to enhance their employability by providing fair and appealing career opportunities.

Policy

In late 2020, Bel defined a new people policy to support the Company through its transformation over the next 10 years. This ambitious, innovative program, called "Nurture", defines the Group's HR commitments to its employees, as well as the expected behaviors and new management model that will be implemented to meet its goal. The vision is built upon the Group's longstanding key values - Dare, Care and Commit - and expresses the unique value Bel wants to create for its employees.

Its HR commitments are organized around the five following principles:

- employee training and development;
- work environment;
- recognition;
- personal fulfillment; and
- support for families.

In 2021, Bel will begin rolling out the “Nurture” program to the Group’s various entities. The priorities of the operational road map will be to listen to employees

and measure their satisfaction and to implement the management model. Programs have already been in place for several years to advance the topics of people development and the work environment; these actions are described in dedicated sections within this Non-Financial Performance Report.

Workforce

As of December 31, 2020, the Group employed 12,510 people in over 30 countries. Bel’s workforce (permanent and fixed-term employment contracts in effect on December 31, 2020) grew by 72 people, remaining stable compared to December 31, 2019.

Workforce by market type ^(a)	2018	2019	2020
Global (mature) markets	11,330	11,091	11,058
New regions ^(b)	1,307	1,347	1,452
TOTAL GROUP	12,637	12,438	12,510

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

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

Workforce by status ^(a)	2018	2019	2020
Managers ^(b)	2,521	2,498	2,676
Non-managers	10,118	9,940	9,834

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

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

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

In a particularly demanding market environment, Bel is constantly adapting its business lines and human resources to match its needs to maintain its competitiveness and fuel the growth of its core brands

on the cheese and dairy products market, as well as on the promising healthy snacking segment. The Group hired 1,615 people in 2020. The majority of the 1,516 departures in 2020 were voluntary (resignations and retirements).

Hires and departures	2018	2019	2020
Number of new hires	1,524	1,563	1,615
Number of departures	1,691	1,698	1,516
Of which redundancies/dismissals	171	276	229

Terminations by market type	2018	2019	2020
Global (mature) markets	165	211	218
New regions ^(b)	6	65	11
TOTAL GROUP	171	276	229

Rate of job insecurity ^(a)	2018	2019	2020
Global (mature) markets	10.3 %	11.4 %	11 %
New regions ^(b)	29.2 %	26.3 %	31 %
TOTAL GROUP	12.2 %	13.0 %	12.0 %

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

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

The Group’s average rate of job insecurity is 12% (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.

2.1.1 Guaranteeing health, safety and well-being at work

Policies

Health and safety are absolute priorities for Bel, for both its employees and all other persons working within the Company. Bel 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 also calls for the commitment and active participation of each and every employee. An incentive system encourages them to set a good example and to take actions to prevent and eliminate any dangerous behaviors or processes.

This policy is reviewed every two or three years and approved by the Group Executive Committee. It was updated in 2020 and disseminated to all Group sites.

Bel also deployed a new safety organization aligned with its operational model to increase the efficiency with which action plans are rolled out and to leverage good practices and incidents identified in the Group.

Furthermore, a new Security policy was recently defined to protect employees from material or immaterial malicious acts (see section 3.1. “Offering products with optimal quality and safety”).

Action plan

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

The Bel Group took decisive actions to address the Covid-19 pandemic with extraordinary measures to protect its employees (see section 1.3 “A Company fully mobilized to address the health crisis”).

Changing individual behaviors 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.

As a result, Bel’s accident frequency rate (AFR) has been in constant decline since 2013. The Group also defined the goal of achieving an accident frequency rate of 3 by 2025.

	2018	2019	2020
Bel accident frequency rate (a) Bel AFR			
Accidents with and without lost time for all persons present on Bel sites	6.6	5.45	4.75
Accident frequency rate ^(a) AFR1			
Accidents with lost time for Bel employees	4.1	3.72	2.87
Accident severity rate ^(b) for Bel employees	0.15	0.11	0.10

(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 two people, followed by a constructive discussion between the inspectors and the person “inspected”. The goal is to change behaviors and improve communication on safety and trust between employees

and managers. In spite of Covid-19, more than 23,000 BSVs were completed in 2020, in full compliance with Covid prevention protocols.

In addition to monitoring workplace accidents, sites are also required to report and investigate near-misses in the same way as incidents which cause injury or damage to prevent the recurrence of risky situations.

In a further step, the Group also uses audits to check that the principles of its health and safety policy are applied properly; these audits may be internal (conducted by certified auditors) or external (conducted by an auditing firm).

Finally, a road map that prescribes actions to take is drawn up at the Group level and sent to all subsidiaries and sites. In 2020, a few key actions from the 2019-2021 road map were implemented:

- acceleration of the “**LOTO**” program to secure site machinery by installing protective mechanisms on all machines at all sites by 2022;
- the “**Safety Leadership**” training, which gives managers skills to positively influence their employees’ behaviors to make their practices safer;
- a Group campaign on hand protection;
- the gradual deployment of the “**Dry Plant-Safe Plant**” program, whose goal is to reduce slips caused by wet floors; and
- the revision and improvement of 32 existing safety standards and the internal cross audit process.

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. Furthermore, the

Group has identified – among others – three sources of occupational discomfort that could affect employees working in its plants: noise, night shifts and repetitive tasks.

Plants are gradually introducing action plans to reduce these sources of discomfort and to create a healthy working environment for all employees. Improving workstation ergonomics is included as a criterion when assessing all Group investment projects.

Providing an organization more conducive to well-being at work

In a socio-economic environment leading to a constant quest for higher productivity, Bel takes into consideration factors that directly affect its employees’ well-being at work, including the organization of working and relaxation areas, the organization of working and commuting time and changes in working methods.

The Group also believes that a work/life balance is an important prerequisite for its employees’ development and the Company’s success.

Thus, most of the Group’s subsidiaries grant more paid leave than the minimum imposed by national laws and regulations.

	2018	2019	2020
% of employees receiving at least three weeks of leave per year	95 %	98 %	96 %

While there are many causes of absenteeism, it may in some cases be directly correlated with unhappiness at work. This is why the Group hopes to lastingly reduce unhappiness through its various actions. The increase in absenteeism seen in 2020 is directly related to the Covid-19 epidemic.

To improve wellness in the workplace, Bel has created an e-learning program, workshops and training for employees at its headquarters to raise awareness about psycho-social risks and quality of work life (QWL). The Group began giving QWL training to managers in 2020.

Absenteeism rate	2018*	2019*	2020
Hours of absence due to illness/theoretical working hours	2.11 %	2.05 %	2.85 %

* Excluding MOM.

PERFORMANCE INDICATORS						
Bel’s objectives	KPI	2018	2019	2020	2025 objective	Progress
Work towards zero accidents at sites	Bel accident frequency rate	6.6	5.45	4.75	3.0	

2.1.2 Promoting equal opportunity and diversity

Policies

The Bel Group is committed to fighting against all forms of discrimination. Bel fosters diversity and promotes equal opportunity when hiring and throughout the careers of its employees. To support these commitments, the Group introduced a “Diversity and Inclusion” program in 2016 that laid out gender diversity and multiculturalism targets for the Company for 2020 and 2025. This program will be revised in 2021 to speed up the Group’s transformation. It is built on three pillars:

- **creating an inclusive corporate culture**, especially through a network of volunteer employees to help adapt the Group’s strategy to the local level by identifying local challenges and deploying appropriate actions, as well as through employee training and awareness raising on the topic;
- **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, more non-French staff in corporate office, etc.); and

- **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 directors, etc.) the necessary management tracking and reporting tools.

“Diversity & Inclusion” programs have been launched in various Group countries in response to local challenges, including the United States in 2020. The successes of these local projects will serve as inspiration for the Group’s “Nurture” initiative to be deployed in 2021.

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	2018	2019	2020
Total employees	69 %/31 %	69 %/31 %	69 %/31 %
Non-managers	72 %/28 %	73 %/27 %	72 %/28 %
Managers	57 %/43 %	57 %/43 %	56 %/44 %

Breakdown of new hires by gender	2018*	2019 ^(b)	2020
Men	933	1,026	975
Women	591	537	640
TOTAL NEW HIRES	1,524	1,563	1,615

*Excluding Safilait but including MOM.

Although women represent approximately one-third of managers, the proportion is lower (25%) in the higher grades (1, 2 and the Executive Committee). To remedy the situation, the Group had adopted the goal of having 30% of these positions occupied by women by 2020 and 40% by 2025. In addition to a comprehensive approach, specific objectives have been set for each type of profession.

The Group’s progress in placing more women in management bodies in 2020 is illustrated by the attainment of gender parity on the Executive Committee. The percentage of women in middle management has also risen considerably since 2017, forming a growing pool of women candidates for more senior positions.

However, Bel has not reached its objective for all of top management, so it revised its program to speed up the Group’s transformation and meet its goal by 2025. To this end, two key actions were carried out:

- more than 85 women on staff have participated in the new leadership training program for female employees in the last few years, including 16 women in 2020; and
- Bel joined the European LEAD Network, whose mission is to advance women leaders in the retail and consumer goods industry. This network allows Bel to identify good practices in the sector and to make educational resources available to all its employees.

Gender breakdown by grade	2018 ^(a)	2019 ^(a)	2020
Board of Directors ^(b)	5/2	3/2	5/2
Executive Committee ^(b)	4/1	6/2	3/3
Grade 1	87 %/13 %	80 %/20 %	77 %/23 %
Grade 2	74 %/26 %	79 %/21 %	77 %/23 %
Grade 3	67 %/33 %	63 %/37 %	59 %/41 %
Grade 4	59 %/41 %	60 %/40 %	56 %/44 %
Grade 5	56 %/44 %	54 %/46 %	57 %/43 %
Grade 6	52 %/48 %	55 %/45 %	53 %/47 %
Grade 7	52 %/48 %	53 %/47 %	53 %/47 %

(a) Excluding MOM and Safilait.

(b) Absolute values.

In France in 2018, Bel signed a three-year agreement to promote skills development and diversity. This agreement is the synthesis of three separate agreements pertaining to gender equality in the workplace, the hiring of young people and retention of older employees, and employment and skills management planning. It renews most of the measures set forth in the previous agreements and aims to increase diversity. Negotiations for a new agreement will begin in early 2021.

Bel also classifies a wage gap greater than 5% in the same country for equivalent grades as a wage discrimination problem. For managers in France, the only sample group that is representative on a Group scale, the average ratio of women's salaries to men's salaries is currently 1.03.

	2018	2019	2020
Average ratio of women's salaries to men's salaries ^(a)	0.97	0.98	1.03

(a) Managers of an equivalent grade in France. Data from other countries is considered non-representative due to the number of men and women of equivalent grades.

As a company with more than 1,000 employees, Bel met its obligation to publish its gender equality index; its score for 2020 was 98/100, a four-point improvement over its 2019 performance. This index takes into account five indicators:

- the wage gap between men and women in the Company;
- the gap between individual rates of wage increase;
- the gap in promotions;
- the rate of female employees who receive a wage increase in the year following their return from maternity leave; and
- the number of employees of the under-represented gender among the 10 highest-paid positions in the Company.

Although these calculations are applied only to the Company's France scope, this result is an indicator of the efforts made by the Bel Group to fight gender discrimination.

Multiculturalism

Bel sells products in more than 130 countries and pays close attention to the diversity of the world in which it operates. The Group's ambition is to better understand

its consumers by putting together teams that reflect every type of difference.

Bel believes in the creative momentum and new combinations of knowledge driven by diversity. The Group sees diversity as an engine for innovation and for creating agile teams. This makes it a source of wealth creation that is inseparable from the Group's ambitious goals.

Bel has therefore set itself a target of achieving 45% non-French managers in the highest grades (1, 2 and Executive Committee) by 2025, as part of its "Diversity and Inclusion" program. In 2020, 29% of managers in the highest grades (1, 2 and Executive Committee) were of non-French nationality.

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 help people with disabilities into the workplace) and it signed its first Disability Agreement in 2014 to collaborate with social partners over a three-year period. In 2020, Bel and its social partners finalized a third Disability Agreement with the goals of


reaching, at a minimum, a direct employment rate of 6% across all its sites in France and enabling persons who are disabled or likely to become disabled to work in an environment conducive to their professional and personal development. This agreement is driven by four main areas of action:

- the involvement and education of all employees;
- participation in or creation of actions to show that Bel is disability-friendly;

- the hiring of disabled employees; and
- prevention and job retention efforts.

In addition, Bel works with numerous institutions in France that provide work to people with disabilities (known as “ESATs” or “EAs”), most of which are based close to the Group’s sites. These activities may include grounds keeping, printing, waste sorting, food service work in cafeterias, reception desk staffing or jobs related to operations at Bel plants, such as copacking.

PERFORMANCE INDICATORS

Bel’s objectives	KPI	2018	2019	2020	2025 objective	Progress
Promote gender diversity	Share of women in top management	21 %*	21 %*	25 %*	40 %	

* P rim tre Groupe hors MOM.

2.1.3 Developing its employees’ talent

Training program

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 issues guidelines in consultation with its business lines and countries that identify training priorities in light of current employee needs and the key competencies and skills to develop for the future.

The Group has set itself a target of having 100% of its employees participate in at least one training course each year by 2025⁽¹⁾.

In 2020, the Group’s training plan tackled the following priorities:

- increase the general level of financial knowledge;
- develop skills in critical business lines;
- enhance project management; and
- support Bel’s cultural evolution in connection with the key aspects of its transformation.

Action plan

In-person and digital training opportunities

In 2018, the Group began using the learning management system (LMS) provided by SuccessFactors, which hosts a comprehensive range of trainings, including:

- a catalogue of tailor-made and off-the-rack courses aligned with the Group’s strategy to develop key competencies, the bulk of which were designed with support from Bel’s business lines;

The Group-specific trainings in this catalogue include in-person and digital courses in three categories:

- Bel culture and transformation,

– functional expertise,

– managerial, leadership and transverse skills;

- alongside an open-access platform with digital content to support employees in their personal development according to their goals and at their own pace. This resource is available to all Bel’s connected employees.

In 2020, the training platform was improved with a new visual identity and new features to make it more learner-centric.

Although training tools were accessible and optimized, many in-person courses could not be held this year because of Covid-19. As a result, 76% of employees were able to complete at least one training in 2020.

Spotlight on digital training

Several large-scale trainings were rolled out in 2020.

While in-person training was significantly affected (cancellations/postponements) by Covid-19, in 2020 the Group still recorded a big increase in digital learning with the introduction of new training options, such as virtual classrooms, video learning, gamified learning and SPOCs.

For example, Bel trained its managers on cash flow management concepts to address operational needs with an e-learning called “Cash Culture” that was completed by nearly 2,750 employees throughout the world.

In addition, the Group offered its first SPOC (Small Private Online Course) to its Sales, Finance and Marketing teams. This training, which is still being deployed, is designed to impart new key competencies in sales through a progressive approach that leverages innovative, engaging educational formats.

⁽¹⁾ This objective includes both in-person training and digital courses, to which employees have unlimited access through the Bel Training Book and Pick N Learn.

Finally, the Group made a concerted effort to support its employees through the worldwide health crisis with access to digital learning modules covering a variety of topics, such as Covid-19 prevention measures, teleworking and collaborative work practices, and

psychosocial risks and resilience. Furthermore, for employees in France, all these modules were compiled in a training program entitled **“S’adapter c’est la clé”** (“The key is adaptation”).

Employee training	2018	2019	2020
Percentage of employees who attended at least one training course during the year	75 %	76 %	76 %
Average number of training hours per employee	21	18	17.1

2020 highlights in building employee skills

Group onboarding program

In the summer of 2020, Bel launched “Bel’Come”, a digital onboarding program designed for all newly hired, connected employees. The program comprises a broad array of interactive content, making it a valuable tool for learning about Bel’s DNA. It facilitates the onboarding process for employees, supplementing the time they spend with their manager, department and HR team.

Annual performance and development reviews

A performance and development review takes place each year for all managers and employees. The process can be accessed through the HRIS. A form is also provided to manual workers. The performance review is an ideal occasion for employees to share the year’s achievements and challenges with their 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.

Individual performance reviews	2018	2019	2020
% of eligible managers ^(a) receiving an individual performance review (annual basis)	96%	90 %	87 %

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

Continuous feedback

Bel has developed features in its HRIS to encourage continuous feedback. To supplement the individual performance and development review, a manager can request 360° feedback from staff in the same department, on a cross-departmental project team or who have a functional relationship with the employee in question. All the Group’s employees can share feedback throughout the year after a presentation or project.


the organization. If gaps are identified, the HR teams and managers can devise suitable action plans. The processes also serve to promote transfers within the Group and anticipate hiring and retention needs.

People review and succession planning

The people review and succession planning processes are coordinated and led by HR staff and managers. This forward-looking approach examines whether current resources are evolving to meet the future needs of

Internal transfers and career paths

To avoid any form of discrimination and to ensure transparency for the Group’s teams, vacancies are systematically advertised to Group employees (e.g. via the intranet or display boards) before being offered to external applicants - unless there are confidentiality requirements or the required skills do not exist in-house. Bel offers its managers greater career path visibility through measures such as skills guidelines, career guides and potential job transfers.

PERFORMANCE INDICATORS						
Bel’s objectives	KPI	2018	2019	2020	2025 objective	Progress
Develop our employees’ talent	Employees who completed at least one training course during the year	75 %	76 %	76 %	100 %	

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. Any differences in pay for equal work

must have a valid reason (e.g. personal background, local context, etc.). To attract and retain its employees, Bel ensures that it offers them competitive salaries and benefits. Therefore, the Group's subsidiaries regularly request salary surveys to monitor market practices from specialized consulting firms which supply Bel with a yearly comparative analysis of remuneration and benefits offered by companies in the same business sector.

Employee benefits

Beyond the minimum base set by national laws and regulations, Bel wants to ensure that all its employees worldwide receive benefits that are in line with Group standards. Bel's supplemental benefits are checked against prevailing market practices. This is a way of providing total compensation packages that exceed minimum levels.

	2018	2019	2020
% of employees ^(a) with health coverage	93 %	93 %	93 %
% of employees ^(a) with death and disability coverage	92 %	91 %	92 %

(a) Permanent or fixed-term employees.

Recognition of individual and group performance

Individual performance is recognized based on merit. Variable remuneration of grade 1 to 6 managers and Vice-Presidents (i.e. 67% of managers) accounts for at least 8% of their fixed compensation. At least 10% of this variable compensation is contingent on meeting non-financial objectives and an additional 10% is linked

to adherence to the Group's safety policy, in connection with its CSR strategy.

Due to the coexistence of legally separate entities, the Group does not have a single profit-sharing and bonus system. However, the subsidiaries are gradually adopting compensation systems that factor in Group performance to strengthen a sense of belonging and pride.

	2018	2019	2020
% of employees who have a compensation system based on the overall performance of the subsidiary or Group	66 %	59 %	59 %

2.1.5 Promoting a positive dialogue

Policies

The positive company climate at Bel is the culmination of numerous human resources policies and practices – both local and harmonized at the Group level – in areas such as labor relations, training, job transfers, safety and remuneration.

Action plan

Labor relations

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

Personnel representatives, whether they are elected or appointed by employees, play a critical role within this labor relations ecosystem. This is why the Bel Code of Good Business Practices recognizes its employees' right to a representative body.

The framework may differ by region (employee committee, value committee, trade union, local representatives and so on), but the goal is always the same: encourage dialogue.

Beyond such local bodies, a works council was set up at the European level in 2019 to enable transnational dialogues with 24 staff representatives from 13 countries. The quality of its discussions reflects a high level of interest in the works council, which continues to meet remotely during the public health crisis.

In 2016, Bel implemented an International Labor Relations Charter which organizes its approach around essential principles to be implemented or enhanced in each of its regions. The principles enshrined in the charter underscore the importance of compliance with legislation and of open, informed dialogue with representative bodies and with managers and employees.

In 2019 Bel created the position of International Labor Relations Manager whose mission is to guide the social dialogue at the Group level.

Employee commitment survey

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

The most recent survey, in 2019, was sent to all connected employees and garnered an overall response rate of 45%.

The survey, conducted in four successive waves (February, April, June and October), revealed an improvement in employee commitment over the course of the year, with an initial commitment score of 7.3/10 after the first wave and a score of 7.8/10 after the wave carried out in October 2019.

Starting in 2021, this survey will be carried out annually at the Group level and more regularly depending on the needs of the countries where Bel operates.

2.2. PROMOTING RESPONSIBLE PRACTICES WITH ITS BUSINESS PARTNERS

Definition of the challenge

As the standard bearer for a responsible business model, Bel strongly believes that it is possible to combine rigorous management with exemplary practices, profitability with integrity, and growth with ethics. The Group fosters lasting, trust-based relationships with all its business partners (suppliers, subcontractors and retailers) and works to promote exemplary environmental, social and ethical practices all along its value chain.

Policy

For over 10 years, the Bel⁽¹⁾ Sustainable Purchasing Charter 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.

Action plan

In light of the specific nature of the challenges arising from the upstream dairy sector and their strategic importance for Bel, the measures taken to promote responsible practices among milk producers are presented in a dedicated chapter (see section 4 “Promoting sustainable agriculture”).

Identification of risks in the supply chain

In the framework of the Due Diligence and “Sapin II” laws, the Group carried out mappings of its CSR risks and of its corruption risks linked to the supply chain, based on exogenous data. These exercises performed in 2017-2018 helped fine tune the identification of purchasing categories and geographic areas requiring special attention (see section 1.5 “Vigilance plan”).

The level of CSR or corruption risk associated with these purchases is evaluated on the basis of the “purchasing category/supplier country” combination. Combinations with a high CSR risk accounted for less than 4% of purchasing volumes in 2017, while combinations with a high corruption risk made up less than 2% and combinations with high CSR and corruption risk made up less than 5%.

A dedicated tool that uses the results of these mappings was developed and deployed to the Group’s community of buyers in early 2019. 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.

Bel plans to update its risk mappings in 2021 and to review its approach for all corruption-related risks. The Group used a digital tool to update its supplier risk mapping. The software enables it to perform a mass analysis of the portfolio (see section 1.5 “Vigilance plan”) and to review its approach for all corruption-related risks.

Roll-out of a supplier evaluation and control system

From the start of the tendering process, all suppliers receive a copy of the Group’s Sustainable Purchasing Charter. To ensure suppliers comply with the 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 and the performance of due diligence vis-à-vis their supply chain and to define the consequences in the event of negligence on their part. The criteria Bel applies when selecting suppliers include the supplier’s willingness to make a commitment and its ability to translate its commitments into suitable practices over time. Category-specific CSR requirements can also be added to the specifications defined in calls for tender and contracts depending on the main risks or challenges identified.

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

Furthermore, since 2009, the Group has been assessing the CSR performance of the suppliers and subcontractors that it deems key given their business volume, the potential risk associated with the products/ services supplied or their location. This assessment, carried out in cooperation with EcoVadis, a sustainable purchasing specialist, is based on 21 criteria grouped into four themes: environment, labor law and human rights, ethics and sustainable purchasing. Bel has established a gradual, corrective approach based on the supplier's score: in some cases, the Group may impose a mandatory action plan and schedule an early re-assessment.

Since 2016, the suppliers assessed represent, on average, 65% of the Group's purchases by value. In 2020, the coverage rate was 69%.

MOM has also been working with EcoVadis since 2017 to evaluate the performance of its suppliers: In 2020, the suppliers assessed in the preceding two years accounted for 59% of MOM's purchases by value, excluding milk and apple producers.

In 2016, Bel became a member of AIM-Progress, a group of leading companies in the mass retail sector and shared suppliers that seeks to positively influence people's lives through the combined effect of responsible purchasing practices applied to all their supply chains. Since 2017, Bel and six other AIM-Progress members have been committed to the EcoVadis AIM-Progress initiative which strives to improve transparency and responsible, sustainable practices in the food sector.

The participants in the initiative share their supplier assessments on the platform, which simplifies processes and prevents the duplication of effort for members and suppliers alike. As of the end of 2020, some 6,600 EcoVadis supplier evaluations had been shared under the initiative.

Roll-out of a subcontractor evaluation and control system

Subcontractors manufacturing finished products allow Bel's brands to develop their presence in new regions. They produce around 7% of the cheese volume sold by the Group; seven major subcontractors alone accounted for 90% of the subcontracted volume.

Bel requires that all its subcontractors providing finished products be assessed by EcoVadis with the same management rules as other suppliers. In 2020, the average score for subcontractors manufacturing finished products was 49.3/100 and none of the subcontractors assessed had a high risk (EcoVadis score under 25/100).

Buyer training

In 2019, Bel teamed up with EcoVadis to develop and roll out a training program for all the Group's buyers. Since the beginning of 2020, the program can be accessed anytime on the Group's training platform and all new buyers must complete this training within their first three months on the job. The goal of the training is to teach buyers how to incorporate CSR and EcoVadis assessments throughout the buying process and thereby improve the performance of their sourcing chain. More than 95% of buyers have completed this training.

In 2020, Bel also provided its buyers with an EcoVadis handbook that summarizes the essential details on how the assessments and corresponding platform work to help them make the most of CSR data in their practices.

Performance indicators

BEL	2018 ^(a)	2019 ^(b)	2020 ^(c)
Number of Bel suppliers assessed (excluding collected milk)	508	559	614
Average score of Bel suppliers assessed (excluding collected milk)	50.8/100	51.7/100	51.8/100
Average score of companies assessed by EcoVadis over the year (excluding collected milk)	43.4/100	45.1/100	46.1/100
Rate of coverage of purchases by value (excluding collected milk)	65 %	64.7 %	69 %

(a) Suppliers assessed between 2015 and 2018 - Data excludes MOM and Safilait.

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


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

MOM	2018 ^(a)	2019 ^(b)	2020 ^(c)
Number of MOM suppliers assessed (excluding collected milk and fresh apples)	97	153	155
Average score of MOM suppliers assessed (excluding collected milk and fresh apples)	53.2/100	55.7/100	56.6/100
Rate of coverage of purchases by value (excluding collected milk and fresh apples)	61 %	58 %	59 %

(a) Suppliers assessed between 2017 and 2018.

(b) Suppliers assessed between 2017 and 2019.

(c) Suppliers assessed between 2017 and 2020.

Bel's objectives	KPI	2018 ^(a)	2019 ^(b)	2020 ^(c)	2025 objective	Progress
Promote sound social and environmental practices among its suppliers	Average EcoVadis supplier score (/100)	50.8 ^(d)	51.7 ^(d)	51.8 ^(e)	55	
		53.2 ^(f)	55.7 ^(f)	56.6 ^(f)		

*(a) Suppliers assessed between 2015 and 2018.
 (b) Suppliers assessed between 2016 and 2019.
 (c) Suppliers assessed between 2017 and 2020.
 (d) Excluding MOM and Safilait.
 (e) Excluding MOM.
 (f) MOM data.*

Vigilance about retailers, customers and agents

In line with the provisions of the “Sapin II” and Due Diligence laws (see section 1.5 “Vigilance plan”), the Group has taken measures to ensure it is well informed about its stakeholders (“Know Your Customer”). With these measures, the Group is sure to be notified if

any of its retailers, customers or agents is convicted, politically exposed or added to an embargo or blacklist. When appropriate, the logistics service providers and banks in some countries are also covered by these measures.

2.3. COMMUNICATING RESPONSIBLY AND TRANSPARENTLY WITH ITS CONSUMERS

Definition of the challenge

Around the world, Bel products are consumed by over 400 million people, many of whom are children. That trust confers great responsibilities on the Group: the duties to communicate responsibly and transparently, to protect consumer health and to encourage healthier lifestyles.

Policies

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

Action plan

Communicating responsibly

Integration of CSR issues from the advertisement design stage

The various departments at the Group (marketing, nutrition, Sustainable Development, legal, communications) work actively from the brand communication design stage to ensure the truthfulness of the information imparted and its compliance with Group principles. A dedicated tool called “Validcom” enables the departments in question to review and

validate all types of communication materials (e.g. packaging, television commercials, in-store promotions, digital channels) for the Group’s entire brand portfolio.

Positive brands to convey the new signature “For All. For Good”

The brands are the ambassadors of the Group’s identity *For All. For Good*: because they are close to consumers, they are the Group’s best messengers to communicate about topics relating to responsibility. Thus, in addition to addressing consumers’ needs and concerns, the brands seek to capitalize on the trust they have forged with consumers to guide them towards balanced and more environmentally friendly food choices and responsible social practices. With this in mind, all the Group’s core brands have adopted three-year CSR road maps that define objectives to tackle the five priority CSR challenges.

In 2020, the Group saw continuing growth in its sales of positive products, which increased from 73.4% to 76%.

Communicating responsibly to children

Bel is especially careful when it comes to messages intended for children. That is why, in addition to the Internal Nutrition Communication Charter, Bel has been committed since 2016 to the voluntary European movement EU Pledge. Through this initiative, Bel pledges not to advertise any of its products that do not meet the nutritional criteria of the EU Pledge (Nutrition White Paper⁽¹⁾) via television, the press or digital channels.

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

Providing transparent and relevant information to consumers

Consumers are increasingly raising questions about the social and environmental impact of the food they eat. This is why the Group is committed to proactive transparency to explain its actions along its entire value chain, from farm to table.

On sustainable agriculture

The Group strives to be ever more transparent when communicating with its consumers about the upstream dairy sector, especially the origin of raw materials, production methods and the monitoring of commitments under the Global Sustainable Upstream Dairy Charter (see section 4.1 “Taking action for a sustainable upstream dairy”). In 2020, Bel promoted its sustainable upstream dairy commitment to French producers with a multichannel communication campaign (stores, digital platforms, press, etc.) that emphasized the French origins of its milk and the fair compensation policy defined jointly with APBO producers.


On nutrition

To satisfy the demands of its customers, Bel systematically provides information on the ingredients used in its recipes and their nutritional value, often surpassing regulatory standards. The nutritional information given on its products is established in accordance with the country-specific regulations in effect for nutritional information provided to consumers.

On the environment

The Group also communicates about environmental protection measures, including how it manages packaging waste: waste sorting instructions are provided in countries where recycling channels exist, and eco-friendly advice is given in other countries (see section 5 “Designing responsible packaging”).

PERFORMANCE INDICATORS

Bel's objectives	KPI	2018 ^(a)	2019 ^(b)	2020 ^(c)	2025 objective	Progress
Offer positive products to consumers	Share of revenue generated by the sale of positive products (a) (%)	72.9 %	73.4 %	76 %	N/A ^(b)	

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

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

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

HIGHLIGHTS OF 2020

- Adoption of a new human resources management program called “Nurture”.
- Management of the HR implications of Covid-19.
- Creation of an EcoVadis handbook for buyers.
- Roll-out of the Bel brand as an umbrella brand for the various core brands in communications (packaging, advertising, digital channels).

PRIORITIES FOR 2021

- Update the supplier risk mapping.
- Transpose the “Nurture” program into policies and operational road maps.
- Implement the Group’s revised HR policies, including the “Diversity and Inclusion” program, with two key goals: “user centricity” and simplification.
- Deploy a mentoring program for women working in industrial professions.
- Launch the new worldwide employee survey, the employee engagement program and the new management model.
- Deploy the Right to Disconnect Charter throughout the world.
- Manage the Covid-19 crisis, plan for the post-Covid phase.

3

CONTRIBUTING TO HEALTHIER FOOD

Bel's mission to "Offer healthier and responsible food for all" is the linchpin of its business strategy. As an agrifood company, Bel is serious about its responsibilities to:

- support UN Sustainable Development Goal 2 to eradicate hunger by 2030 ("Zero hunger") and to ensure that all people, especially the most vulnerable, have year-round access to a healthy, nutritious and adequate diet;
- offer safe, healthy products while encouraging better eating habits. When eaten in moderation, a serving of Bel's products can contribute to a balanced diet. Cheese is an important source of calcium, which is an essential nutrient for growing children, and is compatible with the nutritional needs of all; and
- meet the needs of its customers, who, in addition to demanding products that satisfy organoleptic and safety requirements, are increasingly attentive to the quality, origin and naturalness of the ingredients used.

3.1. OFFERING PRODUCTS WITH OPTIMAL QUALITY AND SAFETY

Definition of the challenge

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

Policies

Bel has adopted several foundational policies to guarantee optimal food quality and safety and guard against the risks identified at all stages of its value chain. These include:

- its 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;
- its Food Fraud policy, whose purpose is to prevent all attempts at food fraud involving the raw materials used by the Group, as well as its subcontracted processes and - since 2019 - primary packaging. This policy is overseen by the Group Quality and Regulations Department and is implemented locally by Purchasing; and
- its new Security policy intended to protect the Group and its products from material or immaterial malicious acts. It lays out eight commitments pertaining to prevention measures and includes the Food Defense policy, which aims to protect the food chain against malicious, criminal or terrorist acts that could result in product contamination. This policy is overseen by the Group Quality and Regulations Department and implemented locally by each site manager.

Building on these policies, in 2020 Bel revised and improved a set of standards to harmonize the quality procedures in place at the Group to ensure food safety (contaminants, allergens, customs flows, etc.).

Action plan

Performing strict upstream controls on raw materials and packaging

Assisting milk 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 ingredients and packaging. If any minor non-compliances are observed and pose no food safety risk, the suppliers pledge to the Group that corrective actions will be taken within a specific time frame.

Each year, Bel revises its supplier auditing system to reflect newly identified and emerging risks. For example, the Group conducted an in-depth ethylene oxide audit on all its seed supplies in 2020.

Rigorous safety controls when raw materials arrive at its plants

All the ingredients used in Bel's recipes, including liquid and solid dairy raw ingredients, undergo several safety inspections upon arrival at production sites. They are tested again before they are used for processing to check microbiological, physicochemical and organoleptic properties. In 2020, the allergen audit was extended to new substances beyond regulatory requirements; it now includes plant-based and hybrid products.

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

Deploying strict procedures at production sites

A production site certification procedure

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

In 2020, Bel was designated as a "security and safety" authorized economic operator ("OEA FULL") for all its French sites and the head office. This customs status enhances the safety and security of merchandise flows into and out of the European Union. The initiative will continue to be progressively rolled out to the other production sites in the coming years. Beyond certification, Bel has strict procedures that define everyone's roles and responsibilities and a department devoted exclusively to managing customs operations and monitoring regulatory changes. This department also audits the Group's customs and export partners, transportation providers and brokers.

Strong, standardized quality processes

Bel has set up a HACCP (Hazard Analysis Critical Control Point) system at all its production sites to identify, assess and control significant food safety dangers. In 2019, Bel drew up a Group HACCP standard that establishes baseline quality requirements that are adapted to each production site. This standard is updated each year to reflect regulatory changes and emerging risks identified by the group.

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

Strict safety controls

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

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

In addition, subject-specific monitoring plans are implemented each year at all plants for all products. In 2020, 42 contaminants from mineral oils were studied.

Appropriate preservation conditions

The pasteurization process used at Bel sites ensures the proper preservation of collected milk and manufactured products, which are further protected by individually packaged portions.

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

The Group's product quality, safety and traceability requirements are applied without exception to all subcontracted and co-branded products. It 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-compliances are observed that pose no food safety risk, the suppliers pledge to the Group that corrective actions will be taken within a specific time frame.

Ensuring product quality and safety during downstream transport

Bel audits its product distribution chain to ensure compliance with the cold chain, transport and preservation conditions required for its products. The Group has shared a Good Storage and Distribution Practices Charter with its retailers in various regions. Bel is also working to create a network of quality coordinators, logistics coordinators and subcontractors to check compliance with storage and production requirements. 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 material 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 final customer or anywhere within its distribution network.

...to effectively prevent and manage risks

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

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

Protecting consumer health and safety and building a relationship of trust

By providing transparent and relevant information to consumers

See section 2.3 “Communicating responsibly and transparently with its consumers”.

By offering a proactive customer service response

To improve customer satisfaction and the quality of its products, Bel has introduced an effective quality complaint management system. This makes it possible to alert the Group when any products sold do not meet the expected quality requirements (traceability, integrity, reliability, safety, etc.).

Consumer feedback is centralized in a dedicated tool called “We Care”, which is deployed to all the Group’s subsidiaries (excluding MOM and Safilait).

3.2. PROMOTING BETTER EATING HABITS AND ENCOURAGING HEALTHIER LIFESTYLES

Definition of the challenge

Bel feels a strong sense of responsibility to help feed the world’s populations. It knows that children and their families must be educated to shift their eating habits and lifestyles toward best practices. The Bel Group wants to go further by promoting healthier lifestyles. This is what inspired the Group to develop nutritional education programs for its employees and for consumers.

Policies

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

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

Action plan

Encouraging its employees to adopt better eating habits

The Group continues to roll out the “Healthy Smiles” nutritional education program with the goal of deployment to 100% of subsidiaries by 2025. This program is organized around two fundamental

principles: encouraging physical activity and promoting a balanced diet and a healthy lifestyle. The target was revised upward to 100% of subsidiaries by 2025 instead of 30 subsidiaries, because all the subsidiaries have committed to improving the food available at our sites before 2025 so that employees have access to healthy food every day where they work.

In addition, multiple awareness campaigns and events are organized year. These include distributing educational tools and games and organizing sports competitions. To inspire its employees to get more exercise, Bel organized a virtual Active Challenge in 2020 with assistance from a fitness coach. Its employees’ efforts helped raise €3,000, which was donated to associations raising awareness about nutrition, wellness and healthy diets. The initiative will take place again in 2021.

Encouraging consumers and children to adopt better eating habits

Bel supports nutritional education programs for its customers through the “Educanut” project.

These programs are designed to help children and their parents better understand that nutrition and physical activity are important for their health. They are led in

partnership with other actors, such as public health associations, governmental and non-governmental organizations and universities and take a variety of forms (distribution of teaching tools, organization of events, talks by nutritionists/dieticians, etc.). Bel's goal is to support programs in 10 key Group countries by 2025. In 2020, Bel:

- set up a program in partnership with Action Contre la Faim (“Action Against Hunger”) in Ivory Coast to support medical personnel in the country and reduce risks related to malnutrition,
- set up a partnership between Bel Egypt and the FAO to raise awareness about good eating habits.

In 2020, the Bel Foundation and the Bel Group also backed “Vivons en Forme” (“Let’s Be Fit”), a unique program in France that promotes health and fitness through food, physical activity and well-being. Bel is also deploying nutritional education programs to some schools in South Africa.

In addition, Bel is involved in the international SUN (Scaling Up Nutrition) movement to combat malnutrition in developing countries. Bel wants to participate in the nutritional education of at least 50,000 children a year through 2025. Thus, the Group is advancing healthier diets for children through its corporate foundation, which was formed over 10 years ago to tackle this issue.

PERFORMANCE INDICATORS						
Bel's objectives	KPI	2018	2019	2020	2025 objective	Progress
Foster healthy consumption habits and lifestyles	Key countries where a program is implemented for consumers (“Educanut”)	4	5	6	10	
	Number of subsidiaries where a program is implemented for their employees (“Healthy Smiles”)	25	29	31	30 (100 %)*	

* Objective updated.

3.3. IMPROVING THE NUTRITIONAL QUALITY OF ITS PRODUCTS

Definition of the challenge

The nutritional quality of food products is an increasing concern for public health authorities and consumers alike. Malnutrition is still a problem in developing countries, while the obesity rate is constantly growing and contributing to the rise of chronic diseases all over the world. At the same time, the demand for natural products is insistent and growing among Bel's consumers around the world as they seek out products with shorter, simpler ingredient lists. In fact, ingredient lists play an important role in the perception of a food product's naturalness and quality.

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

Policies

In 2019, to accelerate the transformation of its brands in line with its new identity “For All. For Good”, Bel adopted a structuring policy called “Healthier”⁽¹⁾ that is founded on two pillars:

- nutrition, to frame the development of new products and continuously improve the nutritional quality of existing products; and
- naturalness, to incorporate the most natural ingredients and limit the use of additives.

This policy is supplemented by its position papers on colors and flavors.

Furthermore, in keeping with the Group's goal to accelerate its growth in the plant-based food market, at the end of 2020 Bel adapted the “Healthier” policy to the plant-based category. This policy guides the transformation of its core brands and frames the development of new products in this segment. Thus, the Group decided to collaborate with an international committee of experts to create a set of nutritional specifications to govern the composition of those products. The committee defined thresholds for ingredients to consume in limited amounts (fat, saturated fatty acids, sugar) and for nutrients to be encouraged (protein, calcium, etc.) in relation to daily intake and based on the product's place in the meal. After all, the world of plant-based foods is vast – fruits, vegetables, legumes and grains – and boasts an array

⁽¹⁾ More information is available on the Bel Group's website, <https://www.groupe-bel.com/wp-content/uploads/2020/08/200629-brochure-bel-nutrition.pdf>

of quite diverse nutritional characteristics. Because the products differ considerably in terms of ingredients, uses and formats, the nutritional thresholds established in the specifications were adapted to reflect whether the product is consumed as a cheese substitute or a vegetable spread. In light of its goal to deliver products with shorter ingredient lists, the Group pledges not to use any colors or artificial flavors in the plant-based products marketed under its core brands, or in the dairy products in its portfolio.

Action plan

Improving the nutritional quality of its products

Targeted work on key nutrients

Cheese is an important source of calcium, which is an essential nutrient for growing children that is compatible with the nutritional needs of all. When eaten in moderation, Bel's products can contribute to a balanced diet. For several years, Bel has focused its efforts primarily on the quantities of three key nutrients in a unit of consumption (per portion):

- calcium: Bel is gradually adjusting the calcium content of its products if the amount is too low and there are proven cases of deficiency in the local population;
- fats: Bel offers reduced fat versions for three of its five core brands (The Laughing Cow, Leerdammer and Babybel); and
- sodium: Bel is striving to reduce the amount of salt in its recipes, while monitoring product safety and working within the constraints of the production process.

A nutritional profiling system and improvement objectives

In 2017, Bel introduced a nutritional profiling system called "*Bel Nutri+*", based on the dietary recommendations of the World Health Organization (WHO) and several international experts, to build on the nutritional initiatives undertaken by the Group. "*Bel Nutri+*" establishes threshold values to orient the Group's approach to developing new products and updating existing ones.

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

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

Under this new system, Bel is working so that 80% (by volume) of its portfolio of products for children and families conforms to the "*Bel Nutri+*" promise by 2025. At the end of 2020, 72% of volume met this target, achieving the goal for the year.

For example, in 2020 Bel launched:

- for several European countries, the new, protein-rich Mini Babybel® Protein;
- for GCC⁽¹⁾ countries, a new "Greek Style" Kiri recipe with reduced fat and increased protein and calcium content; and
- for Morocco, Algeria and Egypt, a new recipe for The Laughing Cow enriched in iron, zinc, iodine and vitamins A and D.

Moreover, to improve the nutritional quality of its products, the MOM Group now offers an additional assortment of unsweetened products for most of its lines. In 2020, 67% of products sold under the Materne and Pom'Potes brands contained no added sugar. MOM's goal is to increase that proportion to 80% in 2021 and to reach 100% by 2025.

In June 2020, Materne and Pom'Potes introduced two new product lines for adults, "Pom'Potes Recipes of the World" and "Materne Grains & Seeds", which are made with no added sugar, preservatives or artificial flavors.

Committing to constantly improving naturalness

Bel's mission is to offer healthier and more responsible products for everyone. The Bel Group's nutrition strategy now devotes an entire pillar to naturalness to provide guidance on the developments, updates and innovations to pursue. The goals are to deliver products with shorter ingredient lists, continue to guarantee optimal food safety and maintain the great flavor of the Group's products, which are enjoyed by millions of children and families every day.

Today additives have become a major source of concern for customers. The Group voluntarily initiated a sweeping plan to rework its recipes in order to reduce or remove additives while ensuring food safety and quality. In 2018, Bel made a commitment to eliminate all artificial colors and flavors from its core brands, such as Apéricube and The Laughing Cow, by the end of 2021. This ban on artificial colors and flavors applies to all new products, while existing products that contain these additives are being gradually reformulated through 2021.

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

For other products, like The Laughing Cow and Kiri, much effort has been made in the last few years to improve their recipes by scaling back and/or eliminating additives. Obviously, the Group's priority is to meet its customers' demands for naturalness, without compromising taste, safety or quality.

⁽¹⁾ Gulf Cooperation Council.


Several symbolic recipe innovations and renovations were completed in 2020:

- a new, additive-free Kiri® recipe containing just dairy ingredients, water, salt and cultures was launched in all of Europe;
- the recipes in the Kiri Goûter and Apéricube lines were simplified and the number of additives was reduced from three to one; and
- all artificial colors and flavors were eliminated from all Apéricube recipes.

Furthermore, in the spring of 2021, a brand-new recipe for The Laughing Cow® will be brought to market with a very short ingredient list.

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

PERFORMANCE INDICATORS

Bel’s objectives	KPI	2018	2019	2020	2025 objective	Progress
Continuously improve the nutritional quality of its products	Children’s and family product portfolio meeting “Bel Nutri+” criteria*	65 %	69 %	72 %	80 %	

* Excluding MOM.

HIGHLIGHTS OF 2020

- Formalization of a Security policy.
- Implementation of standards to harmonize quality procedures within the Group.
- Obtainment of the “security and safety” authorized economic operator designation for all the French sites.
- Implementation of an “Educanut” program in partnership with Action Contre la Faim in Ivory Coast and with the FAO in Egypt.
- Launch of improved recipes for several of the Group’s brands (Mini Babybel, Kiri, Apéricube, Pom’Potes, Materne).

PRIORITIES FOR 2021

- Create a network of quality coordinators, supply chain coordinators and subcontractors.
- Continue to improve the nutritional quality of Bel products to honor the “Bel Nutri+” promise and keep a competitive edge.
- Achieve the goal of removing artificial colors and flavors from 100% of products.
- Continue to deliver nutritional quality with special emphasis on the ingredients chosen for plant-based products.

4

PROMOTING SUSTAINABLE AGRICULTURE

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

Bel's priority for this segment of the value chain is to promote virtuous agricultural practices that have a positive impact for humans, the environment and, more globally, the entire ecosystem within which the Group operates. This approach is in line with United Nations Sustainable Development Goal 12 "Sustainable Consumption and Production". Bel aims to encourage regenerative agricultural practices, which are techniques that help fight and adapt to climate change, restore biodiversity and soil health and optimize the water cycle.

To this end, it has developed policies to ensure a sustainable upstream dairy and to favor the use of plant-

based raw materials. In line with the Group's goal to offer plant-based products for each of its core brands, Bel is currently working to define a commitment policy for plant-based ingredients. A sustainable development framework for sourcing plant-based ingredients was drawn up in 2020 and will apply to all products manufactured by the Group.

Governance

A Sustainable Agriculture Committee was set up in 2019; its members represent various Group departments and meet six times per year. This committee issues Bel's sustainable agriculture road map and monitors the progress of the action plans initiated.

As part of its efforts to promote sustainable agriculture, the Group introduced binding actions for key raw materials in its portfolio: milk and vegetable fat.

4.1. TAKING ACTION FOR A SUSTAINABLE UPSTREAM DAIRY

Definition of the challenge

Milk is the basic ingredient for cheese making: Bel collects nearly two billion liters of milk from approximately 2,500 producers or collection centers in its 11 dairy supply basins worldwide each year.

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

Policies

To put this commitment into writing, in 2018 Bel adopted a charter of commitments for a sustainable upstream dairy that was co-developed by WWF France⁽¹⁾. The charter integrates economic, social and environmental aspects and covers all the Group's dairy supply basins throughout the world. It addresses six strategic focuses:

- sustainable production model;
- animal welfare;
- pasture grazing;

- sustainable and local animal feed;
- environmental footprint; and
- nutritional quality and food safety.

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

In addition, in 2019, the topic of animal welfare was formalized in the Bel Animal Welfare Charter⁽²⁾, which 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; and
- accompanying the herds' end-of-life.

This charter was developed with the expertise of CIWF⁽³⁾ and standards issued by associations such as Welfarm, the World Organization for Animal Health (OIE) and the CNIEL (the French national dairy industry council). Bel's objective is to implement this charter in all its dairy supply basins by 2025 and have all its partner farmers certified by an independent third party.

⁽¹⁾ For more information, the Sustainable Upstream Dairy Charter can be viewed on the Bel Group's website (<https://www.groupe-bel.com/wp-content/uploads/2019/10/charte-lait-wwf-en.pdf>).

⁽²⁾ 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>).

⁽³⁾ Compassion In World Farming, an international NGO that promotes husbandry practices that preserve animal welfare.

The two charters mentioned above, along with the Group's Biodiversity policy, promote various principles of regenerative agriculture. Adopting innovative agricultural practices improves soil health and biodiversity all along the value chain. The encouragement of pasture grazing and the promotion of protein autonomy also have a positive impact on soil, improving its fertility and carbon storage capacity, and on the water cycle.

Action plan

Each of the Group's dairy supply basins defines its own road map to meet the 2025 objectives of the **Sustainable Upstream Dairy** and **Animal Welfare** Charters. In 2020, Bel began collecting liquid milk from an eleventh supply basin in the province of Quebec, Canada. A road map is being developed with this supply basin and may be ready for roll-out in the first half of 2021.

Because of the public health crisis in 2020, in-person work (inspections, tours, studies, etc.) had to be postponed.

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 milk producers, even in a fragile economic environment. Dairy producers' quality of life and working conditions are a major concern for the Group, for which a sustainable growth model is inconceivable without the long-lasting relations and trust of its partners.

Bel set a target based on these convictions: 100% of its dairy producers with milk will have access to innovative social schemes to improve their quality of life and working conditions by 2025. In 2020, 39% of the Group's milk producers (including 100% of its APBO⁽¹⁾ producers, 40% of producers in the Azores, 50% in Morocco, 16% in Portugal and 13% in Slovakia) had access to such schemes.

In France, Bel renewed its partnership with the APBO for the third time in the form of an unprecedented agreement for better milk use⁽²⁾. This agreement, renewed for the whole of 2020, guarantees an average reference price for milk bought from APBO producers (€350 for 1,000 liters) and to value differentiating farming practices in the form of monthly premiums: €15 per 1,000 liters for feeding a GMO-free diet to dairy herds and €6 per 1,000 liters for enhancing access to pasture grazing (a minimum of 150 days per year).

Furthermore, in 2020 Bel defined a pilot project involving about 100 producers in the Netherlands to test a new price mechanism whose goal is to reduce price volatility. A second project was developed for the United States to assist small dairy producers by helping them grow their herd sizes to sustain their operations.

These two initiatives will be implemented in 2021. In the other supply basins, programs to support farmers are already in place for certain partner producers (Azores, Morocco) or are currently being defined to provide an appropriate response to local needs.

To further advance the promotion and dissemination of sustainable agriculture practices, Bel continues to deploy its "Farming For The Future" program through Bel **"Pilot Farms"**, coordinated with a panel of experts, including WWF France, European academics (notably from Wageningen University in the Netherlands) and American and French specialists. This program collaborates with volunteer producers to identify innovative practices already in use which are suited to local realities so they can be shared and implemented more widely. The work has already identified nine innovative practices, such as methods that combine pasture grazing and automated milking systems or approaches that enhance the protein autonomy of farms. In 2021, Bel will continue to identify good practices in regenerative agriculture, then raise awareness about them to promote methods that help enrich the soil with organic matter, boost carbon sequestration and improve water cycles.

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 these good practices, with the ambitious goal of seeing that 100% of its partner dairy farms attain charter compliance by 2025 and are certified by a third party. To meet that target in countries where there is no national standard in line with the requirements laid out in the Bel charter, the Group is creating special audit grids with Bureau Veritas and CIWF and training technicians to use them. So far, Bel has completed animal welfare diagnostics in all its dairy supply basins⁽³⁾ with different tools according to the country:

- the first diagnostics were conducted in 2020 using the grid developed with the CIWF in Slovakia, Ukraine, Iran, Poland and Morocco;
- 30 diagnostics were completed in France with the Boviwel tool, which APBO and Bel will continue to roll out to APBO member farms in 2021;
- 100% of the farms in the Netherlands that work with Bel have been diagnosed using the local grid Koemonitor;
- finally, an independent third party began carrying out diagnostics on producers in the United States.

Charter compliance audits will begin in 2022.

⁽¹⁾ Association des Producteurs de Lait Bel Ouest, or "Bel West Producers' Association".

⁽²⁾ <https://www.groupe-bel.com/fr/newsroom/news/partenaires-pionniers-dun-modele-remunérateur-et-durable-pour-la-filière-laitière-bel-et-lapbo-sont-fiers-de-perenniser-leur-accord-pour-2020-qui-incarne-pleinement-les-etats-gen/>.

⁽³⁾ Excluding Canada, because Bel only began collecting milk in that dairy basin in 2020.

Pasture grazing

Bel encourages grazing whenever conditions allow. The pastures used for grazing may help provide environmental benefits such as water quality, carbon storage and biodiversity. Pasture grazing also increases the protein autonomy of farms more than other production systems. Finally, pasture grazing in appropriate conditions can also prove beneficial to 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 pastureland and local grazing traditions.

The Group's commitment is therefore two-fold:

- Bel sets grazing objectives wherever this is possible in regions with a pasturing tradition, while maintaining a necessary flexibility according to local climate conditions. Thus, Bel's partner producers must commit to a minimum of 120 days of grazing per year in the Netherlands, 150 days in France and 365 days in the Azores. In 2020, 90% of milk volume collected by Bel in these supply basins already complied with this commitment; and
- if grazing is not possible due to climate, geographic or structural limitations, the Group encourages its partner producers to create housing conditions that are respectful of animal welfare, such as good air quality and well ventilated buildings, with at least one stall per cow offering enough space to lie down and rest at the same time, and so on.

Lastly, in the second half of 2021, a grazing feasibility study will be launched in Poland with the WWF to determine whether this commitment can be applied to its dairy supply basin.

Sustainable and local animal feed

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

Since 2012, Bel and WWF France have been working together to evaluate and reduce the environmental impact of dairy cow feed. A joint study of the environmental risks related to each raw material in this feed showed that, although they account for less than 5% of a cow's diet, two ingredients have particularly high environmental impacts: imported soy meal and PKE (palm kernel expeller, a by-product of palm oil extraction). It is now acknowledged that uncontrolled soybean and palm cultivation is a major cause of deforestation, which the Group is committed to fighting (see section 6.2 "Preserving biodiversity and fighting deforestation and ecosystem conversion").

In 2014 Bel took practical action to support the creation of responsible supply chains for soy meal and PKE:

- Bel joined the Round Table on Responsible Soy (RTRS) in 2014 and the Round Table on Sustainable Palm Oil (RSPO) in 2015;
- since 2016, Bel has been buying certificates covering the full volume of at-risk soy meal (77,017 metric tons in 2020) and PKE (37,480 metric tons in 2020) used worldwide to produce the milk and raw materials used in its recipes. Purchasing these certificates supports the establishment of sustainable supply chains and helps local producers move toward responsible production methods;
- in 2019, the Group joined the responsible soy project launched in 2018 by WWF France. That initiative, which is supported by the Alliance Pour la Préservation des Forêts, the Duralim platform and the EarthWorm Foundation, defines a shared vision of responsible soy. It is also developing a common set of actions to build soy supply chains that do not cause the conversion of natural ecosystems; and
- with its "Farming For the Future" program, Bel supports the protein autonomy of farms. Protein autonomy enables farms to produce a significant portion – if not all – of their own animal feed. Thus, the animal feed used on these farms is local and sustainable and does not contribute to deforestation. This program is also valuable in terms of regenerative agricultural practices, such as protecting biodiversity and soil health, local food sourcing, etc.

At the end of 2020, the Group was offsetting 100% of its at-risk soy meal and PKE purchases with RTRS and mass-balance RSPO certificates. The Group's objective is to source from 100% traceable supply chains by 2025.

In its Sustainable Upstream Dairy Charter, the Group also commits to sourcing milk from cows whose feed contains no GMOs. GMOs may pose a threat to biodiversity due to the risk of uncontrolled seed spreading. In 2020, 100% of the milk purchased in France and Slovakia came from cows whose feed is free of GMOs. The transition to GMO-free feed is also progressing in the Netherlands (54%) and Poland (22%).

Environmental footprint

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

Bel set a goal to reduce emissions from upstream agricultural activities by 20% (compared to 2017 levels) by 2030. To meet that target, Bel worked with CNIEL (the French national dairy industry council) to create Cap2'ER, a tool to measure the environmental impact of farms and to identify new pathways (see section 6.1 "Fighting climate change"). In 2020, carbon diagnostics were carried out in all dairy supply basins (except for Canada, which just became a Group dairy supply basin in 2020) using locally developed tools (ANCA in the Netherlands, Cap2ER in France, SMART tool in the United States) or the Cool Farm Tool for other basins. Around 1,400 diagnostics were completed in 2020 on Bel's 2,500 partner farms; follow-up action plans are currently being defined. Bel and the APBO's goal for 2021 is for 80% of APBO member farms to carry out Cap2'ER audits and initiate action plans to reduce their carbon footprint. The goal for 2022 will be 100%. In parallel, in 2021 the APBO will apply to receive a CO2 emissions reduction certification for its member farms under the "Label Bas Carbone" initiative.

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 stress by 2025. Respect for water resources is a major challenge, especially in Morocco where a study was carried out in 2020 with WWF to prepare a compendium of concrete actions for the country's farms. Its launch, however, was delayed because of Covid-19 (see section 6.1 "Fighting climate change"). Nevertheless, the study results should be available in the first quarter of 2021.

Detailed information on the introduction of virtuous practices and Group action plans to limit the impact of dairy production on the environment and water availability is given in section 6 "Fighting climate change and reducing its environmental footprint".

PERFORMANCE INDICATORS						
Bel's objectives	KPI	2018	2019	2020	2025 objective	Progress
Contribute to better quality of life and working conditions for partner farmers	Producer access to innovative social models	34 %*	38 %*	39 %	100 %	😊
Encourage good practices to promote animal welfare	Share of farms abiding by the Animal Welfare Charter certified by a third party	-	1 %*	5 %	100 %	😊
Foster non-GMO feeding of the cows providing milk	Milk collected from non-GMO fed cows	16 %*	30 %*	51 %	100 %	😊

*Excluding MOM.

4.2. USING VEGETAL RAW MATERIALS WITHIN STRICT LIMITS

Definition of the challenge

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

Thus, the Group chose to go beyond cheese with the 2016 acquisition of MOM, a fruit compote specialist, followed by the 2019 announcement of its expansion into the plant-based market.

This plan aligns with its business transformation which aims to establish a position in the three complementary categories of healthy snacking - dairy, fruits and plant-

based - with the mission to "champion healthier and responsible food for all". It also responds to changing consumer needs and tastes as customers in many countries are increasingly turning to a flexitarian diet (which consists in restoring balance to one's diet by eating more plant-based products without eliminating animal products).

In concrete terms, the Group's core brands will complement their dairy products with totally plant-sourced products (e.g. plant-based Boursin sold in the U.S.) or combinations of plants, legumes and cheese (e.g. Vache qui Rit Blends) that blend the best of both worlds. A new, fully dedicated brand will also be launched.

Today, Bel is advancing along this path, which fits perfectly with its vision of inclusive and sustainable food driven by positive, innovative brands developed for everyone.

Policies

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.

To honor its goals surrounding plant-based products, the Group began work in 2020 to define baseline commitments governing their use to ensure that its future innovations have a positive impact. Bel is currently working on a commitment policy to guide the development of plant-based ingredients.

Action plan

Vegetable fats

Bel set the goal of using vegetable fats sourced from responsible, traceable and certified agricultural supply chains (or, in the absence of certification, sources that do not pose significant risks) starting at the end of 2020. In 2020, total vegetable fat procurements amounted to 9,355 metric tons, which included 8,649 metric tons of palm oil.

Bel worked throughout 2020 to raise the share of vegetable fats sourced from responsible, traceable and

certified agricultural supply chains or from supply chains that are not exposed to deforestation risk. Consequently, 100% of the Group's palm oil purchases are responsible (i.e. RSPO-certified segregated) as of December 31, 2020. On the whole, virtually all authorized vegetable fats supplies were responsible as of December 31, 2020: nearly 95% by volume. An action plan is being implemented to finalize the transition to 100% responsible vegetable fats.

Plant-based ingredients


In keeping with the Group's goal to be a profitable and responsible company, Bel wants to guarantee the responsible procurement of all the plant-based ingredients used in its recipes. In 2020, the Group studied its main suppliers of plant-based ingredients and analyzed the CSR risks associated with these supply chains.

The Group used the results to draw up a list of the social and environmental challenges to include in its process for selecting new plant-based ingredients. The challenges are organized around four core goals:

- respect the environment;
- have a positive impact on people;
- ensure a fair value chain; and
- maximize local value creation when it makes sense for all stakeholders.

The Group will work on a policy to guide the development of plant-based products in 2021.

PERFORMANCE INDICATORS

Bel's objectives	KPI ^(a)	2018	2019	2020	2020 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)	1.4 % ^(b)	32 %	94.5 %	100 %	

(a) The method of calculation was revised in 2020 to take into account the ingredients listed responsible as of December 31 each year.

(b) Excluding MOM.

4.3. DELIVERING THE GOODNESS OF FRUITS

Definition of the challenge

The Group, working through MOM, is aware of the importance of the sustainable, responsible sourcing of its fruits. Sourcing is a crucial stage in the value chain to produce fruit-based finished products that are tasty and healthy. Sustainable sourcing also upholds the Group's commitments to maintaining relations with its business partners and promoting sustainable agriculture practices that limit biodiversity loss.

For several years, the MOM Group has been taking many actions to help expand sustainable farming methods in the orchards supplying it.

Currently, these commitments to sustainable agriculture pertain primarily to fresh fruits from France and the United States, which are MOM's two main sourcing countries.

Commitments and action plan

Encouraging sustainable agriculture to preserve biodiversity

At the end of 2019, the MOM Group met its goal of sourcing fresh apples exclusively from orchards that have obtained the Vergers Écoresponsables endorsement. These certified orchards account for 55% of all the Group's apple procurements. This certification system 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 same vein, the Group encourages the use of biological control methods that protect plants using natural mechanisms. These techniques limit the use of phytosanitary treatments by promoting more natural alternatives and thereby protecting biodiversity around the orchards. The Group thus chose to test sexual confusion for insect pests, the use of nest boxes for great tit birds that feed on insect pests and the placement of insect hotels.

To support this process, the Group tracks the treatment frequency indicator (TFI) for phytosanitary products and monitors the biodiversity in its orchards via the Observatoire Agricole de la Biodiversité (OAB, for "Agricultural Observatory for Biodiversity").

In the United States, the MOM Group carefully tracks consumer expectations and adapts its products accordingly. The procurement of certified "Organic" fresh apples accounted for 22% of total apple purchases in the U.S. in 2020.

Tending its own orchards and developing trusting relationships with partner farmers

Delivering the goodness of fruits requires a thorough understanding of how they are grown. This is why 25% of the French fresh apple supply comes from dedicated orchards, under long-term contracts (3 to 15 years) signed with partner farmers. This contractual approach enables MOM to secure its procurements, hone its expertise and test out innovative sustainable farming methods while supporting the apple production chain by committing to a (re-indexed) price and time frame. An OAB biodiversity diagnostic is carried out on all dedicated orchards.

Developing product lines that align with its commitments

The Group is updating its product portfolio to move toward healthier and responsible snacking for all, by developing products that are organic, local and free of added sugars.

Thus, the Materne and Pom'Potes brands have pledged to use 100% French apples in their certified organic compote lines starting in 2021.

Moreover, to improve the nutritional quality of its products, the MOM Group now offers an additional assortment of unsweetened products for most of its lines. In 2020, 67% of products sold under the Materne and Pom'Potes brands contained no added sugar. MOM's goal is to increase that proportion to 80% in 2021 and to reach 100% by 2025.

In June 2020, Materne and Pom'Potes introduced two new product lines for adults, "Pom'Potes Recipes of the World" and "Materne Grains & Seeds", which are made with no added sugar, preservatives or artificial flavors.

PERFORMANCE INDICATORS

Bel's objectives	KPI	2018	2019	2020	2020 objective	Progress
Deliver the goodness of fruits	Share of fruit purchases from approved environmentally responsible orchards in France	-	42.3 %	100 %	100 %	

HIGHLIGHTS OF 2020

- Milk collection from a new dairy supply basin in Canada.
- Design of a sustainable development framework for plant-based supply chains for all products manufactured by the Group.
- Completion of a carbon diagnostic at more than 50% of dairy farms.

2021 PRIORITIES

- Articulate a Group policy on responsible plant-based ingredient procurements.
- Continue the pasture grazing feasibility study in Poland.
- Continue carbon diagnostics and deploy action plans to reduce greenhouse gas emissions at dairy farms.
- Continue developing regenerative agriculture practices (identification and roll-out of good practices already in place or to be implemented).

5

DESIGNING RESPONSIBLE PACKAGING

Definition of the challenge

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

- by preserving food quality and safety over long periods (see section 3.1. “Offering products with optimal quality and safety”);
- by limiting excess consumption and offering consumers the right nutritional intake for their needs (see section 3.2 “Promoting better eating habits and healthier lifestyles”);
- by helping to reduce food waste (see section 6.4. “Fighting food waste”); and
- by enabling as many consumers as possible to be able to enjoy its products (see section 7 “Improving the accessibility and affordability of its products”).

Starting in 2019, the Group began including wax in its packaging measurements even though it is not considered as waste in regulatory terms. In 2020, Bel’s packaging was primarily comprised of paper-based materials – including cartons (70%), with smaller proportions of plastic (13%), wax (12%) and aluminum (6 %) ⁽¹⁾.

Bel is aware of the environmental challenges posed by individual packaging. Thus, the Group is striving to limit the impact of its packaging while improving the management of product end-of-life. In 2019, to coincide with its new identity For All. For Good, the Group conferred greater importance on its responsible packaging commitment, making it one of its five priority challenges for 2025.

Policies

Bel has had a “Responsible Packaging” policy ⁽²⁾ since 2018. It defines guidelines for reducing the environmental impact of packaging at every stage of the product life cycle, from design to end-of-life. In 2020, Bel conducted an in-depth evaluation of the packaging used for its entire product portfolio. This approach enabled the Group to refine its strategy and its five objectives for 2025, namely:

- reduce and simplify the composition of packaging by systematically following an eco-design process that takes end-of-life into account;
- systematically prioritize plant-based raw materials;
- use only paper and cardboard materials made from recycled fibers or certified or sustainably grown virgin fibers to protect the environment and fight deforestation;
- 100% of packaging is eco-designed to be recyclable-ready or biodegradable, depending on the processing channels that exist in the countries where the products are sold; and
- facilitate and encourage sorting and recycling by communicating clearly to consumers and by forging partnerships to develop packaging waste collection and recovery chains in all the countries where the Group operates.

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

Governance

The responsible packaging policy is spearheaded by the Packaging Innovation Department (within the RID ⁽³⁾) and the CSR Department. The Packaging Innovation Department works on packaging design by product type. To supplement its efforts, in 2020 Bel created a team of five engineers working exclusively on groundbreaking projects and the Group’s 2030 vision. These teams work closely with the brands and ensure that responsible packaging considerations are integrated in their CSR road maps.

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

⁽²⁾ <https://www.groupe-bel.com/wp-content/uploads/2019/11/emballages-responsable-en.pdf>

⁽³⁾ Research, Innovation, Development.

5.1. ECO-DESIGNING PACKAGINGS AND USING MORE SUSTAINABLE MATERIALS

Action plan

Reducing and simplifying the composition of packaging through eco-design

Eco-designed packaging is a cornerstone of Bel's strategy, which is why the eco-design principles apply to all stages in the packaging life cycle, from design to end-of-life. With eco-design, the Group is making progress in two key areas: minimizing the quantity of packaging used at the source, to the point of developing bulk solutions, and simplifying the composition of packaging by promoting mono-material packages and limiting the number of small, secondary materials. In 2020, more than two-thirds of the product portfolio was scrutinized against an eco-design grid Bel developed to obtain an accurate picture of the current situation.

In the last few years, Bel's efforts have helped decrease the thickness of the aluminum sheets used for The Laughing Cow and Kiri portions, which are now a mere 10 to 12 microns thick, and to reduce the amount of plastic used in Leerdammer sliced cheese packs by 9%. In 2020, Bel focused its efforts on the Boursin brand to eliminate the polyethylene layer from its box and reduce the quantity of packaging used. In all, an eco-design diagnostic had been conducted on more than two-thirds of the product portfolio by the end of 2020.

Starting from 2021, this comprehensive eco-design process will be applied systematically to all packaging introduced to the market at all design stages, including product innovation and renovation. It will also take into account the realities of the destination market to find the most appropriate solutions. To enable the teams working on packaging design to make the most responsible choices in line with Bel's policies, the Group will launch two tools in 2021: an Eco-Design Handbook and a life cycle analysis tool co-created with Quantis, a consulting firm with LCA expertise.

Bel's goal for the longer term is to progressively eliminate all packaging from its products. The Group is already actively seeking out innovative solutions. For example, in 2020 Bel introduced bulk Babybel at pilot stores in the Day by Day retail chain in France.

Prioritizing plant-based materials

Continuing in the eco-design spirit, Bel wants to limit the use of plastic as much as possible by systematically prioritizing plant-based and biodegradable materials and sourcing locally whenever possible. In 2020, Bel used 70% plant-based materials.

Nevertheless, when plastic must be used, for example, for technical reasons or to maintain optimal conservation, Bel follows these guidelines:

- **limit the quantities of plastic used to the strict minimum;**

- **use 100% recyclable-ready plastic to promote its integration in the circular economy:**

— this was already the case for 62% of the plastic used by the Group in 2020. The Group is developing innovations to promote recyclability: in 2020 an innovation was introduced to the Mini Babybel line in Europe to use bio-based cellophane that can be composted at home;

- **when it does not compromise product quality or safety and is technically feasible, incorporate recycled plastic to reduce the need for extracting the fossil fuels required to produce virgin plastic:**

— the Group has pledged to boost the amount of rPET in its PET Leerdammer sliced cheese packs to 50% by 2025,

— in 2020, Bel significantly increased the share of recycled plastic used in Leerdammer brand packaging, raising its rPET content from 24% to 30%. In Portugal, the Group's Limiano brand earned kudos for incorporating 30% post-consumer recycled (PCR) plastic from recycled PET bottles in the packaging for its snacking products; and

- **do not deposit any plastic from Bel plants in landfills.**

Using recycled, certified or sustainably sourced materials

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, certified or sustainably grown fibers to preserve natural ecosystems and fight deforestation (see section 6.2 "Preserving biodiversity and fighting deforestation and ecosystem conversion"). For example, the paper used by the Group incorporates either recycled fibers or virgin fibers certified to be harvested from sustainably managed forests that protect biodiversity (FSC, PEFC, SFI, CSA, etc.).

In 2020:

- 96% of Bel's paper/cardboard packaging contained over 85% recycled and/or certified origin fibers;
- 3% of paper/cardboard packaging contained a majority of recycled and/or certified origin fibers; and
- less than 1% of paper/cardboard packaging was made from non-certified virgin fibers. This is due mainly to the lack of a local source, but the Group is researching alternatives.

A specific approach for aluminum and wax

For other raw materials like aluminum and wax, Bel is developing tailor-made solutions.

Aluminum accounts for just 6% of the Group’s packaging by weight, but it is symbolically significant in the brand portfolio because most Bel products are wrapped in aluminum and it inflicts the highest carbon impact of all the materials used by the Group (24% of packaging’s carbon footprint). This is why the Group is playing an active role in its sustainable management and has been

engaged in the *Aluminum Stewardship Initiative (ASI)* since 2017. Bel is currently pursuing certification of its plant at Sablé-sur-Sarthe.

Furthermore, although wax is not considered as packaging in regulatory terms, Bel’s goal is to identify and develop bio-based and biodegradable alternatives by 2025. Bel is exploring several possibilities (wax made from bio-based materials) in conjunction with its suppliers through an open-innovation process.

5.2. ENCOURAGING AND FACILITATING THE RECYCLING OF PACKAGINGS

Action plan

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

To build momentum behind the circular economy and to optimize its products’ end-of-life, the Group is working toward eco-designing 100% of its packaging so it is recyclable-ready and/or biodegradable by 2025. Thus, from the packaging design phase, Bel will study the existing channels in the countries where its products are sold and choose solutions that are the most environmentally sound and best suited to the country’s realities (recyclability or biodegradability).

To bring its vision to life, the Group is prioritizing paper- and aluminum-based materials that are 100% recyclable-ready. When it comes to plastic, the Group favors mono-material packaging to ensure it can be recycled.

Furthermore, in 2021 Bel will launch a life cycle analysis tool co-created with Quantis that will enable it to identify, from the design stage, the solution that has the least impact on the environment based on the country where the product is sold.

In 2020, 82% of Bel product packaging was recyclable-ready and/or biodegradable. The performance drop compared to 2019 is attributable to changes in consumers’ buying behaviors during the Covid-19 pandemic. Indeed, bulk purchases and large box and carton formats were abandoned in favor of products whose packaging is neither recyclable-ready nor biodegradable.

It should also be noted that, in the spirit of continuous improvement and transparency, the MOM Group began reporting on this indicator this year.

Encouraging and facilitating recycling

By communicating clearly to consumers

Bel wants to help its customers adopt good waste sorting practices to ensure optimal conditions for packaging disposal. Therefore, sorting instructions are visible on the Group’s packaging and on its brands’ websites. In countries that do not currently have such disposal resources, the Group is gradually altering its packaging to explain how individuals can act responsibly and prevent litter.

In 2020, Bel joined the American initiative *How2Recycle*, 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.

By forging partnerships to develop packaging waste collection and recovery chains


Bel is supporting the development of collection and recycling schemes through various programs.

In 2020 the Group signed on to the “*Pacte National sur les Emballages Plastiques*” backed by the French Ministry of Ecological Transition, major retail players and manufacturers. The pact’s signatories pledge to work together to eliminate problematic and unnecessary plastic packaging, speed up the recycling of plastic packaging, develop reuse, incorporate recycled raw materials and promote eco-design. Participating companies must publish annual reports to show their progress on 15 quantitative indicators defined by the pact.

In 2020 Bel also joined the “*Consumer Goods Forum*” to support the development of producer coalitions with extended responsibility in the countries where the Group’s products are sold.

Since 2016 the Group has been an active member of CELAA (*Club du Recyclage de l’Emballage Léger en Aluminium et en Acier*), an initiative that encourages the sorting and recycling of small aluminum and steel packaging, in partnership with Citeo. It also co-founded AREME, a similar initiative, in Belgium. Finally, Bel Morocco has been working on the joint creation of an “*Alliance for Packaging Innovation and Recycling*” since 2019.

PERFORMANCE INDICATORS

Bel's objectives	KPI	2018	2019	2020	2025 objective	Progress
Work towards 100% recyclable-ready and/or biodegradable packaging	Recyclable-ready and/or biodegradable packaging	81 % ^(a)	84 % ^(a)	82 % ^(a)	100 % ^(a)	
	<i>Excluding wax</i>	92 % ^(a)	94 % ^(a)	92 % ^(a)	100 % ^(a)	
	MOM			53 %	100 %	

(a) Excluding subcontractors, excluding MOM.

HIGHLIGHTS OF 2020

- Development of the Group's 2030 vision to design future generations of packaging so that they disappear.
- Mini Babybel bulk sales experiment in a few pilot stores of the Day By Day retail chain in France.
- Use of bio-based, compostable cellophane for the Mini Babybel line in Europe.
- Increase in the share of recycled plastic used in Leerdammer brand packaging from 24% to over 30% rPET.
- Incorporation of 30% post-consumer recycled (PCR) plastic in the packaging for the Limiano brand's

PRIORITIES FOR 2021

- Apply eco-design principles systematically for all packaging placed on the market.
- Make the Eco-Design Handbook given to the packaging teams more user friendly so they can systematically make the most responsible choices in line with the Group's policies.
- Launch a life cycle assessment tool.
- Continue research on alternative waxes and the gradual elimination of packaging.



FIGHTING CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT

6.1. FIGHTING CLIMATE CHANGE

Definition of the challenge

Climate change is one of the biggest issues of our time. Therefore, fighting climate change is a strategic priority for the Group that calls for lasting actions to transform the Company, such as updating its product mix and improving its energy mix.

The Group has been a member of the Science-Based Targets initiative since 2017 and its greenhouse gas (GHG) emissions reduction targets were approved in 2019. These reduction goals align with the Paris Agreement and cover the Group's entire value chain, from upstream agricultural activities to transportation and packaging.

In addition, Bel recognizes the recommendations issued by the TCFD⁽¹⁾ for climate reporting. An action plan will be rolled out to align its climate reporting with these recommendations.

Overview of Bel's total carbon footprint

The Group's global carbon audit was updated in 2020 in accordance with the Greenhouse Gas Protocol⁽²⁾; it estimated the total amount of emissions generated by the Group in 2019 at 6 million CO₂ metric tons equivalent. It showed that 72% of the Group's total emissions come from the production of raw materials, followed by emissions from upstream and downstream transportation (13%), packaging (4%) and Scopes 1 and 2 (4%)⁽³⁾. The reduction in Scope 3 greenhouse gas emissions comes primarily from a decrease in emissions linked to milk and dairy raw materials brought about by the action plans deployed to the sustainable upstream dairy, the accelerated development of plant-based raw materials and the carbon diagnostics carried out at farms⁽⁴⁾.

Distribution of Bel's greenhouse gas emissions along the entire value chain

Total estimated quantity = 6 million metric tons CO₂

	2018	2019
Scopes 1 & 2 ^(a)	3.5 %	3.8 %
Scope 3 ^(b)	96.5 %	96.2 %
• Of which raw material purchasing	72.3 %	71.5 %
• Of which packaging and finished product purchasing	3.8 %	4.1 %
• Of which subcontracted production	3.9 %	2.7 %
• Of which other goods and services purchasing	2.3 %	2.8 %
• Of which capital equipment purchasing	1.2 %	0.9 %
• Of which upstream transport (raw materials and packaging) ^(c)	4.8 %	4.9 %
• Of which downstream transport (products sold and by-products) ^(d)	7.3 %	8.3 %
• Of which products sold (reprocessing or product/packaging end-of-life)	0.8 %	0.9 %

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

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

(c) Raw materials, packaging and other inputs.

(d) Products sold and by-products.

⁽¹⁾ Task Force on Climate-related Financial Disclosures. See «Appendix 5: Correlation Table with the 11 TCFD Recommendations».

⁽²⁾ <http://ghgprotocol.org/>

⁽³⁾ This carbon audit does not include the impacts of the processing of the Group's by-products if they are sold to third parties.

⁽⁴⁾ These diagnostics enable the Group to use specific emissions factors that are more accurate than the generic emissions factors used previously.

Organization and governance

Bel's climate strategy is spearheaded by the Group's Environment Department and the CSR Department,

which work in close collaboration with other departments, including Manufacturing, Engineering, Purchasing, Logistics and RID.

Type	Risks linked to climate change	Potential financial impact	Impact on Group strategy
Transition risks	Regulatory risks		
	<p>Long-term risks</p> <p>Implementation of new regulations relating to energy, greenhouse gas emissions or carbon prices.</p>	Such regulations could increase operational costs for Bel.	Bel defined its 2°C road map under the Science-Based Targets initiative. The Group is setting up action plans to reduce the greenhouse gas emissions generated by its direct and indirect activities (see "Action plans" section below). Financial resources are allocated in a multi-year investment plan to take into account SBTi commitments.
	Reputation risks		
	<p>Long-term risks</p> <p>Consumer preference for products with lower greenhouse gas emissions.</p>	This risk could affect Bel's sales and market shares.	With its new identity <i>For All. For Good</i> , the Group aims to offer its customers healthier and more responsible food for everyone. To bring that vision to life, the Group identified five priorities - including the fight against climate change - which are presented throughout this document. Bel has taken stock of the need to transform its brands and products.
	Market risks		
	<p>Long-term risks</p> <p>Volatility of energy prices..</p>	This risk could boost operational costs for Bel (e.g. costs to produce and process raw materials and products, storage costs, etc.).	Bel has made strong commitments to reducing energy consumption all along its value chain (see "Action plans" section below).

Type	Risks linked to climate change	Potential financial impact	Impact on Group strategy
Physical risks	Chronic risks		
	<p>Long-term risks</p> <ul style="list-style-type: none"> Precipitation variability could affect water reserves in or near Bel's dairy supply basins and industrial production sites. Climate and weather variability could affect the procurement, quality and price of the agricultural raw ingredients used (e.g. fruits). Variability of soil conditions could affect local animal feed production. Unsuitability of region for milk production. 	<ul style="list-style-type: none"> Bel's dairy supply basins and production sites could experience water shortages or excessive rains, which could lead to an increase in operational expenses and production difficulties. The price variability of raw materials could lead to an increase in Bel's costs. The impact on the production of animal feed could increase the production costs for milk and milk products. Difficulties in milk production could lead to decreased availability at milk production sites. 	<p>Bel is implementing actions to make agricultural production more resilient (see "Action plans" section below).</p>
	Non-recurring risks		
	<p>Long-term risks</p> <p>Risk of exposure of the Group's buildings and facilities and those of its suppliers to natural disasters (earthquake, fire, flood, etc.).</p>	<p>This risk could cause the loss of a strategic industrial site and result in high operational expenses and production difficulties.</p>	<p>Bel takes these risks into account when it builds a new site by choosing locations that are less exposed to extreme climate events and/or by designing adapted buildings.</p> <p>Moreover, Bel holds a "Damage to assets and operating losses" insurance policy that covers the Group's facilities against the consequences of extreme natural events (e.g. earthquake, severe storm, flood, torrential rain, hurricane, etc.). The consequences for Bel if one of its suppliers were unable to meet its obligations after an extreme climate event are also covered. Finally, Bel's insurers get involved at the plant design phase and conduct periodic audits on the Group's facilities to check their level of security, identify measures to take as needed and adapt the insurance coverage to the needs of each site.</p>

Policies

Environmental policy

The Group has had an internal environmental policy since 2008. The policy, which was formalized in 2014, lays out Bel's goals to address climate and water challenges, as well as guidelines to achieve them. After adopting this policy, the Group set the objectives of reducing greenhouse gas emissions along its entire value chain and reaching carbon neutrality for Scopes 1 and 2 by 2025. An even more ambitious policy with new commitments to fight climate change will be published in 2021.

Science-Based Targets initiative

Since 2017 the Group has participated in the Science-Based Targets initiative (SBTi) started by the Carbon Disclosure Project (CDP), the World Resources Institute (WRI), the WWF and the United Nations Global Compact to reduce greenhouse gas emissions along its entire value chain (Scopes 1, 2 and 3). In 2019, Bel defined the following targets, which were approved by the SBTi technical committee:

- reduce emissions for Scopes 1 and 2 by 42% versus 2017 levels (in metric ton CO2 eq./metric ton produced) by 2030; and
- reduce Scope 3 emissions by 27% versus 2017 levels (in metric ton CO2 eq./metric ton produced) by 2030.

Other policies

The Group has adopted several other policies that contribute indirectly to reducing Bel's greenhouse gas emissions. Examples include the "Responsible Packaging" policy (see section 5 "Designing responsible packaging"), the "Preserving Forests and Natural Ecosystems" policy (see section 6.2. "Preserving biodiversity and fighting deforestation and ecosystem conversion") and policies on the upstream dairy (see section 4.1. "Taking action for a sustainable upstream dairy").

Action plan

Reducing greenhouse gas emissions - Scope 3

Agricultural raw ingredients

Given the significant impact of agricultural raw materials on the Group's overall carbon footprint (72%), reducing GHG emissions from this source will be decisive in achieving the targets set in connection with the Science-Based Targets initiative.

In light of its responsibility and of the impact dairy production has on the environment, the Group has made its commitment to a sustainable dairy sector a priority within its corporate social responsibility strategy. In order to take practical, measurable action, Bel and WWF France signed a partnership in 2012 with a common goal: limiting the environmental impacts of dairy production (see section 4.1 "Taking action for a sustainable upstream dairy").

Bel uses a variety of resources (CAP2'ER, ANCA, Cool Farm Tool, etc.) to measure the environmental impact of dairy farms (see section 4.1. "Taking action for a sustainable upstream dairy"). These tools have been used at more than 70% of farms across the Group's dairy supply basins⁽¹⁾ and have identified numerous improvement practices that have been proposed to dairy producers. By fostering an open dialogue with producers about their environmental impact, these tools also enable Bel to assist its suppliers with their transformation.

Furthermore, the acceleration of the Group's positioning on the plant-based segment advances the global targets to reduce GHG emissions all along the value chain by helping to shift the balance between plant- and animal-based foods and by developing sustainable plant-based sourcing channels that encourage regenerative agriculture.

Transportation/distribution

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

Bel works with its logistics service providers in every country to reduce the mileage of empty trucks and optimize truck and container fill rates, as well as transportation flows. The Group also studies alternatives to road transportation that produce fewer greenhouse gas emissions.

In 2020, Bel teamed up with the FRET 21 program, a multi-party initiative whose goal is to reduce greenhouse gas emissions from downstream transportation through various techniques, such as multimodal transportation, fill rates and green fuels.

Packaging

As a major player on the healthy snack food market, Bel faces packaging challenges. The Group issued a "Responsible Packaging" policy to address these challenges and to reduce the environmental impact associated with their use (see section 3.5. "Designing responsible packaging").

In April 2020, the Bel Group joined Le Club des Entrepreneurs pour le Climat ("Entrepreneurs' Club for Climate"), which was created in 2019 by *Institut Orygeen*⁽²⁾, a group of business leaders running French, family-owned businesses committed to fighting climate change with innovative, collaborative projects to reduce their carbon footprint. Bel is participating in working groups that are addressing topics such as developing the use of biofuels, upstream and downstream transportation powered by green hydrogen and the local production and consumption of renewable electricity through PPAs (Power Purchase Agreements).

⁽¹⁾ Except for the Canadian dairy basin which is still being studied.

⁽²⁾ Institut Orygeen is a non-profit association founded in 2014 to encourage manufacturers to become more energy efficient. The institute pursues that goal with a variety of actions to provide information about energy efficiency in industry and to highlight initiatives put in place.

Reducing greenhouse gas emissions – Scopes 1 and 2

Audit of greenhouse gas emissions – Scopes 1 and 2

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

The Group is tackling these sources of emissions to reduce the carbon intensity of its production to move toward carbon neutrality for Scopes 1 and 2 by 2025. To help meet that goal, Bel developed the Esabel ("Energy Saving At Bel") program to enable each site to monitor its consumption levels and define action plans to reduce them. Audits are carried out regularly to identify good practices and to track the progress of the action plans. Extensive audits were conducted at three sites in 2020 to define specific action plans for the energy transition and for energy efficiency. In addition, 21 industrial sites have implemented an ISO 14001-certified environment management system.

The action plans at the Bel production sites follow a two-step approach:

1. reduce the energy footprint of its activities; and
2. use renewable energies.

Reducing energy consumption at industrial sites

The Group sets ambitious targets for reducing the energy footprints of its sites. A portion of the €8 million invested in 2020 to improve its environmental footprint at production sites focused on this reduction. Nearly €69 million was invested between 2009 and 2020 to reduce Bel's environmental footprint.

The Esabel ("Energy Saving at Bel") program, for example, allows each site to access a compendium of good practices, monitor its consumption levels and define action plans to reduce them.

Fossil fuels account for 93% of the emissions generated by Bel's industrial sites. Thus, it prioritizes actions to reduce energy consumption as a way to lower its dependency on fossil fuels and, in time, to limit its greenhouse gas emissions.

Producing dairy products is a highly energy-intensive activity. That is especially true for milk pasteurization, which is necessary to ensure the perfect quality of a raw material that is sensitive to bacteriological contamination, and for the cold storage of finished products. In order to limit their energy consumption, the industrial sites systematically recover energy at the end of processing to reuse it at the start of processing. To improve energy efficiency at industrial sites, in 2020 Bel set up two energy recovery projects that use heat pumps. However, since the beginning of the Covid-19 pandemic, the production equipment must be stopped more frequently for disinfection, which limits energy recovery and raises energy consumption.

Using renewable energy sources

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

Bel now has two biomass boilers, which account for 11% of the energy consumed for heat production. The Song Than 3 site (Vietnam) was equipped with photovoltaic sensors in 2020, covering 7% of the site's consumption.

The Group also purchases electricity from renewable sources for Vale de Cambra (Portugal) and for all its Dutch and French industrial sites (including MOM, starting from 2021), making up 47% of the Group's total electricity consumption. In addition, the sites in Chorzele (Poland), Michalovce (Slovakia), Brookings (USA), Leitchfield (USA) and Little Chute (USA) plan to start buying guarantees of origin in 2021.

For the MOM Scope, the Chef du Pont site has a biomass boiler whose goal is to produce nearly 70% of the site's steam by the end of 2021.

	2008	2018	2019	2020	Change 2008-2020
Electricity consumption (in MWh) ^(a)					
Electricity not from a renewable source	247,340	189,570	180,935	176,105	- 29 %
Electricity from a renewable source	-	151,141	152,260	155,194	
TOTAL ELECTRICITY	247,340	340,712	333,196	331,299	34 %
Of which renewable electricity	-	44.4 %	46 %	47 %	
Consumption of oil, gas and biomass products for heat generation and other purposes (in MWh LHV)					
Oil and gas products	543,381	503,023	518,208	513,284	- 6 %
Biomass	-	71,746	70,604	65,846	
STATIONARY COMBUSTION	543,381	574,769	588,812	579,130	7 %
Of which biomass	-	12.5 %	12 %	11 %	
Energy consumption (in MWh/metric ton produced) all B-to-C and B-to-B products					
Electricity	0.68	0.43	0.41	0.41	- 39 %
Oil and gas products	1.5	0.63	0.63	0.63	- 58 %
Biomass	-	0.09	0.09	0.08	

Breakdown of greenhouse gas emissions ^(a)	2018	2019	2020
Scope 1			
Associated with fossil fuel and gas consumption	55.3 %	57.0 %	57.6 %
Associated with biomass consumption	0.8 %	1.0 %	0.7 %
Associated with refrigerant leaks	2.8 %	3.0 %	2.2 %
Associated with fuel consumption of Group-owned vehicles	4.2 %	4.0 %	4.2 %
Scope 2			
Associated with the generation of electricity purchased within the Group	36.9 %	35.0 %	35.3 %

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

Greenhouse gas emissions - Scopes 1 and 2	2017	2018	2019	2020	Change 2008-2020	Change 2017-2020
kg CO ₂ eq./metric ton produced (all B-to-B and B-to-C products)	291	288	282	278	- 60 %	- 4.5 %
Metric tons CO ₂	226,734	230,061	230,412	224,932	- 11 %	- 0.8 %

Finally, to meet its goal of carbon neutrality for Scopes 1 and 2, the Group's teams are making it a priority to reduce greenhouse gas emissions to the irreducible level determined by Bel's business operations. Alongside these efforts, a neutralization strategy is being prepared.

Increasing the resilience of agricultural production


Although our dairy supply basins differ with regard to the effects of climate change, these are being felt more and more all around the world. Some areas where the Group operates are experiencing water stress,

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 stress by 2025 (see section 4.1 "Taking action for a sustainable upstream dairy").

PERFORMANCE INDICATORS

Bel's objectives	KPI	2018	2019	2020	2025 objective	Progress
Contribute to reducing its overall carbon footprint by making its operations carbon neutral ^(a)	Greenhouse gas emissions - Scopes 1 and 2 (kg CO ₂ eq./metric ton produced)	288	282	278	0	

(a) Scopes 1 and 2.

Bel's objectives	KPI	2017	2018	2019	Change 2017-2019	Reduction target 2017-2025	Reduction target 2017-2030	Progress
Reduce its overall carbon footprint to meet the goals of the Paris Agreement ^(a)	Global carbon audit (kg CO ₂ eq./metric ton produced)	8,653	8,198 ^(b)	7,433 ^(b)	- 14 %	- 15 %	- 27.5 % ^(c)	

(a) Scopes 1, 2 et 3.

(b) Le bilan carbone du scope 3 étant établi avec un an d'écart, seule la performance 2018 peut être présentée pour cet indicateur.

(c) Cet objectif de - 27,5 % en 2030 par rapport à 2017 pour les scopes 1, 2 et 3 est aligné avec l'objectif sur les scopes 1 et 2 (- 42 %) et l'objectif sur le scope 3 (- 27 %) validé par le Science Based Target.

HIGHLIGHTS OF 2020

- Launch of two heat-pump energy recovery projects.
- Membership in the FRET 21 program to limit CO₂ emissions from transportation.
- Preparation of an ambitious new road map for 2035 to fight against climate change.

PRIORITIES FOR 2021

- Continue supporting the sites' transition to renewable energies and rolling out energy efficiency solutions.
- Update the environmental policy.
- Define road maps with the industrial sites to optimize their energy management.

6.2. PRESERVING BIODIVERSITY AND FIGHTING DEFORESTATION AND ECOSYSTEM CONVERSION

Definition of the challenge

Bel is a global player in the healthy single-serving portion dairy, plant-based and fruit snacks market, and works every day to help meet the challenge of feeding 10 billion people by 2050, without compromising the Earth's resources. This challenge can only be met if companies fully incorporate biodiversity protection into the development of their activities

Biodiversity can be defined as "diversity within species, between species, and of ecosystems"⁽¹⁾. Species evolve and interact, enabling ecosystems to function. From functioning ecosystems, human societies draw a variety of services and benefits called ecosystemic services. Among these services are provisioning services (such as food, raw materials, etc.); regulation and maintenance services (including pollination control, carbon capture and storage, water purification, etc.); and cultural services (encompassing interaction, spirituality, etc.)⁽²⁾.

⁽¹⁾ United Nations, 1992.

⁽²⁾ WWF report, "Into the Wild" (p.16), 2019.

Biodiversity, however, is under threat. According to a United Nations report published in 2019, nearly one million species are facing extinction in the near future.

Yet Bel is dependent on this biodiversity. For example, 75% of crops depend on insects for pollination⁽¹⁾. That is why Bel believes it is vital to act now and place living organisms at the center of its concerns. In 2020, that conviction translated into the adoption of a biodiversity policy⁽²⁾ and an action plan to embrace all aspects of biodiversity and to act responsibly across its entire value chain, including:

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

In the area of biodiversity, Bel is especially involved in the fight against deforestation and in preserving natural ecosystems, as outlined in its forest and natural ecosystems policy⁽³⁾. As an agrifood company, the Group is mindful of its responsibility to address these two challenges. Thus, it has pledged to eliminate the risks of natural ecosystem conversion⁽⁴⁾, including the risk of deforestation, in the supply chains for its key commodities by 2025.

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

- The animal feed (soy meal and palm kernel expeller) used by its milk producing partners to feed their animals;
- The plant-based raw materials, including vegetable fat (palm, soybean, sunflower, canola and other oils), used in some current or future recipes; and
- The cardboard and paper used in its packaging and marketing materials.

Policies

In 2020, the Bel Group published a policy to protect, enhance and restore biodiversity along its entire value chain⁽⁵⁾. The policy, co-written with WWF France, lays out the Group's commitments in three areas:

- First, its desire to meet its 2025 targets for preserving and restoring natural ecosystems. To ensure its success, the Group will rely on dedicated policies, especially its policy on preserving forests and natural ecosystems⁽³⁾, with the ambitious goal that, by 2025, none of Bel's key raw materials contributes to deforestation or the conversion of natural ecosystems;

- Second, the Group's dedication to assessing its biodiversity footprint so it can set robust objectives backed by a scientific approach. To achieve this, the Group is working out definitions of local ecological thresholds and a measurement of its overall biodiversity footprint, along its entire value chain; and
- 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.

Action plan

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

Taking action to protect biodiversity

Bel is committed to encouraging and developing responsible supply channels and minimizing the impact of its operations on biodiversity. To this end, Bel participates in several collective initiatives that are building momentum and synergy amongst all the actors 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. These objectives were approved by a steering committee comprised of businesses, business networks, public authorities, environmental NGOs and scientific bodies.

Furthermore, the Group joined the Science-Based Target Network (SBTN) Corporate Engagement Program in 2020. In the same spirit as SBT for Climate, this alliance aims to design a robust and scientific method companies can use to define objectives aligned with a trajectory based on planet boundaries, especially biodiversity.

Finally, the Group is also participating in the "Laboratoire Capital Naturel" ("Natural Capital Laboratory") led by WWF France and the Chaire de Comptabilité Écologique ("Ecological Accounting Chair") supported by the AgroParisTech Foundation, which encourages the use of accounting tools to preserve biodiversity.

⁽¹⁾ Assessment Report on Pollinators, Pollination and Food Production, IPBES, 2016.

⁽²⁾ The biodiversity policy can be viewed on the Bel Group's website (<https://www.groupe-bel.com/wp-content/uploads/2020/10/groupe-bel-politique-biodiversit-fr.pdf>).

⁽³⁾ Bel's policy on forests and natural ecosystems is also available on the Group's website (<https://www.groupe-bel.com/wp-content/uploads/2019/10/forets-et-ecosystemes-en.pdf>).

⁽⁴⁾ Conversion is modifying a natural ecosystem to use the land for a new purpose. It includes deforestation, which is the loss of natural forests.

⁽⁵⁾ For more information, the biodiversity policy can be viewed on the Bel Group's website (<https://www.groupe-bel.com/wp-content/uploads/2020/09/bel-group-biodiversity-policy-en.pdf>).

⁽⁶⁾ For additional information, refer to the Forests and Natural Ecosystems Policy on the Bel Group's website (<https://www.groupe-bel.com/wp-content/uploads/2019/10/forets-et-ecosystemes-fr.pdf>).

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

Promoting pasture grazing

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

Developing sustainable farming practices

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

Encouraging farms that grow both crops and animals

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

Promoting agroforestry

The Group is helping to create new spaces that combine agriculture with respect for biodiversity by encouraging the development of agroforestry. In particular, Bel is sponsoring a project with WWF France to raise awareness, train and support dairy producers in the use of agroforestry practices, such as the planting of rural hedges, wooded strips, trees, and even tree farms.

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

Bel has adopted the ambitious goal to eliminate the risk of ecosystem conversion associated with three key raw materials: animal feed in the form of soy meal and palm kernel expeller (see section 4.1 “Taking action for a sustainable upstream dairy”), vegetable fats (see section 4.2 “Using vegetal raw materials within strict limits”) and paper and cardboard packaging (5. “Designing responsible packaging”). The Group employs data updated by WWF France to assess the impact of procurements in the countries where its raw materials are sourced. This data was updated in 2020, causing some places of origin to shift to different categories.

Limiting the biodiversity impact of product manufacturing

Reducing greenhouse gas emissions from operations

To reduce its impact on climate change and biodiversity, Bel is working to lower the carbon intensity of its production to move toward carbon neutrality for Scopes 1 and 2 by 2025 (see section 6.1. Fighting climate change”).

Protecting and promoting biodiversity at its production sites

Bel is committed to protecting and promoting biodiversity at its own production sites. This entails conducting a preliminary analysis with stringent biodiversity criteria before any new plant is built at all potential locations throughout the world. The Group is also looking into solutions to take into account biodiversity and soil artificialization in each investment decision.

Optimizing water management in quantitative and qualitative terms

The Group implements action plans to protect the environment around its plants, especially with regard to its liquid discharges (see section 6.3. “Using water sustainably”).

Optimizing product end-of-life

Working on the future of packaging

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


Providing reliable, helpful information to consumers

Bel has made a commitment to clarify sorting instructions both on its packaging and through other communication tools (see sections 2.3 “Communicating responsibly and transparently with its consumers” and 5. “Designing responsible packaging”).

Reducing food waste

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

INDICATEURS DE PERFORMANCE

Bel's objectives	KPI	2018	2019	2020	2025 objective	Progress
Preserve natural ecosystems and fight deforestation through its supply chain	Impact of sourcing policies on at-risk land (area of at-risk land whose conversion was avoided/total at-risk land area cultivated)	-	7.1 %	7.1 %	100 %	

HIGHLIGHTS OF 2020

- Formalization of a Group biodiversity project co-written with WWF France.
- Roll-out of a pilot project with WWF France and WWF Netherlands to define ecological thresholds that will ensure the ongoing viability of species and ecosystems.
- Membership in Act4Nature France, Act4Nature International and the Science-Based Target Network.

PRIORITIES FOR 2021

- Participate, within the Science-Based Target Network (SBTN) program, to help design a robust scientific calculation method that can be used to define biodiversity trajectory.

6.3. USING WATER SUSTAINABLY

Definition of the challenge

Water scarcity affects more than 40% of the world's population⁽¹⁾: a worrying proportion that could worsen due to rising temperatures around the world. Ensuring availability and sustainable management of water and sanitation for all by 2030 is one of the UN Sustainable Development Goals. To contribute to this essential collective effort, Bel strives to constantly reduce the water consumption required for its activities and to improve the quality of its discharges by using efficient technologies. Further upstream in its value chain, Bel also seeks out solutions to make dairy farms more resilient to water scarcity in certain dairy supply basins that has been brought on by climate change (see section 4.1. "Taking action for a sustainable upstream dairy").

Policies

The Group has had a formal environmental policy since 2014. That policy lays out Bel's goals to address water and climate challenges, as well as guidelines to achieve them. This policy is due to be updated in 2021.

Action plan

Reducing water consumption at production sites

The Group sets ambitious targets to reduce the water footprints of its sites. A portion of the €8 million invested in 2020 to improve its environmental footprint at production sites focused on this reduction. Nearly €69 million was invested between 2009 and 2020 to reduce Bel's environmental footprint.

The *Wasabel* ("Water Saving at Bel") program, for example, allows each site to access a compendium of good practices, monitor its consumption levels and define action plans to reduce them. In addition, 21 industrial sites have implemented an ISO 14001-certified environment management system.

Most of the drinking water used in the Group's plants is managed by public utilities and is sourced from surface water bodies such as rivers and lakes or from groundwater (water tables).

Since the beginning of Covid-19, public health protocols have required that production equipment be washed and disinfected more frequently, which has led to an increase in consumption versus 2019. Nevertheless, the programs implemented have allowed Bel to reduce its water consumption per metric ton produced by 48% between 2008 and 2020.

Water consumption	2008	2018	2019	2020	Change 2008-2020
In m ³ per metric ton produced (all B-to-B and B-to-C products)*	12.53	6.52	6.34	6.48	- 48 %
In thousands of m ³ *	4,553	5,213	5,173	5,242	15 %

*Group total.

⁽¹⁾ Source: United Nations Sustainable Development Goals.

Quality of discharges from its production sites into the natural environment

By reducing their water consumption, the sites automatically reduce their discharges and improve their quality, since the lower the volume of water treated in treatment facilities, the lower the concentration of organic matter flowing out of these facilities. To limit its negative impact on the environment and protect biodiversity, the Group makes sure that the quantity of organic matter contained in discharges from sites, and the temperature of discharges, comply with applicable regulations. Wastewater is treated internally or pre-treated by Bel, then sent to third parties for treatment. The Group spends over €6 million on wastewater treatment each year.

Furthermore, to avoid any accidental discharges directly into the environment, Bel protects water bodies and river run-off points adjoining its sites with special structures.

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

To limit the spread of the virus during the Covid-19 pandemic, the Group's industrial sites in France followed the recommendations of ANSES. Thus, wherever possible, sewage water was separated from industrial wastewater before treatment and diverted to specialized pre-treatment channels. Certain adjustments were made to minimize holding time before spreading.

	2018	2019	2020	Change 2018-2020
Total wastewater volume (in thousands of m ³) ^(a)	4,562 ^(b)	4,634 ^(b)	4,603	1 %
Treated internally	2,079 ^(b)	2,143 ^(b)	2,195	3 %
Treated by a third party with other effluents	2,483 ^(b)	2,403	2,408	- 3 %
Spread untreated	ND	88	ND	-
Volume of wastewater per metric ton produced				
In m ³ per metric ton produced, all B-to-B and B-to-C products	5.7	5.75	5.69	- 0.1 %
Quality of treated water (in metric tons) ^(a)				
Chemical oxygen demand (COD)	81.2 ^(c)	81.6 ^(c)	96.9	19 %
Suspended matter discharged	30.4 ^(c)	36.8 ^(c)	45.7	50 %
Total nitrogen discharged	13.0 ^(c)	12.9	24.7	90 %
Total phosphorous discharged	3.4 ^(c)	5.2	3.3	- 3 %
Cost of wastewater treatment (in thousands of euros) ^(a)	5,561	5,731	6,173	
Spreading of sludge from wastewater treatment or untreated water ^(a)				
Total dry matter (in metric tons)	1,077 ^(d)	1,116	1,080	0.2 %
Nitrogen (in metric tons)	96 ^(d)	96	93	3 %
Phosphorous (in metric tons)	81 ^(d)	84	83	2 %

(a) Group total.

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


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

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

Reducing water consumption linked to agricultural production

Lastly, Bel has taken action to limit the water needed for farming activities, especially for the dairy supply basins affected by water stress. The Group is participating in the Climalait French pilot program. It is also launching

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

PERFORMANCE INDICATORS						
Bel's objectives	KPI	2018	2019	2020	2025 objective	Progress
Reduce the water footprint of its production sites	Water consumption per ton of finished product versus 2008	- 49 %	- 49 %	- 48 %	- 80 %	

HIGHLIGHTS OF 2020

- Diminished performance in water consumption reduction efforts because of disinfection procedures implemented in response to Covid-19.
- Adherence to ANSES recommendations to manage discharges into the natural environment during Covid-19.

PRIORITIES FOR 2021

- Update the environmental policy.
- Define road maps for the industrial sites to optimize their water management.

6.4. FIGHTING FOOD WASTE

Definition of the challenge

Although one out of nine people - 795 million individuals - around the world are currently undernourished⁽¹⁾, nearly 30% of the food produced in the world for human consumption is wasted, which amounts to approximately 1.3 billion metric tons per year⁽²⁾.

For Bel, fighting food waste is a critical issue in our society and an ethical and environmental imperative that contributes to achieving the United Nations Sustainable Development Goal (SDG) of "Zero hunger". Minimizing waste will always be an integral part of Bel's business model: indeed, some of its core brands were born of an effort to optimize by-products. For example, the recipe for The Laughing Cow was invented in 1921 to utilize cheese surpluses and the Kiri recipe was initially developed to reuse the cream left over after producing certain cheeses. The individual portion format is embedded in Bel's DNA and it is a powerful tool in fighting food waste because it preserves the product: each portion is the perfect serving size.

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

Policies

The Group participated in preparing the Anti-Waste Charter proposed by the Association Nationale des Industries Alimentaires ("Association of Agribusinesses", or ANIA), which is a collection of best practices to be used by Bel and all companies in the sector to reduce food waste all along the value chain.

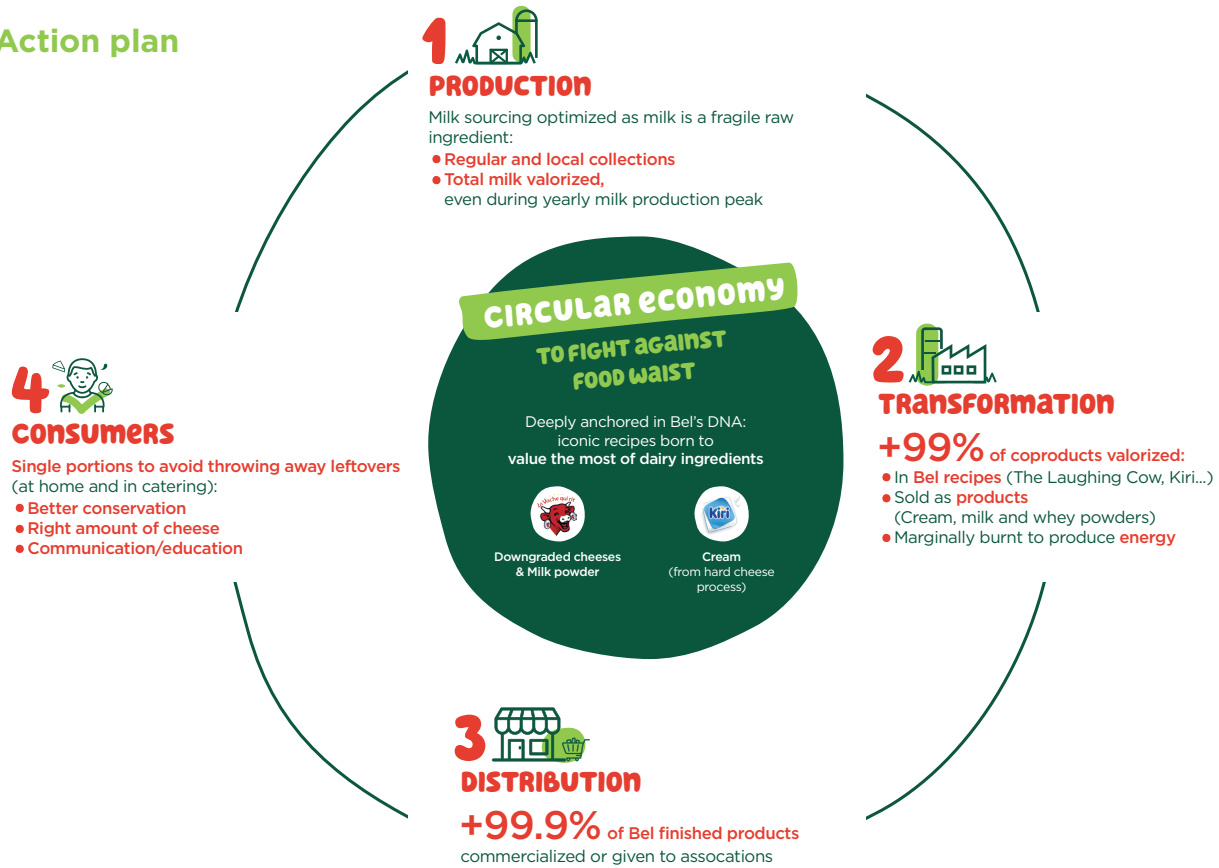
Moreover, in the summer of 2019 Bel was one of the first stakeholders to join the *Too Good to Go* France initiative in partnership with other large-scale producers and major retail players. In 2020, their collective efforts resulted in the formalization and publication of a pact to reduce food waste linked to consumption dates. The pact focuses on four work areas:

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

⁽¹⁾ <https://www.undp.org/sustainable-development-goals#zero-hunger>

⁽²⁾ <http://www.fao.org/save-food/en/>

Action plan



Production and collection

Bel minimizes the loss of raw materials during agricultural production, especially milk because it is a fragile, perishable ingredient. Thus, the Group collects milk locally and regularly (at least every three days) from partner producers to reduce the time elapsed between milking and processing. All the milk produced is collected, even when there are production overages.

Processing

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

The development and manufacturing of products (formulation, thermal treatment protocols, efficient packaging design, etc.) aim to enable Bel cheeses to keep their taste and health properties over relatively long shelf lives. Finished product production runs are also adjusted to match sales estimates to avoid manufacturing surplus products without a sales outlet.

Bel also strives to reuse milk production surpluses and all components of the milk collected, including by-products of cheese production, such as cream and whey. In addition, all Bel's manufacturing cycles generate some substandard cheeses (mainly for esthetic reasons). All these by-products and production surpluses are recovered: they are reused in the Group's own plants,

resold as raw ingredients in the manufacture of other products or, to a lesser extent, reused to generate energy (methanization). In all, more than 99% of the Group's by-products are reused.

Distribution

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

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

Sales and donations: The vast majority of products are sold in traditional distribution channels. Nevertheless, when the Group must deal with excess inventory, it makes every effort not to destroy any production. The overages are sold via other channels or donated to associations, such as food banks. In 2020, Bel's warehouses in Europe⁽¹⁾ donated 673 metric tons of products to charity, including 372 metric tons in France. Given that the most common portion size at Bel is 25 grams, this means Bel donated cheese to over 27 million meals distributed by associations in 2020.

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

The Group has taken the necessary steps to enable its sites and logistics warehouses to donate products to food banks. During Covid-19, Bel's teams stepped up to meet the needs of the most disadvantaged communities and the Group made many food donations (see section 1.4 "A Company fully mobilized to address the health crisis").

Partnerships: Bel France - joined in 2020 by Bel Portugal and Materne - works in partnership with other large-scale producers and major retail players within the *Too Good To Go* initiative. Moreover, in 2020 Bel became a member of the Consumer Goods Forum, an international effort that enables Bel to work hand-in-hand with other agrifood actors to fight against food waste. This group has identified three priority actions: develop a harmonized reporting framework, fight food loss at the harvest stage and roll out the "10X20X30" program (10 retailers engage 20 of their suppliers to halve their food waste by 2030).

Consumption at home

Food wasted by consumers accounts for a large share of overall food waste. According to the European Commission, 42% of food waste in Europe occurs in households⁽¹⁾.

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.

One of the main drivers of household food waste is a lack of understanding about consumption dates. In fact, half of consumers do not differentiate between use-by dates and best-before dates⁽²⁾. Bel believes that education, information and awareness efforts aimed at consumers are powerful ways to prompt actions to reduce food waste. This is why the Group, as part of its collaboration with *Too Good To Go*, worked to include informational and explanatory messages about the difference between use-by and best-before dates. In 2020, some 17 million round boxes of The Laughing Cow contained this information. The initiative was expanded to Portugal and Great Britain and may be deployed in other countries on a voluntary basis. Bel also educated its own employees about consumption dates as part of its World Food Day activities and it encourages them to do their part to fight food waste.

HIGHLIGHTS OF 2020

- Launch of the *Too Good To Go* pact.
- Explanations about consumption dates inserted in 17 million round boxes of The Laughing Cow in France.
- Participation in the "Fight Against Food Waste" coalition within the Consumer Goods Forum.

PRIORITIES FOR 2021

- Pursue the Group's commitments under the *Too Good To Go* pact and expand efforts to inform and explain consumption dates to other Group brands and countries.
- Work in partnership with international retailers through the Consumer Goods Forum's 10X20X30 initiative.

⁽¹⁾ https://ec.europa.eu/environment/eussd/pdf/bio_foodwaste_report.pdf.

⁽²⁾ *Too Good To Go* Pact.



IMPROVING THE ACCESSIBILITY OF ITS PRODUCTS

Definition of the challenge

In light of diminishing natural resources and a growing world population, the Bel Group is cognizant of the coming challenge of feeding 10 billion people in 2050, while one-fourth of the planet's population still does not have access to nutritious food. This knowledge prompted Bel to make product accessibility and affordability one

of its strategic priorities by committing to offer quality products to as many consumers as possible everywhere in the world. That commitment entails working on prices, in addition to adapting recipes to the nutritional needs of all and opening up new distribution channels so that its products are available to as many people as possible.

7.1. ADAPTING ITS PRODUCTS TO THE NEEDS OF EVERYONE

The Group is striving to develop new markets and offer products adapted to new consumers, particularly in emerging countries.

Adapting product lines to consumers' nutritional needs

Some populations with less purchasing power often find themselves in complex positions of under-nutrition 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 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 "Improving the nutritional quality of its products").

In addition, Bel wants to be a pioneer in the organic cheese market by making organic products more accessible and affordable for everyone. By launching organic Mini Babybel and The Laughing Cow products, Bel has made it a priority to offer organic versions of products intended mainly for children. By 2022, the Group aims to further expand its organic offer with all its big international brands and with new brands created to combine accessibility and affordability with responsibility.

Moreover, in line with the Group's efforts to make its products more accessible to as many consumers as possible, Bel is launching more affordable and enriched product lines in certain regions to deliver added value suited to the needs of local populations. For example, in 2020 Bel launched the "Simply" line in Algeria at prices compatible with the country's economic and social circumstances. This version of The Laughing Cow is made with dairy and plant-based ingredients and enriched in calcium and vitamins A and D.

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

To adapt to the reality of eating and shopping habits and to offer healthy foods to a larger proportion of the population, Bel has been taking up positions in new distribution networks for several years.

Therefore, Bel developed two innovative and inclusive distribution models:

- Bel launched its "Sharing Cities" 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 six major cities in emerging countries. In this way, Bel helps these vendors develop their business and revenue and offers them access to health coverage and professional training.

- in 2019, the Group added a second inclusive economic model called "Inaya", a loyalty program open to retailers who are already Bel clients. The offer gives them access to health insurance services designed specifically for them and their families at preferred rates. Bel developed this model in Morocco and now plans to deploy it in Egypt.


However, the roll-out of these two programs was severely affected by the consequences of Covid-19 in emerging countries because many street vendors were forced to leave urban areas during lockdowns. This explains the drop in the number of people participating in a Bel inclusive business program in 2020.

As of December 31, 2020, the “Sharing Cities” program had 6,487 partners, nearly 2,000 of whom had received access to healthcare (including their families, over 6,000 received healthcare services). Furthermore, when public health conditions permitted, “Sharing Cities” professional training courses continued, bringing the number of partners trained since the program’s launch to 1,230. Meanwhile, the *Inaya* program enables 963 Moroccan retailers to access health insurance services for themselves and their families.

Given the public health situation, the Group took action to support and assist its partners as best it could over the course of 2020. For example, 3,500 food and hygiene kits – whose contents included hand sanitizer, masks, food and a reminder of good hygiene habits to practice every day – were handed out.

Bel is aiming high with the goal of adding 80,000 participants to these two programs by 2025. To hit its mark, the Group’s plans include expanding its “Sharing Cities” program to the major cities of India, a country with 10 million street vendors.

PERFORMANCE INDICATORS

Bel’s objectives	KPI	2018	2019	2020	2025 objective	Progress
Improve the accessibility and affordability of its products	Number of people participating in a Bel inclusive business program	7,505	10,120	7,450	80,000	
	<i>Sharing Cities</i>	7,505	8,998	6,487		
	<i>Inaya</i>		1,122	963		

HIGHLIGHTS OF 2020

- Launch of The Laughing Cow “Simply” line in Algeria to offer a more affordable product enriched in calcium and vitamins A and D.
- Assistance provided to participants in Bel’s inclusive programs by maintaining their benefits and distributing health and food kits in response to Covid-19.
- Expansion of the plant-based product segment to address new consumer needs, especially the rise of flexitarianism.

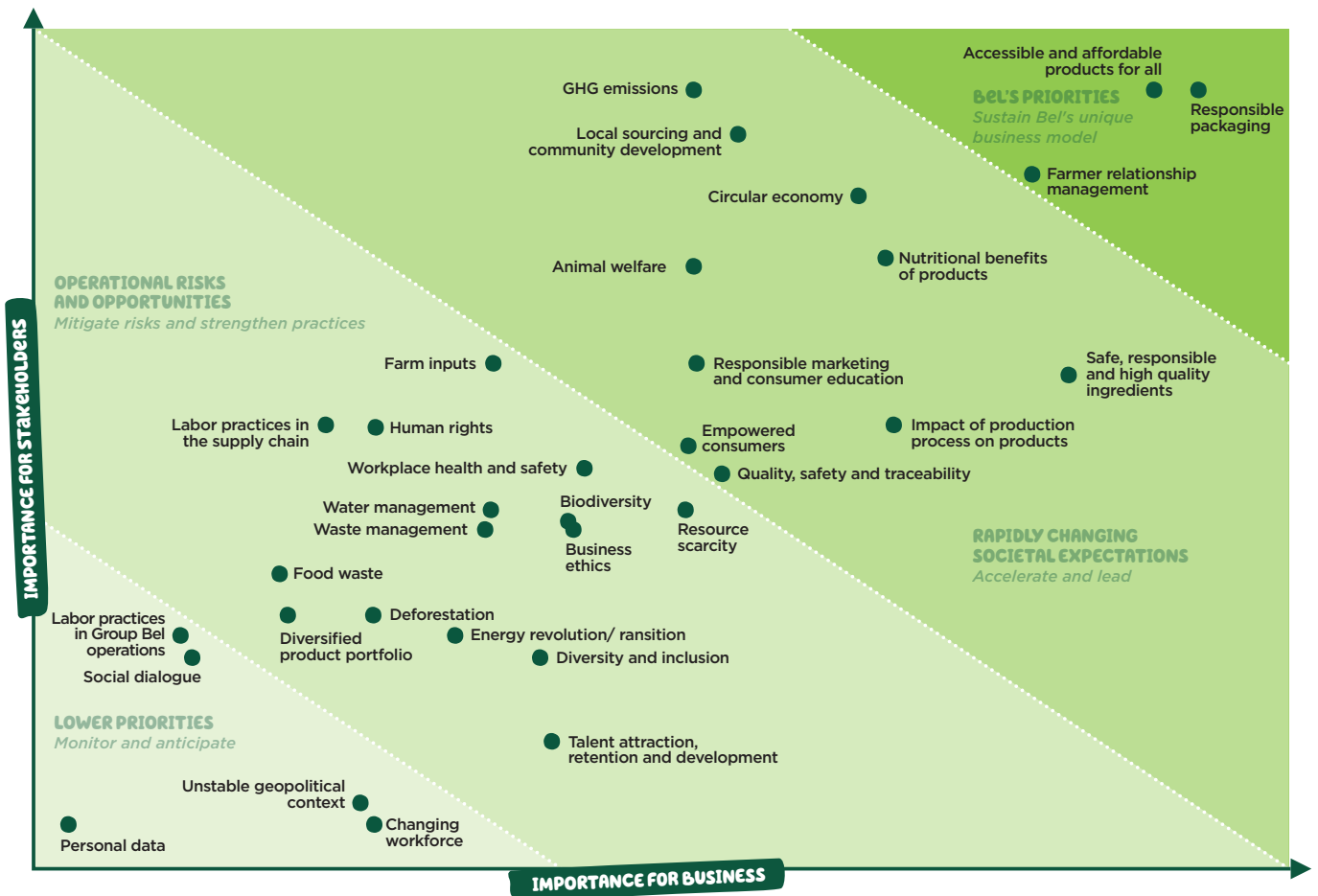
PRIORITIES FOR 2021

- Continue deploying actions to improve product accessibility and affordability in India.
- Develop loyalty programs for retailers in Egypt.
- Continue the roll-out of plant-based products.

8

APPENDICES

APPENDIX 1 - BEL GROUP MATERIALITY ANALYSIS RESULTS



APPENDIX 2 - SUMMARY TABLE - BEL'S MATERIAL NON-FINANCIAL CHALLENGES, REMEDIATION POLICIES AND CORRESPONDING OBJECTIVES

Non-financial risks and opportunities	Corresponding material challenges ⁽¹⁾	Remediation policies															
Risks related to corruption, violation of human rights and tax evasion	<ul style="list-style-type: none"> Human rights Labor practices in the supply chain Business ethics 	<ul style="list-style-type: none"> Code of Good Business Practices; Risk mapping exercise and training program (see section 1.5 "Vigilance plan"); Internal and external alert system (see sections 1.4 "Ethics: a common foundation for conducting business" and 1.5 "Vigilance plan"). 															
Risks related to human resources, health and safety of Group employees and labor relations	<ul style="list-style-type: none"> Workplace health and safety Labor practices in operations Diversity and inclusion Labor relations Talent attraction, retention and development Changing workforce 	<ul style="list-style-type: none"> Health and safety programs (see section 2.1.1); Diversity and talent development programs (see sections 2.1.2 and 2.1.3); Labor relations (see section 2.1.4). <table border="1"> <thead> <tr> <th>Bel's objectives</th> <th>KPI</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Work towards zero accidents at sites.</td> <td>Bel AFR (Accident Frequency Rate).</td> <td>3,0</td> </tr> <tr> <td>Promote gender diversity and inclusion.</td> <td>Share of women in top management.</td> <td>40 %</td> </tr> <tr> <td>Develop its employees' talent.</td> <td>Employees who attended training during the year.</td> <td>100 %</td> </tr> </tbody> </table>	Bel's objectives	KPI	2025	Work towards zero accidents at sites.	Bel AFR (Accident Frequency Rate).	3,0	Promote gender diversity and inclusion.	Share of women in top management.	40 %	Develop its employees' talent.	Employees who attended training during the year.	100 %			
Bel's objectives	KPI	2025															
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Promote gender diversity and inclusion.	Share of women in top management.	40 %															
Develop its employees' talent.	Employees who attended training during the year.	100 %															
Risks related to suppliers and the priority challenge to promote sustainable agriculture	<ul style="list-style-type: none"> Producer relationship management Local sourcing and community development Animal welfare Farm inputs 	<ul style="list-style-type: none"> Sustainable Purchasing Charter, supplier assessments and supplier risk mapping (see section 2.2 "Promoting responsible practices with its business partners"). <table border="1"> <thead> <tr> <th>Bel's objectives</th> <th>KPI</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Promote sound social and environmental practices among its suppliers.</td> <td>Average EcoVadis supplier score (/100).</td> <td>55.0</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Bel Global Sustainable Upstream Dairy Charter (see section 4.1 "Taking action for a sustainable upstream dairy"). <table border="1"> <thead> <tr> <th>Bel's objectives</th> <th>KPI</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Contribute to better quality of life and working conditions for partner producers.</td> <td>Producer access to innovative social models.</td> <td>100 %</td> </tr> <tr> <td>Foster non-GMO feeding of the cows providing milk.</td> <td>collected from non-GMO fed cows.</td> <td>100 %</td> </tr> </tbody> </table>	Bel's objectives	KPI	2025	Promote sound social and environmental practices among its suppliers.	Average EcoVadis supplier score (/100).	55.0	Bel's objectives	KPI	2025	Contribute to better quality of life and working conditions for partner producers.	Producer access to innovative social models.	100 %	Foster non-GMO feeding of the cows providing milk.	collected from non-GMO fed cows.	100 %
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Foster non-GMO feeding of the cows providing milk.	collected from non-GMO fed cows.	100 %															

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

Non-financial risks and opportunities	Corresponding material challenges ⁽¹⁾	Remediation policies
Quality, food safety and product regulation risks	<ul style="list-style-type: none"> • Safe, responsible and high-quality ingredients • Quality, food safety and traceability • Impact of manufacturing process on products 	<ul style="list-style-type: none"> • Organization and dedicated processes (see section 3.1 “Offering products with optimal quality and safety”).
Risks related to innovation and consumer expectations and the priority challenge to contribute to healthier food	<ul style="list-style-type: none"> • Responsible consumers • Diversified product portfolio • Responsible marketing and consumer education • Nutritional benefits of products 	<ul style="list-style-type: none"> • Product offers that meet consumer needs (see section 3 “Contributing to healthier food”); • Programs to promote better eating habits and healthier lifestyles (see section 3.3 “Improving the nutritional quality of its products”); • Actions to improve the accessibility of its products (see sections 7.1 “Adapting its products to the needs of everyone” and 7.2 “Improving the accessibility of its products by developing innovative and inclusive distribution models”).

Bel’s objectives	KPI	2025
Continuously improve the nutritional quality of its products.	Children and family product portfolio meeting “Bel Nutri+” goal (Bel nutritional profiling system).	80 %
Foster healthy consumption habits and lifestyle.	Key countries where a program is implemented for consumers (“Educanut”).	10
	Number of subsidiaries where a program is implemented for their employees (“Healthy Smiles”).	30 (100 %) ⁽²⁾

(1) The material challenges are taken from the materiality matrix. Two challenges – identified in the materiality matrix “unstable geopolitical conditions” and “personal data” – are excluded from this table because they are covered and managed by other policies at the Group level.
 (2) Indicator updated in 2020.

Non-financial risks and opportunities	Corresponding material challenges ⁽¹⁾	Remediation policies			
Risk of environmental impact from Bel's direct and indirect operations and the priority challenge of committing to responsible packaging	<ul style="list-style-type: none"> Responsible packaging Deforestation Greenhouse gas emissions Waste management Biodiversity 	<ul style="list-style-type: none"> Animal husbandry practices to reduce the environmental impact of upstream agricultural activities (see sections 4.1 "Taking action for a sustainable upstream dairy" through 4.3 "Delivering the goodness of fruits"); Environmental policy (see section 6.3 "Using water sustainably"); Programs intended to protect biodiversity and fight deforestation and ecosystem conversion (see section 6.2 "Preserving biodiversity and fighting deforestation and ecosystem conversion"); Promotion of the circular economy for packaging (see section 6.2 "Preserving biodiversity and fighting deforestation and ecosystem conversion"). 			
			Bel's objectives	KPI	2025
			Work towards 100% recyclable-ready and/or biodegradable packaging.	Recyclable-ready and/or biodegradable packaging.	100 %
			Reduce its global carbon footprint to meet Paris Agreement targets (2).	Global carbon audit (kg. CO2 eq./metric ton produced).	- 27.5 % ⁽³⁾
	Preserve natural ecosystems and fight deforestation through its supply chain.	Impact of sourcing policies on at-risk land (area of at-risk land whose conversion was avoided/total at-risk land area cultivated)	100 %		
Priority challenge to improve the accessibility and affordability of its products	<ul style="list-style-type: none"> Accessible and affordable products for all 	<ul style="list-style-type: none"> Adapt recipes to the nutritional needs of everyone, see section 7.1 "Adapting its products to the needs of everyone"; Develop innovative and inclusive distribution models, see section 7.2 "Improving the accessibility of its products by developing innovative and inclusive distribution models". 			
			Bel's objectives	KPI	2025
			RImproving the accessibility and affordability of its products.	Number of people benefiting from Bel's inclusive business programs.	80,000
Risks related to the sustainability of natural resources and climate change	<ul style="list-style-type: none"> Water management Circular economy Energy transition Sustainability of resources Food waste 	<ul style="list-style-type: none"> Animal husbandry practices to reduce the environmental impact of upstream agricultural activities (see sections 4.1 "Taking action for a sustainable upstream dairy" through 4.3 "Delivering the goodness of fruits"); Programs to reduce the impact of operations on climate change and to adapt to climate-related risks (see section 6.1 "Fighting climate change"); Programs intended to fight the risk of biodiversity loss and deforestation (see section 6.2 "Preserving biodiversity and fighting deforestation and ecosystem conversion"); Promotion of the circular economy for packaging (see section 6.2 "Preserving biodiversity and fighting deforestation and ecosystem conversion"); Fighting food waste (see section 6.4 "Fighting food waste"). 			

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

(2) Scopes 1, 2 and 3.

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

APPENDIX 3 - CORRELATION TABLE TO THE UNITED NATIONS GLOBAL COMPACT PRINCIPLES

Section(s) of the document	
Human rights	
1. Businesses should support and respect the protection of internationally proclaimed human rights	2. A model that creates value for all its stakeholders
2. Businesses should make sure that they are not complicit in human rights abuses	2. A model that creates value for all its stakeholders
International labor standards	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	2. A model that creates value for all its stakeholders
4. Businesses should eliminate all forms of forced and compulsory labor	2. A model that creates value for all its stakeholders
5. Businesses should contribute to the effective abolition of child labor	2. A model that creates value for all its stakeholders
6. Businesses should eliminate discrimination in respect of employment and occupation	2. A model that creates value for all its stakeholders
Environment	
7. Businesses should support a precautionary approach to environmental challenges	6. Fighting climate change and reducing its environmental footprint
8. Businesses should undertake initiatives to promote greater environmental responsibility	6. Fighting climate change and reducing its environmental footprint
9. Businesses should encourage the development and diffusion of environmentally friendly technologies	6. Fighting climate change and reducing its environmental footprint
Anti-corruption	
10. Businesses should work against corruption in all its forms, including extortion and bribery	2. A model that creates value for all its stakeholders

APPENDIX 4 - CONTRIBUTING TO THE UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

Document section(s)	The Sustainable Development Goals
<p>2. A model that creates value for all its stakeholders</p> <p>2.1 Building a sustainable future with its employees</p> <p>2.2 Promoting responsible practices with its business partners</p> <p>2.3 Communicating responsibly and transparently with its consumers</p>	    
<p>3. Contributing to healthier food</p> <p>3.1 Offering products with optimal quality and safety</p> <p>3.2 Promoting better eating habits and encouraging healthier lifestyles</p> <p>3.3 Improving the nutritional quality of its products</p>	  
<p>4. Promoting sustainable agriculture</p> <p>4.1 Taking action for a sustainable upstream dairy</p> <p>4.2 Using vegetal raw materials within strict limits</p> <p>4.3 Delivering the goodness of fruits</p>	     
<p>5. Designing responsible packaging</p> <p>5.1 Eco-designing its packaging and using more sustainable materials</p> <p>5.2 Encouraging and facilitating the recycling of its products</p>	 
<p>6. Fighting climate change and reducing its environmental footprint</p> <p>6.1 Fighting climate change</p> <p>6.2 Preserving biodiversity and fighting deforestation and ecosystem conversion</p> <p>6.3 Using water sustainably</p> <p>6.4 Fighting food waste</p>	   
<p>7. Improve the accessibility and affordability of its products</p> <p>7.1 Adapting its products to the needs of everyone</p> <p>7.2 Improving the accessibility and affordability of its products by developing innovative and inclusive distribution models</p>	   

APPENDIX 5 - CORRELATION TABLE WITH THE 11 TCFD RECOMMENDATIONS

TCFD Recommendations		Corresponding section in the URD	
Governance	a) Describe the board's oversight of climate-related risks and opportunities	URD 4.1.4	Board and Committee organization and workings
	b) Describe management's role in assessing and managing climate-related risks and opportunities	URD 2.1	Risk management policy
		URD 4.3.2 URD 4.3.3	Internal control environment of the Company Management of primary risks
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	6.1	Fighting climate change
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	6.1	Fighting climate change
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	6.1	Fighting climate change
Risk management	a) Describe the organization's processes for identifying and assessing climate-related risks	URD 2.1	Risk management policy
		URD 2.2	Hierarchy of risks
		URD 2.3	Risks related to the external environment
URD 2.4 6.1		Risks related to the business Fighting climate change	
b) Describe the organization's processes for managing climate-related risks	URD 2.3	Risks related to the external environment	
	URD 2.4 6.1	Risks related to the business Fighting climate change	
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	URD 2.1 URD 2.2 URD 2.3 URD 2.4	Risk management policy Hierarchy of risks Risks related to the external environment Risks related to the business	
Metrics and targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	6.1 8.6	Lutter contre le changement climatique Annexe 6 : Synthèse des données environnementales
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	6.1 8	Fighting climate change Appendix 6: Summary of environmental data
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	6.1 8.2	Fighting climate change Appendix 2 Analysis of primary non-financial risks

APPENDIX 6 - SUMMARY OF ENVIRONMENTAL DATA

Bel Group with MOM and Safilait	Units	2018	2019	2020
Circular economy				
Recovered by-products				
Substandard cheeses or similar recovered internally or externally	mt	17,693	16,025	15,638
Dry whey extract recovered internally or externally	mt	80,548	107,205	92,179
Cream recovered internally (production site or within the Group) or externally	mt	48,981	52,655	49,595
Quantity of recovered by-products	mt	147,222	175,855	157,412
Water consumption				
Water consumption in vulnerable zone	m ³	818,654	1,625,749	1,919,629
Water consumption in stress zone	m ³	301,910	241,258	236,110
Water consumption in water shortage zone	m ³	1,056,359	870,305	865,877
Water consumption in non-vulnerable zone	m ³	3,036,555	2,435,742	2,220,252
Total water quantity	m ³	5,213,478	5,173,054	5,241,868
Energy				
Electricity				
Consumption of grid electricity from non-renewable source	MWh	189,570	180,612	176,105
Consumption of self-generated electricity from fuel oil or gas	MWh	460	323	106
Electricity consumption from a certified renewable energy source	MWh	151,141	152,218	155,194
Total electricity consumption	MWh	340,712	333,196	331,405
Fuels				
Fuel oil	MWh_LHV	85,834	87,551	83,574
Gas	MWh_LHV	417,189	430,657	429,710
Biomass	MWh_LHV	71,746	70,604	65,846
Total stationary combustion	MWh_LHV	574,769	588,812	579,130
Greenhouse gas emissions				
GHG				
GHG emissions linked to electricity consumption	tCO ₂ ^e	84,881	80,730	79,475
GHG emissions linked to fuel oil and gas consumption	tCO ₂ ^e	127,262	131,450	129,668
GHG emissions linked to biomass consumption	tCO ₂ ^e	1,751	1,723	1,607
GHG emissions linked to refrigerants	tCO ₂ ^e	6,573	7,004	4,864
GHG emissions linked to the Group's own vehicle fleet	tCO ₂ ^e	9,593	9,505	9,318
GHG emissions, Scopes 1 and 2	tCO ₂ ^e	230,060	230,412	224,932

Bel Group with MOM and Safilait	Units	2018	2019	2020
Discharges into water				
Discharge into the natural environment				
Volume of water purified internally with discharges into the natural environment	m ³	2,078,832	2,143,434	2,194,538
Discharged chemical oxygen demand	kg	82,728	81,580	96,933
Discharged phosphorous	kg	3,719	5,211	3,289
Discharged suspended matter	kg	30,625	36,761	45,690
Discharged nitrogen	kg	13,104	12,854	24,670
Discharged to an urban wastewater treatment facility				
Volume of water treated by a third party with other effluents	m ³	2,483,266	2,403,209	2,408,437
Discharges into soil				
Spreading of untreated water				
Volume of wastewater spread as untreated water	m ³	ND	87,557	ND
Agricultural recovery of sludge from wastewater treatment facilities				
Nitrogen	mt	90	96	93
Phosphorous	mt	81	84	83
Dry matter	mt	1,077	1,116	1,080
Discharges into water and soil				
Total volume of discharges	m ³	4,562,098	4,634,200	4,602,974
Total cost of treatment of these discharges	EUR	5,560,745	5,730,606	6,173,361
Other emissions into the air				
Nitrous oxide, nitrogen dioxide	mt	197	200	189
Sulfur dioxide	mt	196	198	127
Noise pollution				
Percentage of sites whose noise level at their boundaries and emergence level for the most at-risk residents is compliant	%	83	77	73
Environmental damage				
Number of incidents	Unit	158	107	162
Corrective actions	Unit	150	106	152
Production of waste				
Quantity of non-hazardous waste sorted and sent for recovery	mt	28,299	28,439	36,707
Quantity of hazardous waste sorted and sent to appropriate treatment channels	mt	569	888	541
Waste incinerated to generate energy	mt	5,485	2,842	4,823
Waste incinerated without energy generation	mt	1,033	131	0
Waste deposited in landfills	mt	4,147	7,192	7,486
Total quantity of waste	mt	39,533	39,492	49,558
Cost of treatment	EUR	3,187,658	3,657,956	3,747,848
Income from sale	EUR	1,053,150	813,823	729,401



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92150 SURESNES

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