



POLICY

The commitments of Bel
for sustainable development

Communications, Public Affairs and
Corporate Social Responsibility Direction

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Message from the CEO

The Bel Group of tomorrow is being built upon our Corporate Social Responsibility



Our corporate social responsibility policy lies at the heart of a business model that the Group has adhered to since its creation more than 140 years ago. This is the model of a company driven by the desire to give meaning to its actions, to take into account the interests of its customers, employees and the communities in which it operates.

In a time of great economic uncertainty, our increasing sales are a sign of the strong relationships—founded on trust, quality and pleasure—that our brands have forged with their consumers. The Bel Group has undeniable assets for continued growth: the specific nature and strength of our brands and our proximity to our markets are the results of our strategy to internationalize and our Corporate Social Responsibility policy, which guides our actions and ensures our constant growth.

Our CSR policy, a commitment that unites

Our mission—to bring smiles to all families through the pleasure provided by our products made with dairy goodness—and our values enrich our Corporate Social Responsibility policy. This policy is at the heart of our development strategy and influences all our operations. It is built upon our willingness to listen and engage in dialogue with our stakeholders. We would like to convert this dynamic process into a unifying force that will carry over to our employees, customers, partners and suppliers.

Our employees are the primary actors behind our program. Trained to face our sustainable development challenges, our employees make sure that corporate, social and environmental considerations are incorporated into their decision-making processes in order to strike a fair balance between economic development, the respect for human rights and the environment. This is a continuous improvement plan, a long-term dynamic process designed to bring change to the company.

It is only through the involvement and commitment of each one of us that our sustainable growth strategy will enable us to fulfill our mission and spread even more smiles throughout the world.

Antoine Fiévet

Bel Group Chairman and CEO



The Bel Group is a signatory to the United Nations Global Compact. The Group is committed to embrace, support and enact the 10 core principles of the Global Compact in favor of human rights, labor standards, the environment and anti-corruption.



Message from the Vice-President in charge of CSR

An approach adapted to the Bel Group's model



For the past several years, the Bel Group has been structuring its corporate responsibility program. Step by step, we have constructed our own unique approach that takes into account the specific nature of our brands and the locales in which we operate.

A team-based program

Our Group's commitment to this program applies to all our operations. It is a global continuous improvement process that also provides us with a genuine opportunity to examine our practices. This is primarily why we decided to bring in experts from our different areas of operations at the very start of the process. This first step allowed us to formalize Bel's CSR reference guide, which sets forth and defines all our areas of progress and indicators. This framework is essential for evaluating and reporting on the pertinence of our actions with regard to our internal and external stakeholders.

Deployment adapted to our international size and scope

The Group operates sites in diverse areas of the world, particularly in terms of culture, development and the availability of natural resources. We thus felt that a universal approach would not be appropriate since our commitment compels us to respond to problems and issues at a local level. Our program thus enables each of our entities to adopt and shape the Group's policy according to the priorities, needs and expectations of the local stakeholders. To operate on such a local level, our organization relies on a network of local supervisors in charge of coordinating and carrying out the deployment of our CSR policy.

We put our heart into sharing this dynamic process with all our employees and providing them with the means and desire to actively contribute to our continuous improvement plan.

Guillaume Jouët

Vice-President Communications, Public Affairs and CSR





Contents

Corporate Social Responsibility policy	5
Bel's challenges	5
Governance principles and integration of CSR into the Group's activities	6
Respecting human rights and best business practices	9
Dialogue with stakeholders	10
Monitoring and reporting	11
Nutrition and responsible products.....	12
Responding to consumer and distributor needs and expectations in terms of food quality and safety	12
Offer products that provide nutritional benefits adapted to consumer needs, particularly those of children	13
Meeting consumer expectations regarding the natural character of products	13
Developing nutritionally beneficial products accessible to the greatest number of people	14
Responsible communication and consumption	15
Facilitating consumer access to information.....	15
Safeguarding consumer data and privacy	15
Incorporating the Group's commitment to CSR into the promotional-offer campaigns of our brands.....	16
Environmental footprint	17
Reducing the environmental footprint related to the manufacture of our products	18
Reducing the environmental footprint related to the transport and storage of our products	18
Reducing the environmental footprint of our packaging.....	19
Reducing the environmental footprint of our employees.....	19
Partnerships and society	20
Promoting the development of a sustainable dairy chain.....	20
Sharing our CSR commitments with suppliers and clearly stating our expectations	21
Involving Bel in actions of good citizenship and solidarity.....	22
Employer commitment	23
Offering all our employees well-being at work.....	24
Empowering everyone	24
Sharing success.....	25
Developing talents	25

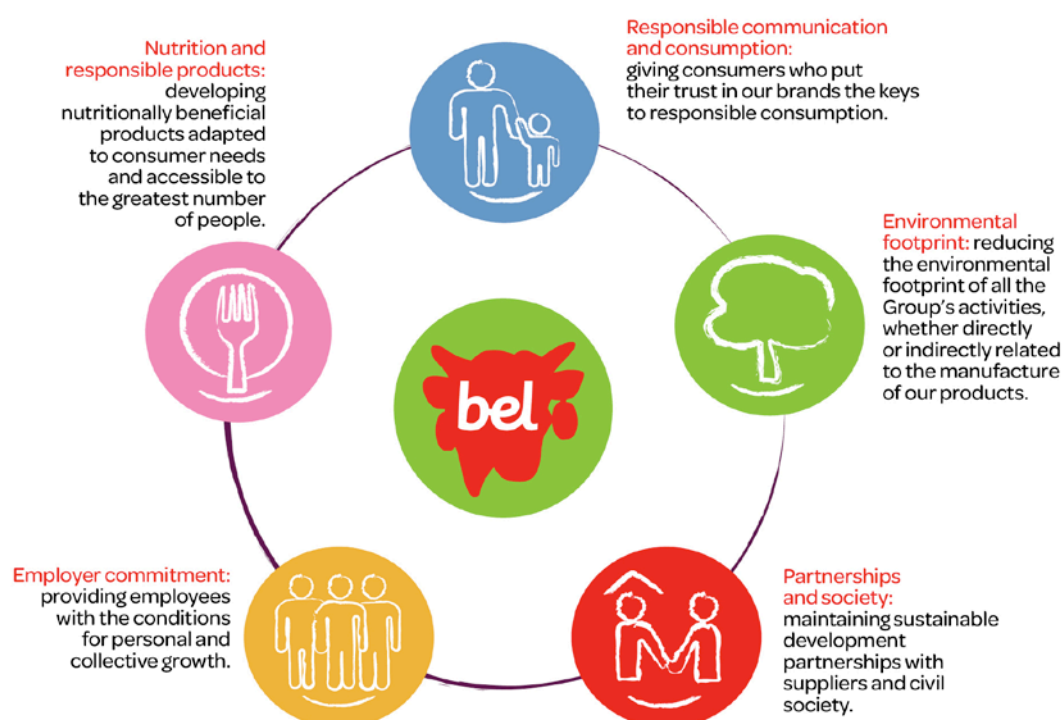


Corporate Social Responsibility Policy

1. Bel's Challenges

Five pillars guide the Bel CSR program

Bel has structured its program around 5 pillars that express Bel's priorities vis-à-vis its stakeholders: customers, employees, partners and suppliers as well as all the communities in which the Group operates sites.



These 5 pillars are divided into areas for progress and areas of action.

CSR and Group Values

The CSR policy fosters the Group's five core values.

- **Ethics:** Construct a responsible company by placing honesty, fairness and integrity at the center of our employees' day-to-day actions and behavior. Showing respect for its colleagues, stakeholders and general environment, and setting a good example are other key elements constituting Bel's code of ethics.
- **The spirit of innovation:** Daring to act and take risks in order to strike a fair balance between financial and Sustainable Development considerations. It is by exploring new approaches, heightening their curiosity and unleashing their creative spirit that Bel employees will make our CSR commitments a true driver for growth.
- **Enthusiasm:** To surpass oneself when taking on the business, social and environmental challenges the Group faces.
- **Competence:** To develop and improve individual and collective performance consistent with the Group's desire to promote sustainable growth.
- **Cohesion:** Working together with shared CSR goals and ambitions, where each employee feels he or she is making a contribution.



2. Governance principles and integration of CSR into the Group's activities

A participative effort

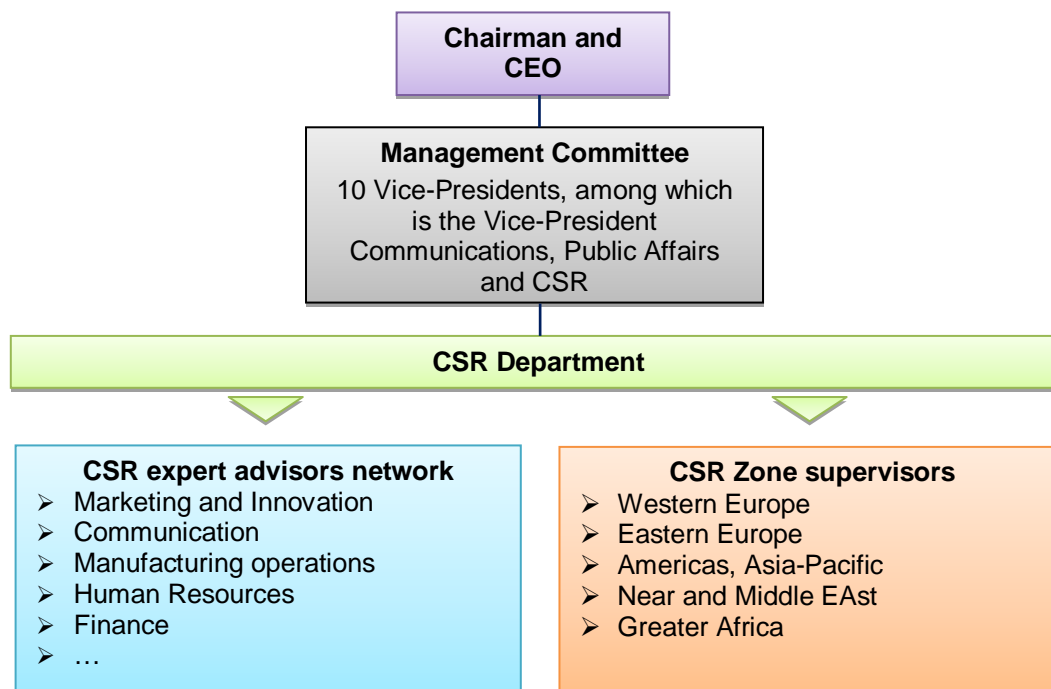
The Group has affirmed its willingness to strengthen its CSR commitment and use it not only as a driver for mobilizing its employees but also as a new source of values. The creation of a CSR Department under the Vice President Communications, Public Affairs and Corporate Social Responsibility Direction was the first strong indication given by the Group, both internally and externally, of its consideration of corporate, social and environmental challenges in its corporate strategy.

The impulse given by the CSR Department has spread throughout the entire organization, within the four corporate departments as well as the five zone departments.

- Twenty experts from different areas of operation called "CSR expert advisors" were identified within the Group's Corporate Departments (Marketing and Innovation, Communications, Manufacturing Operations, Human Resources, etc). They formalized the Group's CSR objectives in their respective areas of expertise, and most of them lead CSR committees in these areas (nutrition, packaging, supply chain, etc).

- Each zone is responsible for applying the Group's CSR strategy in a way that is consistent with its own local setting and conditions. Local CSR Supervisors were appointed in a certain number of the Group's major countries (France, Germany, Morocco, etc) in order to act as intermediaries and implement the CSR program locally.

An organization dedicated to CSR





A formalized program

The CSR Department has formalized the tools and established the bases for deploying the CSR program.

- This general policy document establishes the guiding principles and goals of the Group's CSR policy for each of the program's five pillars. It was designed to be shared with both the Group's internal and external shareholders.
- The 2012-2015 CSR Reference Guide sets forth the Bel Group's CSR policy to 2015. It is a tool for internal use only that enables operational entities to measure their progression in each area of action and commit themselves to continuing along the path of progress. This reference guide has been approved by the Group Management Committee.
- The CSR reporting protocol describes the Group's CSR indicators and specifies what data is used, who contributes the data and how often these indicators are calculated.
- A dedicated guide helps the operational entities design their own detailed CSR plan.

In addition, these tools are accompanied by reference documents specific to each area of operation (charters, trade policies, position papers, etc).

All these documents and tools are conveyed to those actively involved in the CSR program. They are also available to all employees in both French and English via a dedicated intranet site.

A shared effort

The Group wishes to mobilize all its employees so that corporate responsibility becomes a central part of its development strategy; this signifies that all corporate, social and environmental challenges are taken into account in the employees' professional and managerial practices.

To firmly establish CSR issues and practices within the Group, the CSR Department publishes a monthly CSR press review in both French and English called "Planet'oscope" that assembles current news items and inspirational material for the operational entities dealing with each area for progress in the CSR program (for example, changes in regulations regarding non-financial reporting).

In addition, the CSR Department publishes general information sheets on subjects that impact the program (Life Cycle Analysis – Additives, etc). These are subjects that everyone needs to have common knowledge of within the Group.



The website www.smilesfortheplanet.com provides all our stakeholders the opportunity to keep themselves informed on the Group's CSR policy and learn about certain best practices. The website also has a special area accessible only to employees.

Courses offered in the Group's "Campus" educational program sensitize employees to the corporate, social and environmental issues related to their managerial and/or professional practices.

Finally, a CSR component is incorporated into the managers' variable pay system.



A program integrated into the company's operations

The Group is willing to gradually integrate sustainable development considerations into its decision-making and implementation processes by, for example, taking into account CSR criteria in its investment projects. Furthermore, the Group is establishing principles and deploying tools that make tracking progress easier (monitoring) and reporting to our stakeholders possible via reliable indicators and information based on facts.

The management systems that have been deployed gradually at all the industrial sites over the past several years are based on international standards:

- Quality management and food safety are based on international standards recognized by the Global Food Safety Initiative.
- Environmental management is based on the ISO 14001 international standard.
- Health and safety management of employees are based on the OHSAS 18001 international standard.

The application of these standards by our sites is gradually coming under certification review. The Group has contracted a sole certification company (SGS) for all its sites and certifications, thus bringing consistency to all our certification processes.

In addition, Group policy states that for every new site (creation or purchase), FSSC 22000, ISO 14001 and OHSAS 18001 certifications must be obtained within two years of being incorporated into the Group.



Standards for management systems are based on the "Deming wheel" principle: this is a continuous improvement program with four stages called "PDCA": Plan, Do, Check, Act. So, certification is done in cycles, continuously.



3. Respecting human rights and best business practices

The Bel Group adheres to all the legal and regulatory requirements in all the countries in which it operates.

The Bel Group adheres to the articles of the International Labour Organization and to national laws concerning safety, social welfare, working hours, minimum wage, freedom of association and expression, the right to collective bargaining and prohibitions against child labor, forced labor and discriminatory practices.



The Bel Group is a signatory to the United Nations Global Compact. The Group is committed to embrace, support and enact the 10 core principles of the Global Compact in favour of human rights, labour standards, the environment and anti-corruption.

Each year, the Bel Group reconfirms its United Nations Global Compact commitment.

The Group also makes sure that its suppliers abide by the fundamental articles of the ILO. The Bel Group Sustainable Purchasing Charter sets out the fundamental principles that suppliers promise to uphold upon establishing a business relationship with the Group. The Charter particularly addresses the topics of corruption, anti-competitive practices, transparency and intellectual property rights.

Furthermore, the CSR evaluations carried out by EcoVadis® on the Group's strategic suppliers include criteria related to human rights and business ethics.

The Bel Group's Code of Best Business Practices

The Bel Group's Code of Best Business Practices sets out, in accordance with applicable laws and regulations, to create a universal set of rules benefiting all Group employees in all the countries in which the Group operates, rules that guide the behavior not only of Group employees but also persons or third parties having business relationships with the Group.

This Code of Best Practices is structured around several key principles, among which are:

- The promotion of fair and honest business relations,
- The absolute refusal to engage in acts of corruption,
- The prohibition of forced labor,
- The prohibition of child labor.

An ethics committee has been created so that employees can report, via a set of notification procedures, behavior that may conflict with the Code.



4. Dialogue with Stakeholders

The Bel Group pays particular attention to constructing enduring relationships with its stakeholders and creating the conditions necessary for constructive and progressive collaboration.

Principle Stakeholders	How does the Bel Group engage stakeholders in dialogue?
Consumers	The Group's various marketing departments conduct numerous qualitative and quantitative studies in the markets within which they operate. In addition, the Group makes use of dedicated websites to forge close relationships with the consumers if they wish. Finally, the Group has customer service departments ready to listen to customer comments, questions and suggestions.
Civil Society NGOs	The Group is open to the views and expertise provided by actors from civil institutions and society, such as NGOs, and scientific experts. These stakeholders contribute constructively to the Group's deliberation process.
Employees	Individual interviews and department meetings are the primary means of establishing dialogue with employees. In addition, numerous communication media are utilized so that all employees around the world can keep abreast of current Group news and events. The internal newspaper <i>DailyBel</i> is published five times a year in twelve languages and distributed to all Group employees. This newspaper is supplemented by local newspapers published by different Group entities. An internal web portal exists so that all connected employees can access information on diverse subjects. Finally, the Group conducts an international opinion survey every two years.
Professional Organizations	The Bel Group is a member of sector-based professional associations, especially in France (ANIA, CNIEL, ATLA, ILEC, etc.) The Group collaborates with professional organizations on numerous research projects concerning different corporate, social and environmental topics.
Suppliers and Subcontractors	Implementing a responsible purchasing program has strengthened the Group's relations with its suppliers and subcontractors, particularly through the analysis of their EcoVadis® CSR program evaluations.
Milk Producers	The Group has set up an organization that establishes dialogue with milk producers, particularly through on-site visits carried out by milk production technicians.
Distributors	The Group commercializes its products through a network of distributors and retailers in more than 120 countries around the world. The Group shares its CSR policy and goals with its distributors during business reviews.
Local Communities	The Group is distinguished by the diversity of the locales in which it operates, which leads the Group's different entities to become involved in developing the communities around them (particularly by establishing partnerships with local organizations (educational and public organizations, associations, etc).
Shareholders	The Group develops and improves its reporting methods in order to better assess the company's global performance and report the results to its shareholders.
Public Authorities	The Bel Group lobbies public authorities responsibly in the countries in which it operates. The Group is never reluctant to voluntarily address concerns expressed by public authorities.



5. Monitoring and Reporting

Conceived by the Group's CSR Expert Advisors and based on the Global Reporting Initiative (GRI) recommendations, the CSR performance indicators enable the Group to monitor and evaluate the progress of the CSR program for each area of action pertaining to its operations.

The CSR reporting protocol is the reference guide for all those within the Group actively involved in reporting.

These indicators also enable the Group to render a transparent account of its CSR performance via all the different communication media used (Business and CSR report, the Group websites, etc). In addition, these indicators are in line with the regulatory obligations prescribed by the French "NRE" (new economic regulations) law of 2001 and the implementing regulations of Article 225 of the Grenelle II law.





Nutrition and Responsible Products

Developing nutritionally beneficial products adapted to consumer needs and accessible to the greatest number of people.

By intervening in the diets of several million people daily, the Group has distinct responsibilities in terms of the quality, safety, nutritional value, accessibility and natural character of its products. Bel's mission—to bring smiles to all families around the world through the daily pleasure provided by its products made with dairy goodness—represents the Group's conscience and commitment in these areas.

The Group's CSR policy regarding the "Nutrition and Responsible Products" pillar is structured around four key areas:

- Product quality and safety
- Nutritional quality
- Natural character
- Accessibility

1 Responding to consumer and distributor needs and expectations in terms of food quality and safety

The Group's primary responsibility is to guarantee the quality, traceability and safety of the products it sells throughout the world, from operations upstream of production to final consumption. It thus agrees to adhere to very strict standards in this regard and always respond to warnings or alerts regardless of their nature or origin.

The Group has implemented the appropriate programs upstream (prevention and anticipation) and downstream (attention to customers via customer service departments, etc).

All stages of a product's life cycle are subject to rigorous controls and full traceability. This also applies to all promotional items that may be associated with the products.

Furthermore, as part of its continuous improvement plan, the Group regularly keeps track of any changes made to local regulations pertaining to food quality and safety and actively monitors developments in this area.

All the Group's production sites around the world integrate the Group's food safety and quality requirements into their operations and are in the process of being certified by recognized international organizations for standardization. Consequently, the Group's goal is to see that all the food safety and quality management systems employed at its sites are certified according to Global Food Safety Initiative standards by 2015. The Group has extended this goal to include its major subcontractors.

The Group's Quality and Regulations Division, which operates under the Group Industrial and Technical Direction, is in charge of organizing and coordinating all Regulatory, Quality and Safety processes and ensuring that they operate efficiently.

This department recommends the policies to implement, ensures that systems and reporting are consistent at all levels, assists the Group's organizational structures and audits organizations to assess the operating effectiveness of their systems. It is also responsible for alerting the Chairman and Chief Executive Officer and his Management Committee of any major situation pertaining to its three areas of activity.



② Offer products that provide nutritional benefits adapted to consumer needs, particularly those of children

Since the Bel Group sells products in close to 120 countries, it must deal with a variety of public health issues relating to food.

- Undernourishment due to a lack of sufficient quantities of food, often leading to malnutrition.
- Overnourishment due to excess food consumption, often leading to overweight and associated non-communicable diseases (diabetes, cardiovascular disease, obesity, etc).

The availability of food with which to create a balanced diet is a legitimate and growing need for consumers and stakeholders (public authorities, the medical establishment, etc). To address this need, Bel ceaselessly carries out research on its recipes in order to meet its consumers' nutritional needs while continuing to satisfy their expectations with regard to pleasure, taste and conviviality. This desire has led the Group to implement a Group nutritional strategy in which products created specifically for children or to provide nutritional benefits are prioritized, regardless of the brand.

In accordance with institutional recommendations (World Health Organization, Food & Drug Administration, etc) and in conjunction with international experts, the Group has decided to concentrate its work on three nutrients present in its products that are linked to public health problems everywhere in the world: fat, sodium and calcium.

In order to take local settings and conditions into account, each zone must implement and prioritize a renovation plan aimed at improving the recipes that it commercializes.

Bel invests considerably in nutrition awareness and training not only internally, particularly via its marketing teams, but also externally through groups whose job is to provide such advice to consumers in France and the African countries (doctors, pediatricians, nutritionists, schools, etc).

The Group is continually expanding its nutritional expertise by drawing on the expertise of GAIN (Global Alliance for Improved Nutrition), an NGO whose mission is to reduce malnutrition in the world through sustainable strategies.

③ Meeting consumer expectations regarding the natural character of its products

In societies with "hyperconsumerism", a "natural" product is perceived as benefiting one's health and the environment, which creates particularly strong expectations for food products. These expectations lead to research into "free" products (additive-free, GMO-free, etc) and, to a lesser extent, biological products.

The Group formulates its products with additives that perform a specific function, such as increase shelf life, enable the production process to be carried out and yield the sensory qualities desired by the consumer (color, texture, flavor, etc). All these additives are authorized for use and comply with the applicable regulatory requirements.

Nevertheless, the Group is attentive to the increasing needs and expectations of certain customers regarding more natural products; therefore, it has set up a program to reduce the number of additives present in its products whenever possible without compromising food safety or the consumer's appreciation of our products.

Each zone shall determine its own goals and priorities for reducing the amount of additives used depending on the local setting, conditions and consumer expectations. Eliminating additives altogether is the Group's ultimate goal, but the technology to achieve this doesn't currently exist. The Group has mobilized considerable resources to address this issue: the Group's research center in Vendôme, its development centers, its engineers specializing in cheese technology, and others are all working toward this goal.



The Group's policy is to purchase "conventional" raw materials, ingredients, etc and not those with GMO labeling. The milk specified for the Group's recipes satisfies these requirements. Even if the cows are partially fed with oil cake containing GMOs, no scientific study has yet found traces of GMOs in their milk. Nevertheless, this point is addressed with the milk suppliers that the Bel Group enters into partnership with.

Moreover, the group doesn't use transgenic methods in the production of its products.

As for its products, due to the industrial models in place and the difficulty in procuring large quantities of organic milk, the Group has no plans as yet to position itself in this segment of the market.

④ Developing nutritionally beneficial products accessible to the greatest number of people

Bel continuously seeks to satisfy its customers throughout the world either through the prices of its products or through product availability in formats and recipes adapted to the needs and expectations of the local populations.

Making its products accessible to the greatest number of people is a constant concern for the Group, which employs various strategies to accomplish this:

- Optimization programs at plants to deal with the impact that rising prices of raw materials have on production costs.
- The development of secondary brands with good nutritional quality for consumers with less purchasing power.
- For developing countries, the creation of specific recipes to preserve cheese longer unrefrigerated, in portion format for per-unit sales, so that our cheeses are accessible to the greatest number of people.

Nevertheless, a significant part of the people living in developing countries still possesses low purchasing power, which makes it difficult for them to enjoy a varied, balanced and nutritional diet. To address this problem, the Bel Group has created a division called Bel Access. One of its goals is to provide populations with low purchasing power access to products specifically adapted to their nutritional needs. The division draws on the expertise of local and international NGOs (GAIN, CARE, etc), governmental institutions and private industry professionals.

The Group also desires to see the production and commercialization of these new products become opportunities to strengthen local economies and reduce poverty. A specific model (economic, industrial, nutritional, etc) therefore needs to be applied that capitalizes on the Group's know-how and expertise.



Responsible Communication and Consumption

Giving consumers who put their trust in our brands the keys to responsible consumption.

The Bel Group's strength rests mainly in its brands, which are synonyms for quality, wholesome pleasure and conviviality, and their ability to create a connection with consumers. They are currently found in more than 120 countries around the world and eaten by more than 33 million people every day. This international success means that our brands, through various marketing and communications channels, reach out to millions of people each day, children and adults alike, and maintain close, trusting relationships with them.

Such relationships thus confer great responsibility upon the Group in terms of providing conscientious communication and trustworthy products, a responsibility which is translated into following three actions:

- facilitating consumer access to information,
- safeguarding consumer privacy and data,
- Incorporating the Group's commitment to CSR into the advertising and promotional strategies of our brands.

1 Facilitating consumer access to information

Consumers are increasingly demanding clear and pertinent information regarding the products they and their children eat: nutritional composition, environmental impact, employee working conditions, animal welfare, production location and the type of raw materials used are some of the topics customers desire information on.

Early childhood and health professionals as well as food industry professionals require information in order to provide nutritional advice to their patients or create healthy, balanced menus.

It is thus important for each brand of the Group around the world to provide such information on its packaging, websites and via customer service departments ready to provide help with any unanswered questions.

Clear and accurate nutritional facts are presented on the product packaging, and increasingly detailed information can be provided thanks to the advent of new technologies such as websites and Smartphone applications that offer further means for expression.

As for environmental information, French regulations will soon require that three items be indicated for a product: water consumption, greenhouse gas emissions and biodiversity impact. The European Community has also seized on this subject and is taking an interest in the France's multicriteria approach. The Bel Group, active within French dairy association, is working on drafting a reference guide for calculating these indicators for dairy products, a necessary prerequisite for publishing reliable environmental information.

Projects dealing with indicating the origin of the raw materials used in products are under review in certain operational zones of the Group.

2 Safeguarding customer data and privacy

In order to better respond to the needs and expectations of customers and establish close relationships with them, the Group is compelled to collect personal data from its end customers by various means. Customers are legitimately concerned about the confidentiality of the information that they share with companies and their brands, particularly via electronic means of communication. This expectation is backed by consumer protection associations, legally supported to varying degrees depending on the country and given particular attention in the ISO 26000 standard.



The Group only sends emails to those persons who have authorized the Group to contact them by this way. Those who have opted in can revoke their authorization to be contacted by email by clicking on an unsubscribe link included in each email sent.



The Group pays particular attention to children, and believes that parents must be informed of the relationship the company and its brands establish with them. Accordingly, the Bel Group requires that users younger than 12 years old provide the email address of their parents or guardians so that the Group can send them a copy of the child's registration email. Parents or guardians can, at any time, demand access to their child's saved personal data and, if they wish, have them removed from the databases.

These commitments have been formalized in the Group Responsible Communications Charter. In addition, numerous consumer studies carried out around the world have enabled the Group to improve its knowledge of consumer needs and expectations. The research firms guarantee the anonymity of those interviewed.

③ Incorporating the Group's commitment to CSR into the advertising and promotional strategies of our brands

Although consumers are primarily concerned with the quality and price of food products, they are become increasingly sensitive to the consequences their purchases have on their own health, the environment and even society around them.

In response to these needs and expectations, the brands work in the following two directions:

Designing responsible advertising and promotional strategies

The Bel Group knows how to establish a trusting relationship with its customers and makes sure to maintain and strengthen this relationship through responsible communication. The Group has created a Responsible Communications Charter that is adhered to by each subsidiary, shared with their suppliers and used to evaluate all communication campaigns before they are launched. This Charter lists the principles that all Group's communication campaigns must adhere to in terms of message content. This applies to all forms of advertising and corporate communication activities, packaging, websites and promotional events. Along with these general principles, it sets forth the specific rules to observe when the communication is targeted towards children.

Involving our brands in actions of good citizenship and solidarity

Customers today have become "consumer activists" in a sense since they have certain expectations relative to responsible consumption: They search for points in common between their own willingness to commit and the willingness seen in the brands they trust.

Each of our five core brands have defined their own social mission so as to tailor their social commitment to their own particular values. Our entities are encouraged to identify which brands in their portfolio are the most suitable for demonstrating this CSR commitment locally and incorporate their civic actions into defined social missions.



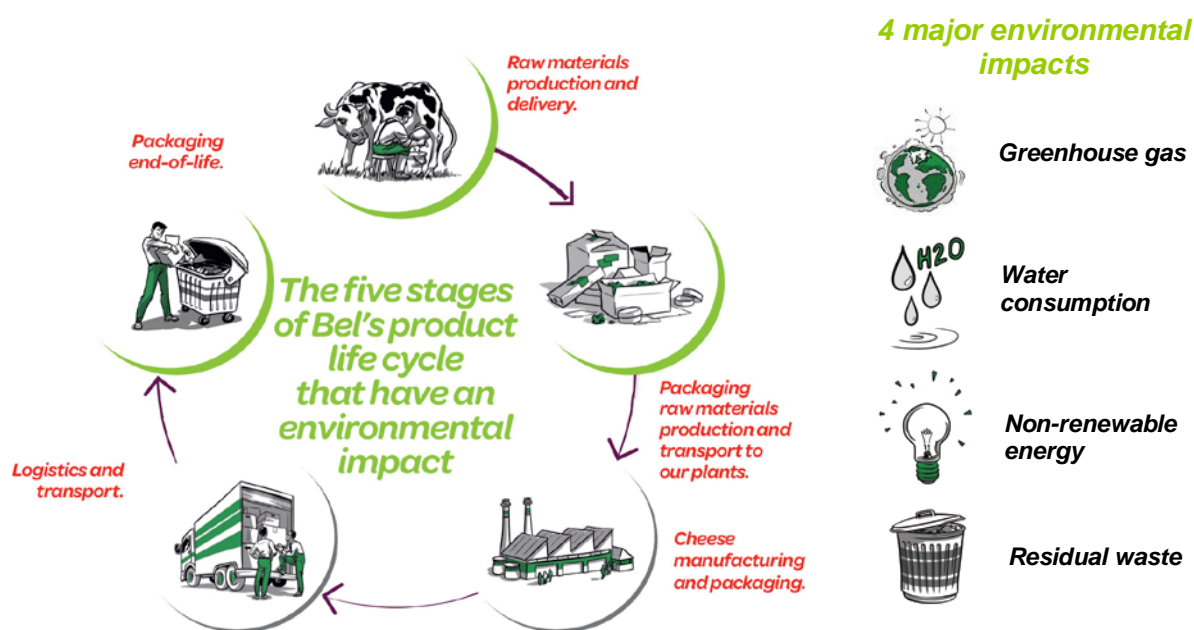
Environmental Footprint

Reducing the environmental footprint of all the Group's activities, whether directly or indirectly related to the manufacture of our products.

The planet is faced with multiple environmental challenges such as the depletion of natural resources, pollution, climatic change, the disappearance of species and ecosystems, etc. The decisions and activities of companies have a definite impact on these environmental problems, notably through their use of resources, the locations where they conduct their business activities and the pollution and waste they create.

The Bel Group's goal is to reduce the environmental footprint of its products, packaging, sites and supply chain and ensure that its suppliers and subcontractors follow the same standards. Every employee around the world participates in this continuous improvement plan as part of their professional activities and life within the company.

The life cycle analyses the Group has conducted on its five core brands (The Laughing Cow®, Kiri®, Leerdammer®, Mini Babybel® and Boursin®) have identified four major environmental impacts in all the life cycle stages of these products, from milk production to end of life:



The upstream environmental impact of milk production is addressed in the pillar "Partnerships and Society" of our program.



1 Reducing the environmental footprint related to the manufacture of our products

The actions carried out by Bel at its industrial sites are aimed at:

- optimizing the use of raw materials by improving the recipes, processes and cheese yields while maintaining the possibility of recovering and reusing co-products
- reducing the consumption of water, nonrenewable energy and greenhouse gas emissions
- managing other impacts (sulfur emissions, noise and odor pollution, etc), reducing the risks of environmental damage (ammonia, hydrocarbon and chemical product leaks) and improving its monitoring and inspection processes
- reducing the amount of waste sent to landfills

Each site has a dedicated and suitably sized environmental group supported by the Group's environmental manager. This group ensures that manufacturing processes and procedures do not affect the environment, and it works to reduce waste and prevent air and water pollution.

The Group's environmental management policy is based on the international ISO 14001 standard, and its goal is to see all its sites certified by 2015.

Each site creates its own program by taking into account the local setting and conditions, the Group's needs and expectations, and the commitments it has made as a member of interprofessional organizations (in countries where they exist). Therefore, in order to reduce energy and water consumption and adopt the best techniques available, the Group has developed two methodologies—ESABEL (Energy SAVING at BEL) and WASABEL (Water SAVING at BEL)—to help sites assess their situation and create action plans according to a common Group model.

Finally, audits or hazard studies are carried out by internal or outside experts.

2 Reducing the environmental footprint related to the transport and storage of our products

Faced with the need to reduce greenhouse gas emissions and certain nuisances, (traffic congestion, noise, etc), the transportation and storage of our products represents one of the key elements of the Group's environmental policy.

The Group shares its goals of reducing greenhouse gas emissions with its service providers and customers, and it has identified several areas for progress:

- The optimization of truck and container loading
- The optimization of transport flow and delivery frequency
- The study of road transport alternatives that generate less greenhouse gas emissions

The Group is currently experimenting with alternative modes of road transport and actively monitors existing or projected infrastructures that can optimize its own transport planning.



3 Reducing the environmental footprint of our packaging

Most of the products manufactured and marketed by the Group are presented in individual portion format, which allows the cheese to keep for long periods of time at all latitudes, sometimes without having to be refrigerated. Furthermore, this manner of product presentation is an important factor in the fight not only against food waste by offering just the right amount of product necessary for use, but also against the waste of all the resources associated with producing the finished product. Nevertheless, the Group's goal is to optimize its packaging systems in order to reduce the environmental impact of its products throughout their entire life cycle.

To accomplish this, operations are underway to renovate our existing packaging—primary, secondary and tertiary—while respecting our strict set of specifications (sanitation, hygiene, safety and conservation of food, protection, space to include nutritional information, etc). The same environmental requirements are taken into consideration when developing the packaging of new products.

Reducing waste at the source and material selection are the two key features of the ecodesign packaging program.

Reducing waste at the source is given top priority. All packaging—primary, secondary and tertiary—is designed and manufactured so as to limit its volume and/or weight to a minimum while respecting the regulatory and technical constraints placed on its production. This must be done without negatively affecting the packaging's essential functions.

The Group reduces its environmental impact through material selection by:

- Using recycled materials and/or
- Searching for materials of certified origin and/or
- Searching for recyclable materials (in function of each country where our products are sold) and/or
- Searching for alternative raw materials coming from renewable resources.

The renovation of packaging, as with the development of packaging for new products, is based on the Group's ecodesign manual, which has been made available to all employees working on these packaging challenges.

A database for monitoring performance indicators is gradually being constructed so that the Group can measure the environmental performance of its packaging and be in a position to report on an increasing perimeter.

4 Reducing the environmental footprint of our employees

The Group's employees are also ordinary citizens anxious to preserve the environment. Bel thus enables each employee to contribute to this effort individually and collectively in his or her professional activities or simply as part of life within the company.

Bel makes sure that its employees are made aware of this issue and encourages them to incorporate simple, responsible, efficient and above all economic green actions into their daily activities. The impact of these actions should not be ignored even if their environmental footprint is quite small compared to that of plants.

To help sites initiate or strengthen such programs, the Group has created a Green Action Guide that presents best practices as a source of inspiration in four areas: Attitudes and behavior, Water and energy, Transport, Purchasing and consumption.



Partnerships & Society

Maintaining sustainable development partnerships with suppliers and civil society.

The Group's commitment to tackling the challenges facing society takes on different forms depending on the nature of its partnerships and the relationships that bind them together.

The Bel Group has shown a willingness to share its CSR ambitions and commitments with its business partners primarily by establishing meaningful dialogue and engaging in common actions. It also participates in socially responsible civic actions within the local communities in which it operates.

The Group's social policy is structured around three key areas:

- the development of a sustainable dairy chain
- Sharing our CSR commitment with our suppliers
- The Group's commitment to engaging in socially responsible civic actions.

1 Promoting the development of a sustainable dairy chain

This key area deals with the supply of milk, which the Group procures directly from producers (more than 80% of the amount of milk supplied). Milk supplied by cooperatives or processors is dealt with in the same way as with all the Group's suppliers in the "Sharing our CSR commitments with our suppliers and clearly stating our expectations" section.

Each year, the Bel Group purchases 1.6 billion liters of milk directly from producers in the milk production centers in which it operates. These are mainly in the Netherlands and France (they represent nearly 80% of the liquid milk the Group purchases directly from producers) but Portugal, the Ukraine, and Slovakia are also included. As a major name in these markets, the Bel Group strives to establish and maintain lasting ties with its milk suppliers.

The Life Cycle Analyses carried out on its core brands have all shown the extent to which milk production and the dairy raw materials we use impact the environment.

As part of developing a sustainable dairy chain, Bel recommends actions that its milk producers can take to improve their operational performance. These actions deal with reducing the environmental impacts identified by the life cycle analyses as well as other major issues such as procuring cow feed, looking after the health and well-being of the animals, etc. The quality of life for farmers is also an issue that the Group takes special interest in. The impact that milk production has on the environment and the relationship the Group maintains with its producers are thus at the heart of its sustainable dairy chain policy. The Bel Group goes beyond just satisfying the minimum regulatory obligations by putting in place a program to address the major challenges faced by the milk production centers in which it operates. The Netherlands and France will be targeted initially by this program since they represent a significant part of the liquid milk collected.



② Sharing our CSR commitments with suppliers and clearly stating our expectations

Due to its international growth, the Group must procure its supplies from suppliers that evolve within very heterogeneous cultural and socioeconomic contexts. Nevertheless, the Group aims to encourage its suppliers to observe the CSR principles and implement actions for continuous progress, with priority given to the major challenges specific to their own business activities.

The Bel Group's sustainable purchasing policy is a long-term policy aimed at making CSR as important as cost, quality, service, innovation and risk management as a selection criterion.



The Sustainable Purchasing Charter clearly states the Group's expectations with regard to its suppliers and sets out to encourage actions that bring about progress. It covers several areas such as the environment, human rights, standards pertaining to labor law and business ethics. In their process of selecting and managing suppliers, the Group's procurement officers make sure that the suppliers are committed to adhering to this charter, which is presented to them during tender announcements, calls for tender and upon entering a business relationship with Bel.

Observance of this Charter is gradually being enforced via a specific clause added to all contracts.

Evaluating and monitoring the CSR performance of our suppliers:

The Bel Group has identified and prioritized the suppliers to evaluate based on the risks linked to their purchasing category, geographic location, the amount of purchasing made, etc.

The Group relies on the EcoVadis® evaluation system to measure this performance and, if required, implement the necessary improvement initiatives. The evaluation is carried out using twenty-one CSR Criteria grouped into four thematic areas (Environment, Social, Ethics and Suppliers) adapted to address the major challenges found in each area of purchasing.

The Group has established a set of management rules for suppliers based on the scores obtained.

Suppliers' scorecard management rules

Overall score < 4 or overall score ≥ 4 but with a score of 0 to 2 in one of the thematic areas

The supplier is asked to implement a corrective action plan and undergo a reevaluation within 12 to 18 months

Overall Score = 4 and score ≥ 3 in all thematic areas

The supplier is asked to implement a corrective action plan, but a reevaluation is left to the discretion of the supplier

Approximately 5% of the Group's sales volume comes from outsourcing. All the major subcontractors (more than 500 metric tons per year) have been evaluated by EcoVadis®. The management rules for subcontractors, also based on the scores obtained, are identical to those established for suppliers.

The Evolution of internal purchasing and supply practices

The Group wishes to see its internal purchasing and supply practices evolve; therefore, it plans to sensitize all its buyers to sustainable development issues and call attention to how changes in purchasing practices will be managed. This mainly involves modifying specifications, recognizing



“responsible” suppliers in the prequalification and selection process, incorporating a sustainable development clause into calls for tenders and contracts, respecting terms of payment, etc.

③ Involving Bel in actions of good citizenship and solidarity

Consumers, employees, civil institutions and society in general are becoming increasingly interested in business ethics. They expect these ethics to help them tackle the social issues they are faced with.

The Bel Group wishes to extend its mission of “bringing smiles to all families around the world through the daily pleasure provided by its products made with dairy goodness” by aiding those most in need. The Group’s corporate sponsorship policy is implemented in two ways: through projects supported by a corporate foundation and via all the local actions taken by the Group’s different entities around the world.

The Bel Foundation



The Bel Foundation acts in favor of children and their personal health and well-being in the countries in which it operates by developing initiatives that focus on promoting balanced diets. In parallel with these initiatives, the

Foundation awards employee grants to support employee-sponsored community projects in favor of children.

The Bel Foundation gives a yearly account of its activities in its annual report, which is available for viewing at www.fondation-bel.org.

Corporate sponsorship activities at the local level

Local corporate sponsorship activities are carried out directly by the Group’s entities (plants, subsidiaries, etc) in the Bel Group’s name. They may target children or other beneficiaries depending on the local challenges faced, but they all share in the Group’s commitment to address society’s challenges as well as validate and enrich the Group’s corporate sponsorship efforts as a whole.



Employer Commitment

Providing employees with the conditions for personal and collective growth.

Sustainable growth can only be achieved by the participation of employees working in conditions favorable to both collective and personal development.

The Bel Group has over 11,400 employees dispersed throughout the world.

Since 2011, the Group has organized its activities around five geographic zones, each consistent in terms of its markets, cultures or eating habits.

The Bel Group is characterized by its considerable international size and scope. Networking between zones and countries is encouraged, as are mobility and the sharing of resources for mutual improvement: the number of employees working abroad continually increases each year.

“People First”, the Group’s worldwide social project launched in 2011

Bel Group believes that employees are the foundation for sustainable growth, and by naming its social charter People First, the Group explicitly affirms this conviction.

This project has two components:

- A social charter drafted by the Group expressing the key commitments that unite the Group, its team leaders and its employees
- A worldwide opinion survey carried out in May 2011, which will be given every two years in order to:
 - Measure the Group employees’ overall satisfaction and level of commitment
 - Determine what actions to carry out in the short and medium term in order to increase the employees’ level of commitment as well as their overall satisfaction and well-being within the Group.

The social charter is structured around four key areas:



Establishing working conditions that make Bel a safe and pleasant place to work.



Creating an appropriate work environment in which everyone has the feeling that he or she contributes to the company’s success in a committed, responsible and autonomous way.



Establishing a fair, transparent and competitive wage and salary policy that enables Bel employees, as principal stakeholders in the company, to receive a fair return on the added value they help to create.



Developing talents through experience, education and exposure to new opportunities

The ambitions of the Group’s Human Resources policy have been formalized in the People First Social Charter. The charter has been presented to all employees and is used by the Group’s subsidiaries to construct action plans.

In order to uphold these commitments and move forward, all managers are called upon to implement action plans that respect local richness and diversity, and to do this, they can draw upon the results obtained every two years by the Group’s worldwide social barometer, the international employee opinion survey.



1 Offering all our employees well-being at work

Establishing working conditions that make Bel a safe and pleasant place to work

Guaranteeing the health and safety of all employees and all who work at Bel sites

The Group implements a continuous performance improvement plan with regard to health and safety in the workplace by doing all it can to prevent and manage possible risks.

Bel's Health and Safety Policy is deployed and applied without exception at all its industrial sites in all of its subsidiaries as well as throughout its entire sales force.

The program is structured around eighteen fundamental best practices that have been gradually implemented at the sites that received internal audits.

Ensuring benefits and compensation for our employees and their families

The Bel Group is developing a social policy relative to employee benefits and health that conforms to national laws and regulations.

The Group's goal is to go beyond its minimum obligations by providing all its employees health coverage and life insurance benefits.

Encouraging work-life balance and preventing psychosocial risks

The Bel Group complies with the legislation related to employee working hours in each country in which it operates. The Group wishes to go beyond just fulfilling its legal obligations by providing employees at each of its subsidiaries at least two weeks of paid vacation per year.

The Group always strives to continuously improve the working conditions of its employees. To accomplish this, programs and projects are established so that a fair balance between private and professional life can be achieved. Collective prevention programs (organization, working conditions) are implemented to reduce psychosocial risks and, if necessary, to provide care to affected employees.

2 Empowering everyone

Creating an appropriate work environment in which everyone has the feeling that he or she contributes to the company's success in a committed, responsible and autonomous way

Providing clear and constructive feedback to improve employee efficiency

The Group wants to help each employee develop professionally by offering clear and constructive feedback on their performance and information on how they can advance their careers. Evaluation interviews are a special time during which an employee and his or her manager can listen to each other and engage in dialogue to address these different topics. In this way, the Group makes sure that managers and non-managers alike benefit.



Encouraging social dialogue

The Bel Group believes that organized labor relations favor mutual understanding and exchange between the company and its employees. It implements strategies to improve company life by helping to establish more advantageous social conditions for its employees and supporting organizations in their efforts to change and progress.

The Bel Group recognizes and respects the right of its employees to establish or belong to the labor union of their choice. It also recognizes and respects, within the scope of applicable laws and regulations, the right of its employees to be represented by their unions in collective bargaining related to labor relations.

3 Sharing success

Establishing a fair and competitive wage and salary policy that enables Bel employees, as principal stakeholders in the company, to receive a fair return on the added value they help to create

The Group's commitment to share its success with its employees also applies to wages and salaries.

The Group's wage and salary policy is based on three principles:

- Rewarding individual and collective commitment and performance.
- Aligning itself with the market while keeping employee wages, salaries and benefits competitive.
- Guaranteeing equity between employees by preventing wage discrimination, particularly between men and women.

4 Developing talents

Developing talents through experience, education and exposure to new opportunities

Recruiting without discrimination, in accordance with the local population

The Group abides by the laws and legislation of the countries in which it operates and focuses specific attention on promoting diversity and equal opportunity.

The Group seeks to ban discrimination in all its forms with respect to hiring, promotions, retention, training, professional development and pay. This commitment is addressed in the Group's People First Social Charter as well as its Code of Best Business Practices.

Dealing with employees with disabilities also figures among the objectives that the Group has set for itself.

Making training a tool for advancement

The Group wishes to develop the employability of each of its employees and see them progress in four areas: technology, personal behavior, management and transversal skills.

The Bel Group participates in the professional training of employees by:

- providing young employees on-the-job training (apprenticeships, qualification, adaptation, internships) concurrently with their academic education.
- Having employees participate in intra- or intercompany training courses and workshops throughout their entire career, particularly at the Group's "Campus" corporate university.
- Organizing ongoing internal training known as "training in the workplace"



Offering our employees attractive career development

The Group is willing to offer its employees attractive career development opportunities that fulfill not only to their own plans for advancement but also correspond to the Group's skill needs. International mobility is a key strategy used not only to manage careers but also to transfer skills and expertise and create business incubators for local talent.



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