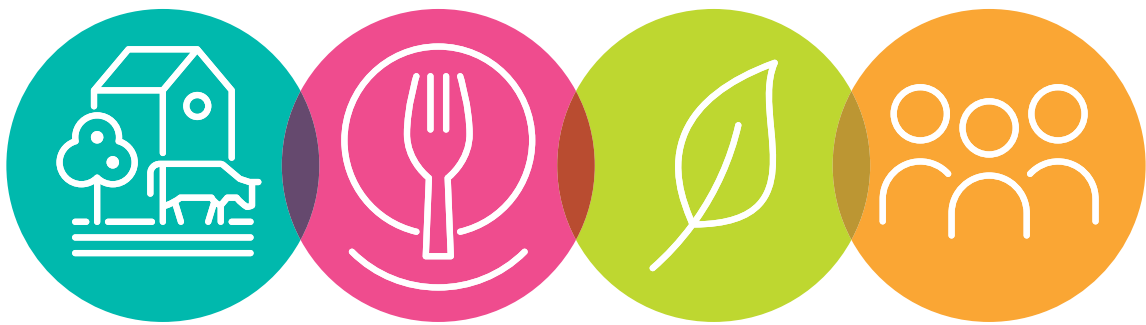


BEL CSR PROGRAM

2017 COMMUNICATION ON PROGRESS



WE CARE IN EVERY PORTION.



Sharing smiles


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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, 2017, or provide a snapshot at December 31, 2017.

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 Group's Registration Document (available on the website www.groupe.bel.com).

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

STATEMENT OF SUPPORT

FOR THE UNITED NATIONS GLOBAL COMPACT



Antoine FIÉVET

Bel Group Chairman
and Chief Executive Officer

May 18, 2018

**“ Our responsibility
is not limited solely
to the scope of our
activities, but covers
our whole value chain”**

Bel committed to Corporate Social Responsibility (CSR) well over 10 years ago, when it joined the United Nations Global Compact in 2003. Since then, the Group has consistently endeavored to improve its practices, starting by reducing the environmental footprint of its production plants and caring about its own people.

We now want to take a step further. Being aware of the environmental and societal issues surrounding our activity, we believe that we must reinvent ourselves to contribute to feeding 10 billion people in a responsible way by 2050. Our responsibility is not limited solely to the scope of our activities, but covers our whole value chain, from the farmer to the consumer, with the ambition of having a positive impact on our whole ecosystem.

Through our “We care about every portion” program, Bel’s teams across the world commit to build a more sustainable growth model that is even more respectful of people and the environment, by offering an increasingly responsible range of products.

Our continuous improvement approach, which takes us through to 2025, is based on four pillars that promote a sustainable agriculture, ever higher nutritional quality and greater naturalness, the reduction of our environmental footprint and the people well-being.

I am pleased to take the opportunity of this communication on our progress at the Advanced level ⁽¹⁾ to restate Bel’s voluntary commitment to sustainable development and the application of the United Nations Global Compact’s ten fundamental principles.

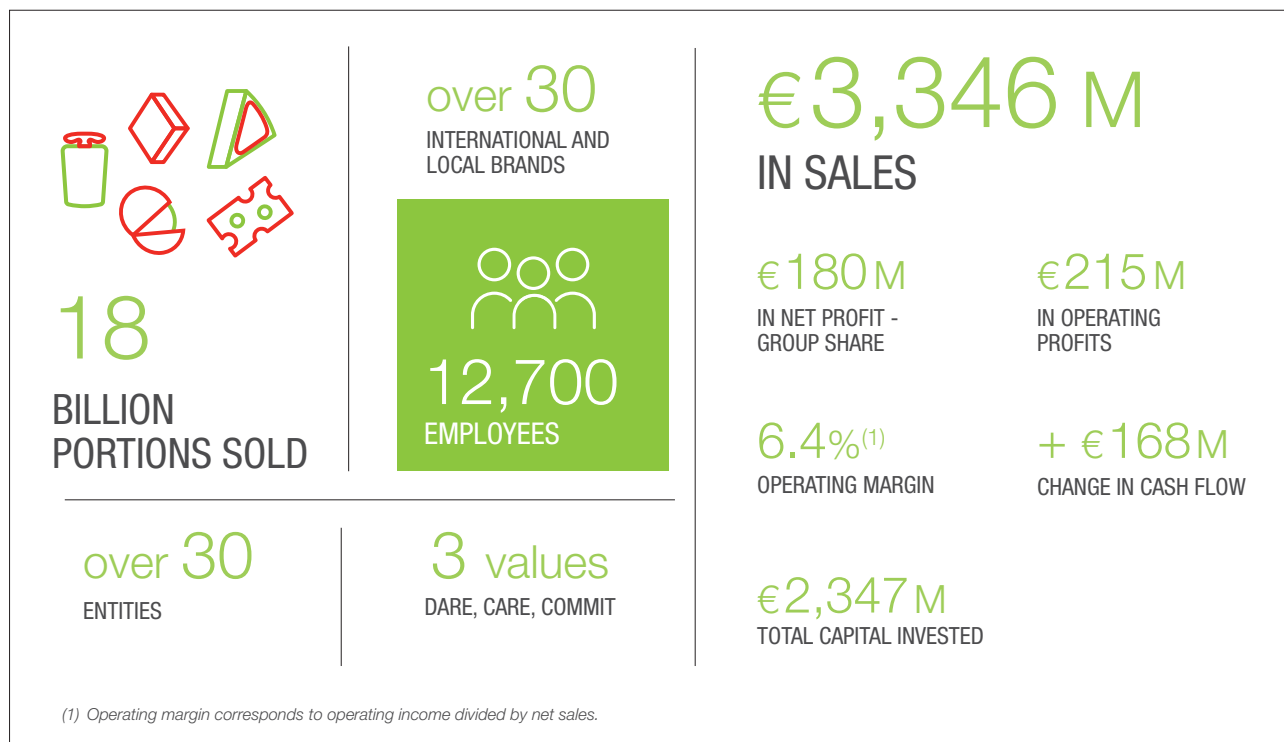
I invite you to learn about our program and the measures taken by the Group and its teams to embed these principles into our corporate strategy and our organization.

(1) For more information on the advanced level of the United Nations Global Compact, visit www.cop-advanced.org.

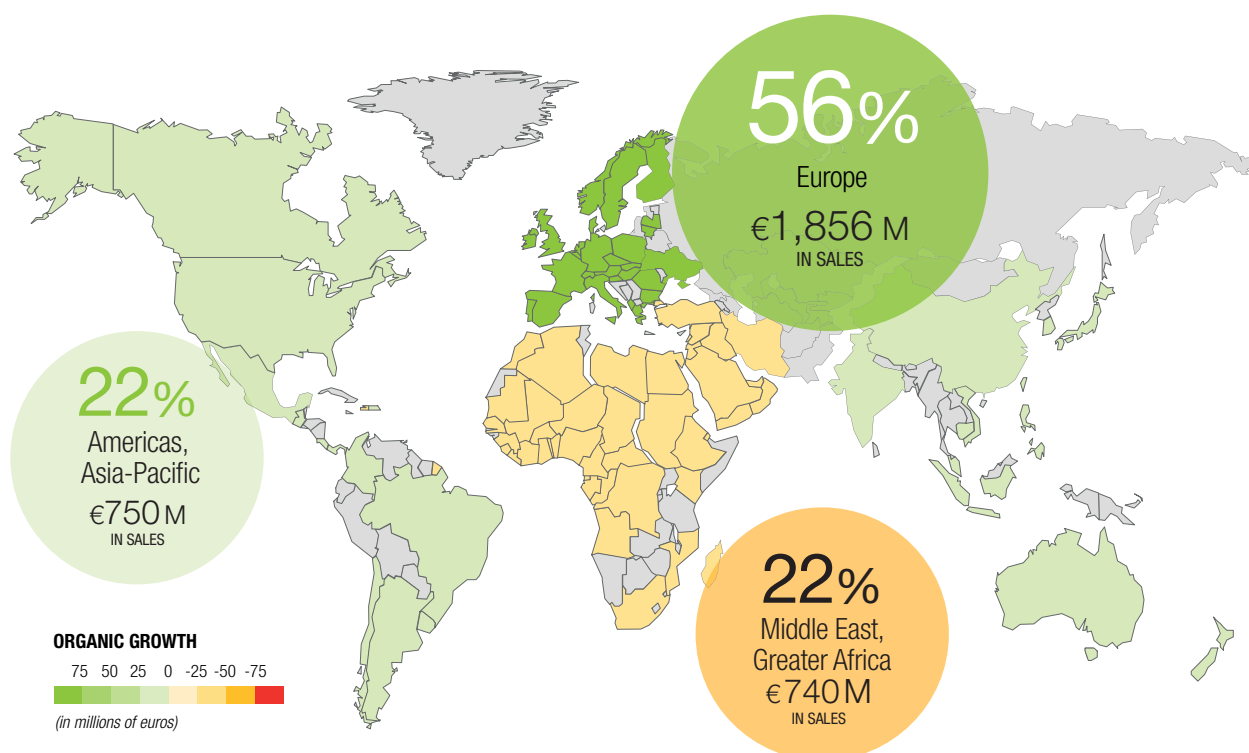
A GLOBAL PLAYER

IN HEALTHY DAIRY AND FRUIT SNACKING

KEY FIGURES



BREAKDOWN OF 2017 SALES

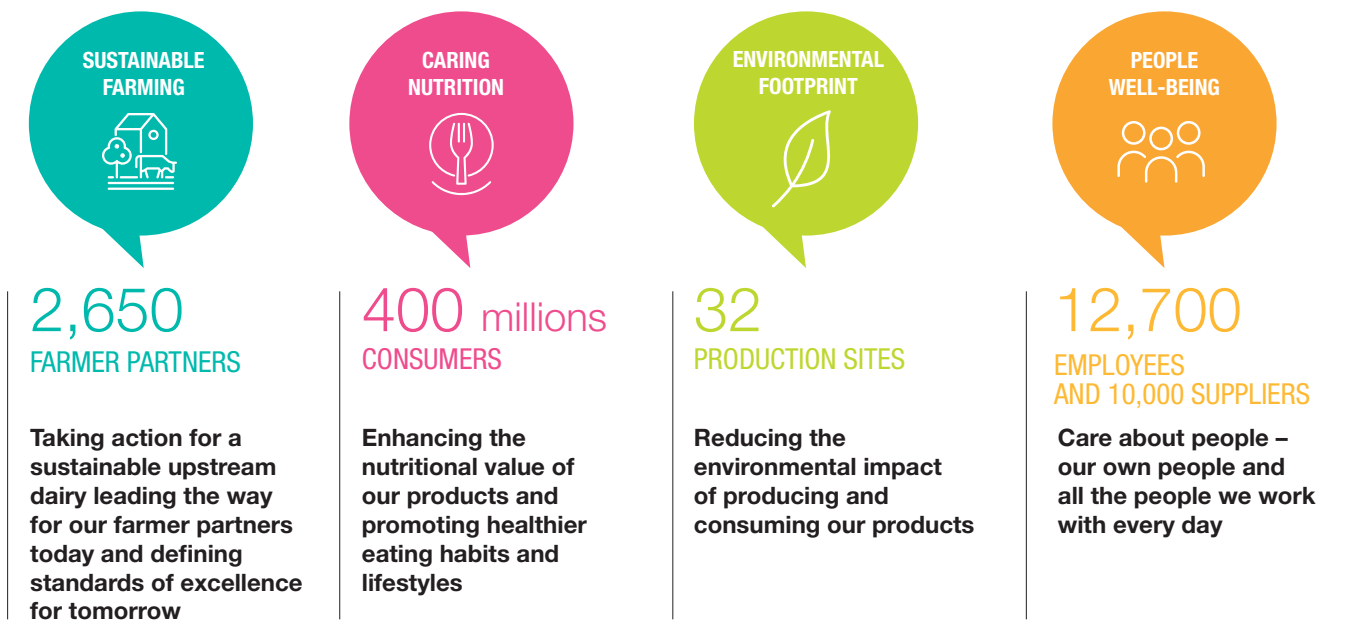


A GROUP COMMITTED TO A SUSTAINABLE BUSINESS MODEL

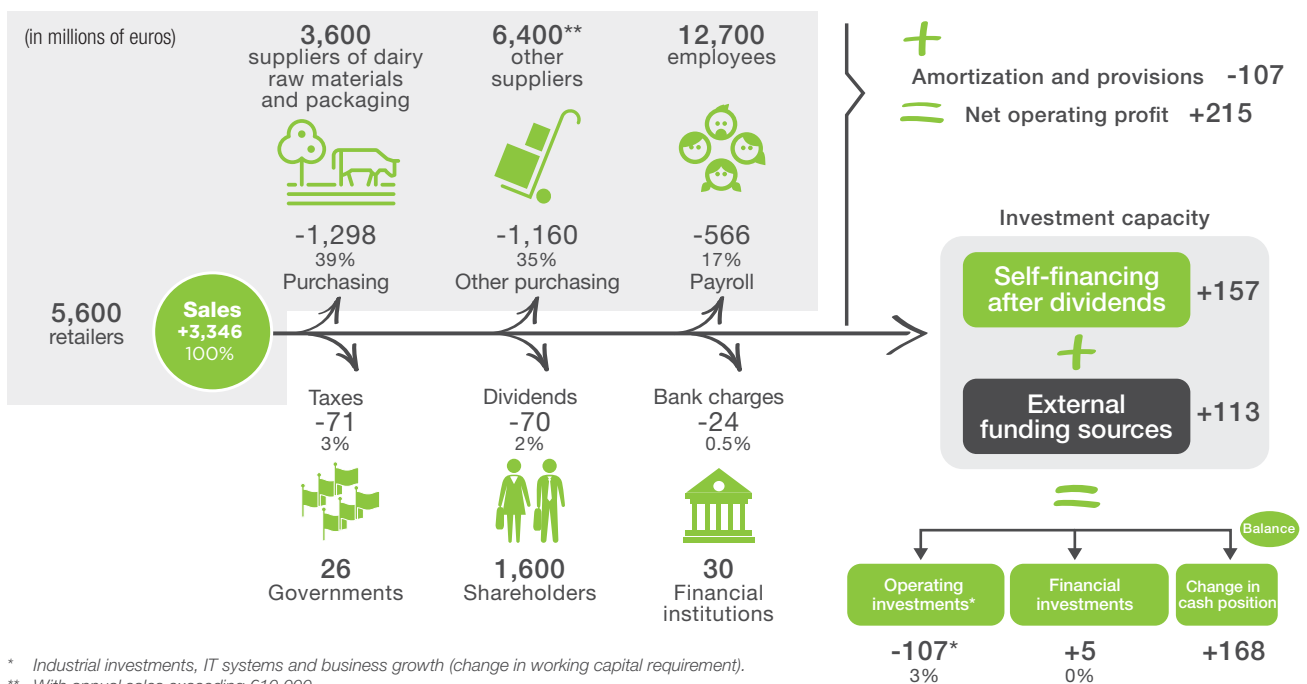
Our “We care in every portion” CSR program embodies the positive innovation dynamic to offer consumers increasingly responsible products creating shared value.



4 PILLARS structure our constant improvement approach and guide Group employees as they support the development of Bel's sustainable growth model.



CREATING SHARED VALUE





Sustainable Farming



Improve the sustainability and environmental impact of dairy production

WITH FARMERS AND WWF FRANCE

TARGETS 2025

100%

farmer access to innovative societal schemes



100%

farms certified for animal welfare by third-party

100%

milk collected from non GMO-fed cows



100%

sourcing certified or under charter commitment for vegetable fat*



*used in our products



Environmental Footprint



Reduce the environmental impact of producing and consuming our products

TARGETS 2025

WITH OUR SUPPLIERS

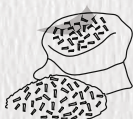
100%

recyclable and/or biodegradable packaging



100%

«zero deforestation» certified sourcing



WITHIN OUR PLANTS

Make our operations carbon neutral



IN ALL OUR VALUE CHAIN

-80% water consumption*

-17%

greenhouse gas emissions*

*per metric ton of cheese vs 2008

Caring Nutrition



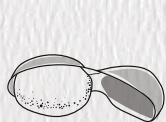
Enhance the nutritional value of our products and promote healthier eating habits and lifestyles



FOR OUR CONSUMERS

80%

of children portfolio meeting **Bel Nutri+** ambition*



WITH LOCAL PARTNERS

Nutrition Education programs

In **10** countries for **consumers** "Educanut"

In **30** subsidiaries for **employees** "Healthy smiles"



*Bel nutritional profiling system

TARGETS 2025

People Well-being



Care about people – our own people, and all the people we work with – every day to bring the best products to families around the world, in the most responsible way.



WITH OUR EMPLOYEES

100% employees attending **training** during the year

Work toward **zero** accident

40% Of **women** in top management



WITH OUR SUPPLIERS

55/100 average «Ecovadis» supplier score

Promote **social** and **environmental** practices among our suppliers

WITH OUR CONSUMERS

100% products include **specific** (environmental, nutritional, etc.)



TARGETS 2025

To address climate change and demographics issues, and to help feed more than nine billion people in a responsible way, the Group needs to grow without increasing pressure on our planet's resources or the environment, by building long-lasting relationships with its partners.

The Group believes that its responsibility is not limited to its direct impacts, but extends along its entire value chain, from farming upstream to the recycling of its packaging, via the manufacturing and consumption of its products.

It is this conviction that has led the Group to renew its commitments to lastingly transform its growth model and product range, through its “We care in every portion” program.





A POLICY WITH A CENTRAL PLACE IN THE GROUP'S STRATEGY

For nearly 15 years, Bel has been committed to corporate social responsibility (CSR), starting with its signing of the United Nations Global Compact in 2003. Since this time, Bel has constantly worked to carry out its activities ethically, reducing their environmental footprint and developing an increasingly responsible product range, while building long-lasting and honest relationships with its stakeholders.

The Group structured its policy in 2016, in order to make still further progress, placing sustainable development at the heart of its business model. Bel has reviewed its growth model, while continuing to work on areas identified through a materiality analysis in 2014, including business ethics. This clearly expresses Bel's desire to create value for the Company, its stakeholders and its ecosystem over the long term.

Creating shared value with its ecosystem

In practical terms, for Bel this means incorporating a determination to have a positive impact throughout its value chain, not only for its activity, but also for its entire ecosystem: its consumers, employees, suppliers, and other partners.

For this approach to bear fruit in the coming years, Bel believes that every brand, every production site and every employee must take this dimension on board in the decisions guiding the Company's operations.

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 1).

This "We care in every portion" model for sustainable growth is based on four pillars:

- people well-being;
- sustainable farming;
- caring nutrition;
- environmental footprint.

The Group has defined quantifiable objectives for each of these areas to guide its actions until 2025.

These four pillars also form the foundation for the in-depth transformation of the Group's brands begun in 2017. By changing its business model in this way, Bel can offer its consumers products that are increasingly responsible throughout their life cycle, from the farm to the plate.

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.

Taking ownership of CSR issues at every company level

The Group's structure facilitates consideration of CSR challenges from management body to employee level.

The Board of Directors as the commitment watchdog

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

The Executive Committee as the promoter of strategic CSR priorities

The Executive Committee, chaired 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, the Group has also introduced a new CSR governance structure with at least two additional Executive Committee meetings devoted to CSR held each year. The purpose of these meetings is to validate the issues to be explored by employees, decide on necessary investments, and set priorities for teams and adjust them in light of changes in the Group's business environment.

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 €0.5 million. It meets six to eight times a year.

The Committee ensures that Bel's new investments comply with its CSR commitments. It evaluates projects 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. This non-financial evaluation is validated by the CSR Department.

Specific committees to guide priority issues

The CSR Executive Committee is supplemented by specific steering committees dedicated to priority issues for the Group's sustainable growth model, such as the Compliance & Progress Committee (see paragraph 2.1 "Ethics at the heart of the Group's activities"). Their purpose is to assist Bel with fulfilling its commitments and with their operational deployment in the Group's activities.

Hacker and activist networks as guarantors of their operational deployment

Two complementary networks have been added to the structure. 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 "hacker" employees representing various Group functions help co-construct CSR policies and support their implementation in their areas of expertise.
- a network of "activist" employees within all of the Group's subsidiaries apply the Group's commitments locally to provide responsible and innovative products to consumers and share good practices between countries.

A vision shared with all employees

In 2017, the Group held its first "Sustainable development week" at its headquarters to illustrate and explain these issues in practical terms to employees. A plan for deployment to all employees is planned for 2018.

Highlights of 2017

- Defining of the "We care in every portion" program guiding the Group's positive innovation approach.
- Introduction of a scorecard *consolidating* all of the Group's objectives to 2025 and to monitor their progress completely transparently.
- Setting up of international networks of "hackers" and "activists" to deploy and enhance the overall strategy with local actions.
- The first "Sustainable development week" at the head office.

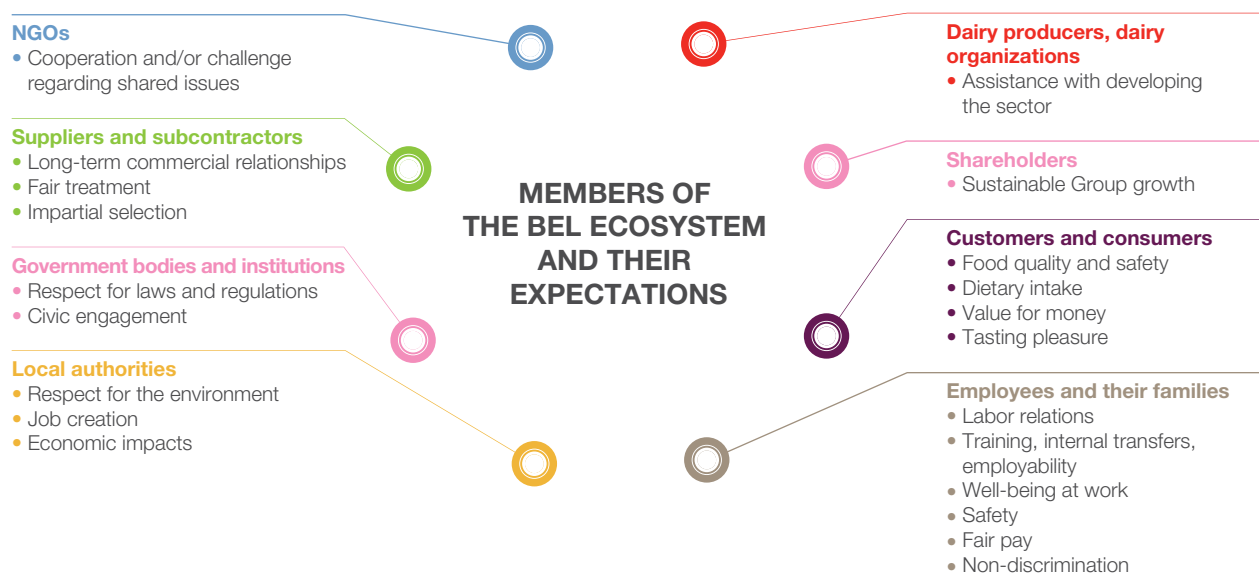
Priorities for 2018

- Rolling out the "We care in every portion" program to all Group stakeholders.
- Accelerating the roll-out of CSR initiatives to brands.
- Extending the "Sustainable development week" to Group subsidiaries.
- Optimizing the integration of CSR commitments within Group investment projects.

2

WORKING FOR THE PEOPLE WELL-BEING

Bel has a wide range of stakeholders due primarily to the international sale of its brands and the location of its production sites. The various departments listen to, hold discussions with and consult their own stakeholders locally. This decentralized approach means that these exchanges can be taken into account at very operational levels.



In order to work for the people well-being and have a positive impact along its entire value chain, Bel has chosen to implement a model which creates shared value for its internal and external stakeholders, focused specifically on:

- consumers;
- employees;

- partners;
- the regions where it operates.

This approach is fully in line with the Sustainable Development Goals, and particularly SDG 3, "Ensure healthy lives and promote well-being for all at all ages".

2.1 Ethics at the heart of the Group's activities

Bel has always placed ethics at the heart of its business methods. The Group's 2014 materiality matrix analysis revealed that all stakeholders, both internal and external, had high expectations regarding ethical business conduct. Moreover, with its adoption of the "Sapin II" and "Devoir de vigilance" laws, the French government has further increased the need to give business ethics a central place in the Group's activities.

Rather than approaching it as a specific issue, the Group must establish an everyday ethics culture and practice at all levels. Bel expects its managers to have a positive influence on the attitudes, behavior and choices of all their teams. All employees, at all levels, are responsible for properly applying the principles set out in the Code of Good Business Practices, and the policies and charters supplementing it.

Ethics governance at Bel

An Ethics Committee and ethics officers

Set up in 2012, the Group's Ethics Committee is supported by a network of ethics officers who are appointed within the subsidiaries' HR departments to oversee the implementation of the various commitments and their operational applications.

The ethics officers are responsible for taking the necessary actions to raise awareness and for training local employees in the Code of Good Business Practices and the related policies. They are the indispensable local liaisons for all the business ethics initiatives introduced at Group level. They are required to report on their deployment and monitoring actions to the Ethics Committee.

So that they can train Bel subsidiary employees locally, Group ethics officers are specially trained in the Code of Good Business Practices to guarantee effective deployment of the Code of Good Business Practices within all the subsidiaries and to ensure that employees are fully aware of its existence and are familiar with its content.

Given the increasingly strict rules on ethical conduct, and at the request of Senior Management, discussions are underway on the redefining and strengthening of the Ethics Committee's role.

Since 2015, Bel's employees have had access to an early alert system that they can use to report any infringements of the principles enshrined in the Code of Good Business Practices.

A Compliance & Progress Committee

A committee consisting of representatives of the Group support functions (legal, CSR, procurement, finance, HR, risks, etc.) has worked as the Steering Committee for the implementation of the "Sapin II" and "Devoir de vigilance" laws.

The Code of Good Business Practices as the foundation for Group ethics

Seven key principles...

With the adoption of its Code of Good Business Practices in 2012, Bel wished to share with its employees and its suppliers the principles that it would like them to adhere to everywhere and in all circumstances.

The Code of Good Business Practices establishes the general framework for the professional conduct of every Bel employee. The seven principles that it establishes 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. The Code has been translated into 18 languages so that the principles can be better appropriated by all employees. It is available in French and English on the Group's website at www.groupe-bel.com.

A practical guide makes the Code of Good Business Practices easier to understand, providing examples of how to apply it day to day. The guide is available to employees on the Group's intranet, and regular awareness-raising sessions are also organized at both Group and local levels.

... shared with all employees...

In 2017, the Group stepped up the deployment of its business ethics training program, targeting employees based on their manager status, geographic location and business line. Ethics officers received specific training.

A communications campaign was also deployed at Group level in 2017 to remind employees of the existence of the Code of Good Business Practices and the alert system through a film (translated into 20 languages and widely disseminated) and posters dedicated to the alert system in all Group subsidiaries.

... supplemented by specific policies

In order to adapt and clarify certain principles, the Code of Good Business Practices has been supplemented by policies dedicated to fighting corruption and to Group rules regarding gifts. These policies were revised in 2017 in light of the provisions of the "Sapin II" law and were added to the internal regulations of French sites. These two policies are currently being incorporated within the equivalent of 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.

Such is the case for the Sustainable Purchasing Charter (see paragraph 2.3 "Promoting good social and environmental practices with partners") and the responsible lobbying policy. Bel shares precise rules for carrying out its lobbying actions responsibly with all the internal and external representatives who act on behalf of the Group and its entities.

Voluntary ethics commitments since 2003

Bel had already signed the United Nations Global Compact well before it adopted its Code of Good Business Practices.

Since 2003, the Group has regularly reaffirmed its commitments and reported 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 when it comes to 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 Good Business Practices.

2.2 Stronger monitoring in the fight against corruption and to ensure respect for human rights and the environment

The recent adoption of the anti-corruption aspect of the “Devoir de vigilance” and “Sapin II” laws has led the Group to strengthen its monitoring in the fight against corruption, to ensure respect for human rights, and in the fight against environmental damage related to its activity.

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

Given that the two texts are similar in spirit, the Group has decided to work on the plans simultaneously using a single methodology.

A system based on risk mapping

In order to identify and prioritize gross corruption, human rights and environmental risks, the Group has evaluated its risks according to three criteria (see paragraph 2.2.3 of the registration document “Risk of corruption and human rights violations”):

- the location of its activities;
- the nature of its activities (production, marketing, services);
- the scale of its activities.

The mapping exercise was completed for all Group subsidiaries and covers all of its 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.

To ensure that all Group subsidiaries are covered, this methodology has been adapted locally based on self-assessment questionnaires on the risks of corruption, human rights abuses and environmental damage. These were analyzed to measure the actual risk in light of the policies and checklists in force within our subsidiaries.

Furthermore, Bel has always been particularly vigilant regarding risks related to its supply chain. The Group therefore also mapped its risks by purchasing category in late 2017, in addition to the evaluations conducted by EcoVadis since 2009 (see paragraph 2.3 “Promoting good social and environmental practices with partners”), to fine tune its vigilance plans.

The Group also systematically reminds its suppliers of their own duty of vigilance with respect to their own supply chains. This point is specifically evaluated by EcoVadis (see paragraph 2.3 “Promoting good social and environmental practices with partners”).

Fighting corruption

The Group supplemented its Code of Good Business Practices with a gifts policy and an anti-corruption policy in 2016. These policies were reviewed and added to in 2017 in light of the provisions of the “Sapin II” law. They were then incorporated within the French sites’ internal regulations following consultation of the staff representative bodies.

The types of corruption risks to which the Group and its subsidiaries are exposed were also identified during the risk mapping process.

For each type of risk, the Committee identified the most exposed employees and the corrective actions to be taken.

Since 2014, Bel has been party to the Supply Chain Initiative in 16 European countries⁽¹⁾ accounting for more than 40% of its revenue. This voluntary, self-regulatory code establishes ten principles to be followed in commercial relations and covers corruption in particular. Most of these principles are also laid out in its Code of Good Business Practices.

Respecting human rights

In 2012, the Group launched a proactive human rights program with the adoption of its Code of Good Business Practices. Respect for human rights is one of the seven principles set out and refers specifically to the Universal Declaration of Human Rights and International Labor Organization conventions. The Group strives to ensure that these principles are followed. The network of ethics offers under the authority of the subsidiary Directors is responsible for implementation and compliance at each of the sites.

As part of its risk mapping in 2017, the Group ran a project aimed at detecting and measuring the risks of human rights violations, focusing particularly on the risks of modern slavery, forced labor, child labor, and violations of freedom of association or collective bargaining. Local Management Committees were made more aware of these issues when this work was carried out and the corresponding action plans are being deployed and incorporated within the internal auditors’ checklists.

Protecting employees’ essential rights

Protecting employees’ essential rights has always been a constant concern. The Group has introduced very strict human resources policies on compliance with labor standards, especially for employees based in countries with a high risk of human rights violations.

When mapping risks, the Group was particularly committed to ensuring that its employees’ fundamental rights were respected in all of the Group’s subsidiaries, and particularly rights relating to working hours, remuneration, the fight against discrimination and freedom of association.

(1) In 2017, 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.

Respecting children's rights as a direct or indirect employer

Because of the positioning of most of its brands, Bel considers protecting children's rights to be a major priority. Its reference framework is the ten Children's Rights and Business Principles jointly developed by UNICEF, Save the Children and the UN Global Compact (for more information, visit: www.unicef.org/csr/).

Bel refers to International Labor Organization (ILO) Conventions 138 and 182 for its Best Business Practices and its Sustainable Purchasing Charter.

It was therefore natural that the Group focused on the risk of child labor during its risk mapping process, ensuring that recruitment and site access processes were sufficiently robust to limit any risk of child labor at Group subsidiaries.

Respecting 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.

Bel is also conscious that the sustainable use of natural resources and the fight against climate change are major issues for the sustainability of the dairy sector and are therefore a major threat to the sustainability of its business (see paragraph 2.2 of the registration document "Risks related to the external environment").

To address these issues, the Group implements continuous improvement plans or encourages its partners to do so when it does not have a direct influence. This approach is described in paragraph 5 "Reducing the environmental footprint".

2.3 Promoting good social and environmental practices with partners

The Group has always placed discussion with its stakeholders at the heart of its sustainable growth model (see paragraph 1 "A policy with a central place in the Group's strategy").

With producers, suppliers, subcontractors and distributors

For a procurement policy to be regarded as responsible, it has to include not only cost, quality and lead time requirements, but ethical, social and environmental considerations as well. It must make a positive contribution to all the parties in the supply chain.

In France, the sustainable upstream dairy model desired by the Group led to an agreement with the APBO (see section 3.2.2 "Stronger monitoring in the fight against corruption and to ensure respect for human rights and the environment"). This unique agreement is a very tangible illustration of the created shared value that Bel has put at the heart of its sustainable growth model. The agreement offers producers economic visibility, securing their income for 2018, while sustainably promoting responsible agricultural practices in line with changing consumer expectations.

The Sustainable Purchasing Charter

The Sustainable Purchasing Charter is a reflection of the Group's strong commitment to promoting ethical business conduct with and by its suppliers. In addition to the commitments that Bel makes to its suppliers, the Charter presents what the Group

expects from them in return in terms of major social issues such as commercial ethics, respect for human rights and children's rights, the fight against corruption, and respect for the environment.

This Charter is intended for all of Bel's suppliers (both existing and new). New Bel suppliers must promise to uphold it as soon they start tendering for the Group's contracts. Bel inserts a special clause into its contracts with suppliers to ensure their compliance with the Charter.

Supplier assessment

Bel prefers to deal with suppliers whose practices appear to be consistent with its sustainable growth objectives.

Since 2009, the Group has been assessing the performance of the suppliers and subcontractors that it considers to be 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, Employees, Ethics and Suppliers/Supply chain. Following the assessment, suppliers are given a score for each theme and an overall score out of 100 (the highest score being 100).

The suppliers assessed during the past three years represent 67.3% of the Group's purchases by value, excluding milk producers.

The average score obtained by Bel's portfolio of suppliers is rising constantly and is consistently above the average score for the panel assessed by EcoVadis. This demonstrates their commitment to continuous improvement, aided by the purchasing teams who work alongside them.

	2015	2016	2017
Number of Bel suppliers assessed	437 ^(a)	487 ^(b)	505 ^(c)
Average score of Bel suppliers assessed	46/100 ^(a)	49/100 ^(b)	49.8/100 ^(c)
Average score of companies assessed by EcoVadis over the year	42.0/100	43.3/100	43.2/100
Rate of coverage of purchases by value (excluding collected milk)	60.2%	64.5%	67.3%

(a) Suppliers assessed between 2012 and 2015.

(b) Suppliers assessed between 2013 and 2016.

(c) Suppliers assessed between 2014 and 2017.

In order to ensure that its purchasing teams use the same tools and practices, MOM began using the EcoVadis solution in 2017 to assess its suppliers' CSR performance and has adopted the same assessment score management rules as Bel's purchasing teams.

In 2016, Bel became a member of AIM-Progress, a group of leading companies in the mass retail sector that aims to positively influence people's lives through the combined effect of robust responsible purchasing practices applied to all of their supply chains.

In 2017, AIM-PROGRESS and EcoVadis launched a sector initiative providing AIM-PROGRESS member companies with visibility over the suppliers assessed by EcoVadis, in order to reduce the number of duplicated assessment requests and to encourage transparency in value chains⁽¹⁾.

This initiative has two components:

- Bel and five other AIM-PROGRESS members using the EcoVadis platform share their supplier assessments on the platform;
- AIM-PROGRESS members not using EcoVadis regularly receive a list of suppliers assessed by these six companies, giving them the opportunity to ask the suppliers to share these assessments.

Supplier risk mapping

As part of its risk mapping project (see paragraph 2.2 "Stronger monitoring in the fight against corruption and to ensure respect for human rights and the environment"), the Group mapped its supplier CSR risks at the end of 2017, providing an up-to-date overview of the purchasing categories that require special monitoring.

Subcontracting

Subcontractors allow brands to develop their presence in new regions. They produce around 5% of the total volume sold by the Group. In 2017, six major Group subcontractors (producing more than 1,000 metric tons per year) accounted for nearly 90% of the subcontracted volume. Bel requires that all these suppliers be assessed by EcoVadis with the same management rules as other suppliers. So far, no subcontractors have been assessed as high-risk (EcoVadis score of less than 25/100).

The Cléry-le-Petit site and the affiliated Bar-le-Duc and Maredsous sites were sold by the Group during the course of

the year. Group products continue to be manufactured there, however, and the volumes produced in these plants have been classed as subcontracted products since July 1.

Buyer training

Since 2014, Bel has offered its central and local buyers an e-learning course on CSR and sustainable purchasing. Most of the Group's buyers (91%) had completed this training by the end of 2017.

MOM's purchasing teams attended a CSR and sustainable purchasing training seminar prior to the first supplier CSR assessment campaign in 2017.

Distributors

In line with the provisions of the "Sapin II" and "Due Diligence" laws (see paragraph 2.2 "Stronger monitoring in the fight against corruption and to ensure respect for human rights and the environment"), the Group has taken measures to ensure that it is informed if any of its distributors, customers or agents, of which there are nearly 500, is convicted, politically exposed or added to an embargo blacklist.

In accordance with the "Sapin II" law, the Group is also rolling out a KYC (Know your Customer) questionnaire to all of its distributors.

With other partners

Bel believes that sustainable growth depends on co-construction with external partners specializing in issues that are key for the Group.

Associations and non-governmental organizations (NGOs)

Bel has relied on recognized environmental NGO WWF France since 2012 to support its commitment to sustainable farming. This long-term partnership has allowed the Group to introduce very practical actions with its partner producers to foster a sustainable upstream dairy (see paragraph 3.1 "Taking action for a sustainable upstream dairy").

It has also highlighted the importance of working on soy meal and PKE (Palm Kernel Expeller, a by-product of palm oil extraction) in order to limit their environmental impact. This is why Bel joined the RTRS (Round Table on Responsible Soy) in 2014 and the

(1) For more information about the EcoVadis AIM-PROGRESS initiative: www.aim-progress.com or www.ecovadis.com.

RSPO (Roundtable on Sustainable Palm Oil) in 2015 to support the creation of sustainable supply channels for these two raw materials.

The Group also supports various nutritional education programs, such as the FLVS, which coordinates the VIF - Vivons en Forme program in France, to help educate consumers about healthy living.

Bel has joined the Scaling Up Nutrition movement (see paragraph 4.3 “Fostering better eating habits and healthier lifestyles”) in Senegal and the Ivory Coast.

Professional organizations

In France, Bel actively participated in preparing the Anti-Waste Charter proposed by the ANIA (Association Nationale des Industries Alimentaires).

The Group is also a member of the CELAA (*Club du recyclage de l’Emballage Léger en Aluminium et en Acier*) and the AREME (*Association pour le Recyclage des Emballages légers en MEtal*), which are initiatives that encourage the sorting and recycling of small aluminum and steel packaging in France and Belgium (see paragraph 5.6 “Being part of the circular economy”).

The Group is also involved in the voluntary European movement EU Pledge, looking at advertising aimed at children (see paragraph 2.4 “Providing fair and helpful information to consumers”).

Public authorities and institutions: a responsible lobbying policy

The Group has established precise rules for its actions targeting public authorities (see paragraph 2.1 “Ethics at the heart of the Group’s activities”).

The Group prefers to participate in the work of the professional organizations to which it belongs. However, it also takes direct steps with the public authorities if it considers this to be legitimate and useful; legitimate if the interests at stake affect the many employees or consumers who put their trust in Bel, and useful because Bel believes that, in a democracy, it is best if all of the stakeholders affected get to express their views when public decisions are made.

Bel shares precise rules for carrying out its lobbying actions responsibly with all the internal and external representatives who act on behalf of the Group and its entities.

Bel also joined the European Union Transparency Register in 2014 (www.ec.europa.eu/transparencyregister) and the Office of the Commissioner of Lobbying of Canada’s Registry of Lobbyists in 2015. It also requested registration in France’s *Répertoire de la Haute Autorité pour la Transparence de la Vie Publique* in 2017.

Banks and financial institutions

In 2017, the Group signed a new partnership with the International Finance Corporation, a member institution of the World Bank Group (see paragraph 2.5 “Contributing to the vitality of host regions”) as part of its “Sharing Cities” program.

When it renewed its main line of credit in 2017, the Group chose to factor in environmental and social impact criteria, based on achieving three goals from its Sustainable Development Strategy by 2025. This agreement makes Bel one of the first groups to voluntarily index a line of credit to its sustainable development performance.

This commitment is a virtuous performance obligation as the Group undertakes, should it fail to achieve its objectives, to implement corrective measures by directly investing in, or financing, associations or non-governmental organizations.

2.4 Providing fair and helpful information to consumers

Responsible communication

Bel believes that each of its brands is qualified to speak on matters of responsibility. The Group’s brands are strengthening their communication on issues that may help consumers make informed decisions. They seek to capitalize on the trust that they have forged with consumers to guide them towards balanced and more environmentally-friendly choices. The Group also takes care to ensure that what they say faithfully reflects these practices.

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 of its communication channels. This Charter covers advertising in all its forms, public relations, packaging, websites, and other

channels. All of the Group’s marketing teams receive training on nutrition to make them aware of these commitments.

In 2016, the Group put in place a tool to improve its communications validation process for all of its marketing teams. This new tool is called “Validcom” and is already used for 100% of the new packaging and television commercials for cheeses and is being rolled out to other media.

Bel also joined the voluntary European movement EU Pledge in 2016, to bolster its responsible approach to communication aimed at children. Under this initiative, Bel pledges not to advertise any of its products that do not meet specific nutritional criteria to children under the age of 12 via television, the press or the Internet.

Providing consumers with the information they want...

Nutritional and food safety information

In order to give its consumers what they want, Bel provides clear and relevant nutritional information on all of its products regarding their nutritional content, the origin of the ingredients used in its recipes, their traceability, and the health and safety standards met by finished products (see paragraph 4.1 "Guaranteeing optimal food quality and safety").

Social and societal impact of products

Consumers are also increasingly concerned about the social impact of their eating habits on the working conditions of food producers and on animal welfare.

The Group is committed to a transparent approach in order to explain its sustainable development actions along its entire value chain to its consumers. In Portugal, for example, the key information relating to the *Leite de vacas felizes* program is described on product packaging and detailed information about the program is provided on its website.

Environmental information

The Group is currently communicating about packaging waste management: waste sorting instructions are provided in countries where recycling channels are in place and anti-littering advice is given in other countries.

The Group believes that new clear and simple environmental indicators will develop consumers' interest and influence their buying behavior. This is why Bel is an active participant in the European Product Environmental Footprint Category Rules (PEFCR) pilot project, which aims to harmonize the methods used to calculate and communicate on the environmental impacts of products, throughout Europe.

... on varied and complementary media

Easier-to-read packaging

Product information can be found on packaging at the time of purchase. The Group is gradually rolling out a simple and uniform visual marking system on all of its packaging to make it easier to read. This provides all the key information, including nutritional information, packaging disposal instructions and consumer service contact details.

All products sold by the Group in countries where consumer call centers already exist (in France, the UK, Germany, the USA, Canada, Vietnam and Japan) display the phone number on their packaging.

Providing additional information on other media

Given the surface area available on packaging, Bel wishes to develop simple links between packaging and other communications media used by its brands (e.g. websites and mobile apps). Digital tools are used to provide more in-depth and educational explanations of topics that may be complex for the layman.

The Group describes its sustainable growth model in these words: "We care in every portion" and set out the ambitious commitments associated with it on its website. This provides consumers with transparent data so that they can monitor the Group's attainment of its objectives year after year.

Protecting consumers' private data

The Group Procedure for processing consumers' personal data establishes the principles to be followed to protect private data collected from children. It will be reinforced in 2018 to meet the requirements of the general data protection regulation.

2.5 Contributing to the vitality of host regions

Production sites close to consumers

Better understanding what consumers want...

The Group has chosen to locate its production sites close to its consumers. This strategy has many positive impacts, as it helps Bel to better understand consumers' expectations by being as close as possible to them and to participate in the development

of the regions where it sells its products, while reducing shipping and therefore its environmental impact.

To go even further, the Group has designed a mobile plant made of shipping containers that can be installed and disassembled in just a few weeks. This allows Bel to produce locally in markets that are new for the Group, before replacing it with a larger site if the results are satisfactory. The first plant of this type was installed in Abidjan (Ivory Coast) in 2016.

... while preserving the environment around sites ⁽¹⁾

In line with its environmental policy and in consultation with local authorities, the Group implements action plans to protect the environment around its plants and to reduce the nuisances that may be caused by its activities.

Currently, all of the land owned, leased or managed by the Group is situated outside of protected areas. Whenever an operating permit is requested, each site's position is analyzed with respect to the sensitivity of the natural environment and the potential impact of its activities.

The Group's production facilities are also designed to reduce their noise levels, especially if they are located close to residential areas. Measurements are regularly taken by a service provider to monitor and control the compliance of the sound level at the property's boundaries and the emergence level for the most at-risk residents. Action is taken to reduce noise levels if the noise emergence level exceeds local standards or the noise is perceived as a nuisance.

The Group has also developed a project to acquire the know-how to produce products virtually without water in order to limit its impact on its ecosystem (see paragraph 5.3 "Using water sustainably").

Contributing to the socio-economic development of host regions

In 2017, Bel conducted a pilot study to measure the direct, indirect and induced impacts of the Évron production site in France on the surrounding area and the value created for its stakeholders.

This study was conducted with a partner specializing in the calculation of the socio-economic footprint of organizations, and assesses the direct, indirect and induced contribution that this industrial site makes to the surrounding area. It showed that every Bel job on the Évron site created or maintained 4.5 induced or indirect jobs in France.

Developing innovative and inclusive distribution models

Bel launched its "Sharing cities" program in 2013 to supplement the traditional marketing channels used for Bel products with alternative distribution networks rooted in local buying practices. For example, the Group uses existing networks of street vendors to sell its products in several major cities in the emerging countries in which Bel is already present. In this way, the Group helps street vendors develop their activity and sales, while facilitating their access to health coverage, banking services and professional training.

The Group signed a partnership in 2017 with the International Finance Corporation, a member institution of the World Bank

Group, in order to increase the impact of the program, particularly in the field of health.

At December 31, 2017, the "Sharing Cities" program was active in six cities ⁽²⁾ and 6,700 street vendors had partnered with Bel; 2,300 had received health coverage, more than 900 had received professional training and over 1,000 had opened bank accounts.

Helping children in all of the Group's host regions

Because of the positioning of most of its brands, Bel views helping children as a major priority.

Through sponsorship by the Bel Foundation

The Bel corporate foundation was created in 2008 to combat childhood malnutrition. The initiatives that it supports are proposed by Bel Group employees or charities. Each project benefits one of the countries in which the Bel Group operates. Since its creation, the Foundation has donated more than €2.2 million to 230 projects. The Foundation reports on its activities in its Annual Report available at <http://www.fondation-bel.org/en/publications.html>.

Through nutritional education programs

Moreover, the Group provides nutritional education programs for children worldwide as part of its Educanut project and its involvement in the Scaling Up Nutrition movement (see paragraph 4.3 "Fostering better eating habits and healthier lifestyles").

Through collective agreements

In recent years, the Group has signed several collective agreements aimed specifically at improving the daily lives of children:

- local agreements give parents time off for their young or sick children;
- in 2015, Bel signed an agreement in France to introduce:
 - the donating of leave to another employee whose child is seriously ill or is the victim of a serious accident,
 - the philanthropic rounding up of wages (micro-donations from volunteer employees' wages matched by the company) in particular for the "Un enfant par la main" association, designed to finance the purchase of bicycles to allow students to get to college in Senegal,
 - philanthropic leave to allow employees to participate in short-term humanitarian projects abroad related to children and/or food.

(1) Land use was not identified as a key issue for the Group, given that the space occupied by its plants is very small.

(2) In 2017, the "Sharing Cities" program was active in the following cities: Ho Chi Minh City (Vietnam), Hanoi (Vietnam), Abidjan (Ivory Coast), Kinshasa (Democratic Republic of the Congo), Dakar (Senegal) and Antananarivo (Madagascar).

2.6 Building an inclusive employment model for our employees

Human resources policy

Bel has an inclusive employment model that reconciles its economic and financial performance with the development of its staff. Particular attention is paid to employees' health and safety, as well as to preparing for the future by proposing a business model that attracts the talented people the company needs for its development.

Bel's human resources policies and practices are harmonized at Group level in areas such as payroll management, internal job transfers, talent development, security and labor relations.

Because the company is international, a subsidiarity principle is applied to many issues related to human resources. All human resources policies are therefore harmonized while respecting the specific aspects of local cultures.

Workforce

At December 31, 2017, the Group employed 12,743 people in over 30 countries. On a like-for-like basis, Bel's workforce (permanent and fixed-term employment contracts present at December 31, 2017) shrank by 92 people, a 0.7% reduction compared to December 31, 2016. Moreover, the sale of the Cléry-le-Petit and the affiliated Bar-le-Duc (France) and Maredsous (Belgium) sites to the Schreiber Foods group resulted in the departure of 258 employees from Bel's workforce.

Workforce by operational region* (a)	2015	2016 (b)	2017
Europe	6,131	6,749	6,538
Of which France	3,278	3,966	3,803
Americas, Asia-Pacific	1,078	1,660	1,652
Middle East, Greater Africa	3,637	4,684	4,553
GROUP TOTAL	10,846	13,093	12,743
Of which Safilait (Morocco)		1,198	1,140
Of which MOM		1,210	1,216

* Indicator audited by the Statutory Auditors with a reasonable level of assurance.

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

(b) The 2016 workforce figures have been updated with respect to the data published in the 2016 Registration Document to reflect changes after the end of the period.

Workforce by status (a)	2015	2016 (c)	2017 (d)
Managers (b)	1,929	2,023	2,414
Non-managers	8,917	8,662	9,189

(a) Active permanent contracts and fixed-term contracts at 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.

(c) The 2016 workforce figures have been updated with respect to the data published in the 2016 Registration Document to reflect changes after the end of the period.

(d) Excluding Safilait and including MOM.

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

To maintain its competitiveness and fuel its growth, Bel is constantly adapting its business lines and its human resources to match its needs. The Group therefore hired 1,326 people in 2017. On a like-for-like basis, most departures were voluntary (resignations and retirements).

In 2017, the Group sold its under-used industrial site in Cléry-le-Petit (France) and the affiliated Bar-le-Duc (France) and Maredsous (Belgium) sites to the American group Schreiber Foods. The agreement protected all the employment contracts and staff seniority and ensured that working conditions and benefits would stay the same. Schreiber Foods also committed to continuing to produce cheeses under the Bel brand under a subcontracting agreement, and to developing the production of cheeses, yogurts and fresh dairy products under a private brand for its own account.

New hires and departures excluding SAFILAIT and MOM at this stage	2015	2016 ^(a)	2017 ^(b)
Number of new hires	1,119	1,317	1,607
Number of departures	1,227	1,506	1,960
<i>Of which Cléry, Bar-Le-Duc and Maredsous transfer</i>			258
<i>Of which redundancies/dismissals</i>	209	186	265

Redundancies/dismissals by operational region	2015	2016 ^(a)	2017 ^(b)
Europe	78	63	63
<i>Of which France</i>	50	37	41
Americas, Asia-Pacific	79	77	162
Middle East, Greater Africa	52	46	40
GROUP TOTAL	209	186	265

(a) Excluding MOM and Safilait.

(b) Including MOM and Safilait.

The Group's average rate of job insecurity (excluding MOM and Safilait) is 11% (calculated excluding temporary staff). This rate represents the number of fixed-term positions compared to the total number of staff (fixed-term + permanent + temporary staff).

This average masks significant local differences. For example, in Iran (part of the Middle East, Greater Africa region), where Bel employs 377 people, a fixed-term contract is standard legal practice and is not a sign of job insecurity.

Rate of job insecurity ^(a)	2015	2016	2017
Europe	3.8%	3.9%	4.9%
<i>Of which France</i>	2.9%	2.1%	2.2%
Americas, Asia-Pacific	0.0% ^(b)	11.8% ^(b)	13.3%
Middle East, Greater Africa	21.1%	20.0%	20.2%
GROUP	9.9%	10.2%	11.0%

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

(b) Layoffs in the United States are not included in this figure.

2.7 Guaranteeing health, safety and well-being at work

Several years ago, Bel put continuous improvement processes in place tailored to the diversity and complexity of the situations encountered.

Making safety the top priority

Health and safety are an absolute priority for Bel, for both its employees and any other person working within the company. Bel has therefore introduced a health and safety policy that aims to achieve "zero accidents", by preventing and controlling risk and through a continuous improvement process.

Since 2012, the Group has monitored the frequency rate of all accidents leading to medical treatment involving not only its employees but also any other people on its sites (e.g. visitors, subcontractors and temporary staff), regardless of whether or not they led to lost time. This indicator exceeds French regulatory requirements for mandatory monitoring of the accident frequency rate, which covers accidents involving lost time suffered by Bel employees. This more stringent monitoring reflects the Group's commitment to health and safety.

As a result, Bel's accident frequency rate has been in constant decline since 2014. The Group's goal is to reach a frequency of "3" by 2025, with the ambition of achieving a zero-accident rate.

	2015	2016	2017
Bel accident frequency rate ^(a) Bel AFR Accidents with and without lost time for all persons present on Bel sites	10.7	8.2	6.7 ^(c)
Accident frequency rate ^(a) AFR1 Accidents with lost time for Bel employees	4.8	4.3	5.0 ^(d)
Accident severity rate ^(b) for Bel employees	0.1	0.1	0.2 ^(d)

(a) Number of accidents per million hours worked.

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

(c) Including Safilait (industrial site) but excluding MOM.

(d) Including Safilait (industrial site) and MOM.

The Group is taking many measures to achieve this, including investments to improve the safety of workstations at its sites.

People's behavior remains a major factor in preventing accidents and occupational illnesses, however. This is why the Group has set up a Behaviour 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. Over 18,000 BSVs were conducted in 2017 (see paragraph 2.3.2 of the registration document "Risks related to the strategy and organization").

To go even further, in 2017 the Group partnered with a specialized external service provider to survey all of its employees and external personnel on its sites to evaluate their perception of the safety culture at Bel. Related action plans will be launched in 2018.

Bel also set up a Group Safety Steering Committee in 2017, with coordinators in each geographic area. The Group has also introduced a procedure that aims to ensure that all accidents are reported to the other sites' management within 48 hours in order to prevent similar accidents.

Reducing discomfort and preventing occupational illnesses

Bel is taking action to prevent musculoskeletal diseases by reducing load lifting and uncomfortable postures. The Group

has also identified at least three sources of discomfort that may affect employees working in its plants: noise, night work and repetitive tasks.

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

Bel also created an e-learning program for employees at its headquarters in 2017 to raise awareness of psycho-social risks.

Providing an organization 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.

Most of the Group's subsidiaries therefore grant more paid leave than the minimum imposed by national laws and regulations.

	2015	2016	2017
% of employees receiving at least three weeks of leave per year	95%	94%	97%

The Group is also looking at new ways of organizing working hours. In 2015, it signed an agreement to introduce telecommuting for all employees working at the head office in order to promote their well-being by reducing their home/office commute. All employees are therefore entitled to work from

home once a week, or twice a week if they are over the age of 55, unless the nature of their job prevents this.

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.

Illness absenteeism rate	2015	2016	2017 ^(a)
Hours of absence due to illness/theoretical working hours	2.45%	2.21%	2.00%

(a) Excluding MOM and Safilait

2.8 Promoting equal opportunity and diversity within the Group

Bel fights all forms of discrimination and promotes equal opportunities when hiring employees and throughout their careers.

Gender

For non-managers, the 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). The Group

nevertheless still believes that the average breakdown of men/women non-managers, all regions combined, could be improved.

Breakdown by gender	2015	2016 ^(a)	2017 ^(b)
Total employees	68%: 32%	68%: 32%	67%: 33%
Non-managers	70%: 30%	70%: 30%	70%: 30%
Managers	59%: 41%	59%: 41%	58%: 42%

(a) Excluding Safilait and MOM.

(b) Excluding Safilait but including MOM.

Breakdown of new hires by gender	2015	2016 ^(a)	2017 ^(b)
Men	698	918	1,041
Women	421	399	566
TOTAL NEW HIRES	1,119	1,317	1,607

(a) Excluding MOM and Safilait.

(b) Including MOM and Safilait.

Although women represent more than one-third of managers on average, the proportion is lower (18%) in the higher grades (1, 2 and the Executive Committee).

The Group therefore rolled out a "Diversity & Inclusion" program in 2016 to improve this proportion. One of its objectives is to have 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 and individual action plans have been defined to achieve them.

Bel launched the first practical actions related to this program in 2017. These sought to identify the areas for improvement, set objectives, raise employee awareness, adapt HR processes and launch a new leadership training program for female employees.

Gender breakdown by grade	2015	2016	2017
Board of Directors ^(a)	5/2	5/2	5/2
Executive Committee ^(a)	9/0	7/0	7/0
Grade 1 ^(a)	15/2	22/4	24/5
Grade 2	78%/22%	74%/26%	79%/21%
Grade 3	68%/32%	68%/32%	68%/32%
Grade 4	60%/40%	60%/40%	58%/42%
Grade 5	60%/40%	61%/39%	58%/42%
Grade 6	57%/43%	56%/44%	54%/46%
Grade 7	50%/50%	52%/48%	52%/48%

(a) Absolute values.

Bel takes care to avoid creating wage distortions between men and women; in 2015, in France, it signed a three-year agreement on gender parity based on four main goals: encouraging equal access to work by guaranteeing non-discrimination during hiring and by developing more diversity in so-called gender-specific jobs, guaranteeing equal pay for equal work, guaranteeing equal access to training for men and women, and promoting a better work/life balance (including making more room for parenthood).

Bel also classes a wage gap of 5% or more in the same country for equivalent grades as a wage discrimination problem.

This gap is currently 3% for managers in France. After taking into account the age difference between men and women, this gap is considered to be explainable, since women are on average five years younger than their male counterparts.

	2015	2016	2017
Average ratio of women's salaries to men's salaries ^(a)	0.97	0.97	0.97

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

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 and 2) by 2025, as part of its "Diversity & Inclusion" program.

Generational diversity

Ten percent of Bel employees are aged 55 or above. Bel is keen to offer them security as their careers reach an end, paying special attention to their working conditions, and to capitalize on the knowledge they have acquired.

In France, the three-year strategic workforce plan was renewed in 2014 and is currently being renegotiated. This supplements the intergenerational agreements – which plan ahead for changes in the workforce through departures for retirement – and disability agreements. It aims to roll out the necessary tools to address changes in jobs and qualifications.

Employee breakdown by age	2015		2016 ^(a)		2017	
	%	Total	%	Total	%	Total
55 years and over	11%	1,172	11%	1,198	10%	1,303
45 to 54 years	26%	2,811	27%	2,866	26%	3,346
35 to 44 years	35%	3,837	35%	3,735	34%	4,312
26 to 34 years	25%	2,699	24%	2,591	27%	3,417
25 years and under	3%	327	3%	309	3%	365
TOTAL	100%	10,846	100%	10,699	100%	12,743
Mean age		42 years		42 years		4 years

(a) Excluding MOM and Safilait.

Disability

Bel encourages the inclusion of people with disabilities in its teams. In 2011, the Group signed a partnership agreement with AGEFIPH⁽¹⁾ in France, and a first Disability Agreement in 2014.

With the signing of a second Disability Agreement in 2017 by the management and employee representatives in France, the Group

reaffirmed its wish to be a committed player in the employment and inclusion of people with disabilities. This agreement seeks to maintain the rate of employment of disabled people at the Group's production sites in France while raising it at non-production sites.

Bel also works with numerous institutions in France that provide work to people with disabilities (protected and adapted sectors).

Rate of employment of people with disabilities	2015	2016	2017
France ^(a)	6.57%	7.86%	7.18%

(a) This rate includes interns and collaboration with the protected and adapted sector.

(1) An association in France providing funding and assistance to help people with disabilities into the workplace.

2.9 Developing our employees' talents

Bel wants to help its employees develop and to retain them. At the same time, Bel must allow for fluctuations in activity and its production sites' changing needs. The Group is also careful to foster interdepartmental versatility that helps make its employees more employable – especially non-managers – while enhancing their professional experience.

Bel provides training programs targeted at and tailored to all its employees – managers and non-managers alike.

Development plans adapted to each employee category

Bel strives to help its employees develop through individual development plans, accessible year-round, which allow them to continuously develop their skills through training, mentoring and work placements.

Group training courses are organized in four areas:

- knowledge of the Group, its history and its business and the implementation of its transformation;

- development of business line technical skills;
- development of managerial and leadership skills;
- development of personal skills. The Group provides literacy classes on certain sites, for example.

The Group has to constantly renew the content of its training programs or create new ones to keep up with technological and organizational changes and the competitive environment. The training formats differ according to their objective, content and target recipients, and include digital training (virtual classes and e-learning), tutoring, internal or external group learning and inter-firm training. More than 1,500 employees were trained digitally in 2017, representing a total of over 7,000 hours.

Training plans for the coming year and internal job transfer opportunities are naturally discussed during individual performance reviews conducted annually for managers (managers, technicians and supervisors) and biannually for non-managers (clerical and manual workers).

Individual performance reviews	2015	2016	2017
% of eligible managers ^(a) receiving an individual performance review (annual basis)	88%	86%	90%

(a) Eligible managers are those with permanent contracts who are on the payroll and worked for the Group for the whole of 2017, or joined before July 1, 2016 and left after July 1, 2017.

The Group has also developed a comprehensive mentoring program aimed at enhancing the learning process by leveraging the experience of Group employees. The pilot scheme was launched with approximately 130 mentor/mentee pairs. It is also an opportunity to strengthen the feeling of belonging to the company and the networks between functions.

The Group launched its Talent Accelerated Program in 2017. This training program is designed for around one hundred high-potential managers at all company levels. It aims to offer them unique development opportunities to allow them to help achieve the Group's growth ambitions. During this 18-month

program, they receive coaching, mentoring and virtual classes, and participate in hackathons. As well as developing skills, the program aims to disseminate agile practices within the company and to accelerate the Group's transformation through a knock-on effect on all employees.

Total number of training hours

Bel met its goal of increasing the number of employees with access to training between 2016 and 2017. The Group has set itself a target of having 100% of its employees participate in at least one training course each year by 2025.

Employee training	2014	2016	2017 ^(a)
Percentage of employees who attended at least one training course during the year	71%	77%	79%
Average number of training hours per employee	24	26	22

(a) Excluding Safilait and MOM.

Versatility and internal job transfers

To avoid any form of discrimination and to ensure transparency for the Group's teams, vacancies are first advertised to Group employees (e.g. via the intranet or display boards) before being

offered to external applicants – unless there are confidentiality requirements.

Bel offers its managers greater career path visibility through measures such as skills guidelines, career guides and potential job transfers.

2.10 Maintaining a positive company climate

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.

Most of the agreements signed in 2017 in various countries where Bel operates deal with compensation (fixed or variable) and employee benefits.

Information about managerial compensation is presented in chapter 4 of the Registration Document.

Employee benefits

Beyond the minimum base set by national laws and regulations, Bel wants to ensure that all of its employees worldwide receive benefits that are in line with Group standards. This is a way of awarding compensation and other benefits that exceed minimum levels.

	2015	2016 ^(b)	2017 ^(c)
% of employees ^(a) with health coverage	94%	93%	86%
% of employees ^(a) with death and disability coverage	94%	94%	88%

(a) Permanent or fixed-term employees.

(b) Excluding MOM and Safilait.

(c) Including MOM and Safilait.

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. The Group's subsidiaries frequently request salary surveys to monitor market practices.

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. 79% of managers) represents at least 8% of their fixed compensation. At least 10% of this variable compensation is contingent on meeting non-financial objectives linked to the Group's CSR policy.

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 include Group performance to strengthen a sense of belonging and pride.

	2015	2016 ^(a)	2017 ^(b)
% of employees who have a compensation system based on the overall performance of the subsidiary or Group	77%	100%	67%

(a) Excluding Safilait but including MOM.

(b) Including MOM and Safilait.

Employee shareholding

Since 2007, Bel has offered bonus share award plans, subject to performance conditions, to some of its employees (see paragraph 6.2.3 of the registration document "Stock options – performance shares").

Labor relations

Bel believes that good labor relations are key to improving life in the workplace. The Group therefore encourages dialog between managers and employees, and between management and staff and/or any union representatives.

Organization of labor relations

The employee representation bodies within the Company, whose members may be elected or appointed by employees, take different forms depending on the country, including works

councils, staff delegates and Committees for Health, Safety and Working Conditions (CHSCT in France).

In its Code of Good Business Practices, Bel recognizes its employees' right to be represented – within the framework of the laws and regulations that apply to them – by their trade union^(a), or other kinds of staff representation, during collective bargaining on working conditions.

In 2017, 82% of employees had access to employee representation.

The Group has also completed discussions with its European employee representatives on establishing a European labor relations committee for all of its European subsidiaries. The related agreement will be signed in 2018.

Review of the collective agreements signed by Bel in 2017

In 2017, Bel signed 29 collective agreements worldwide, 15 of which were in France.

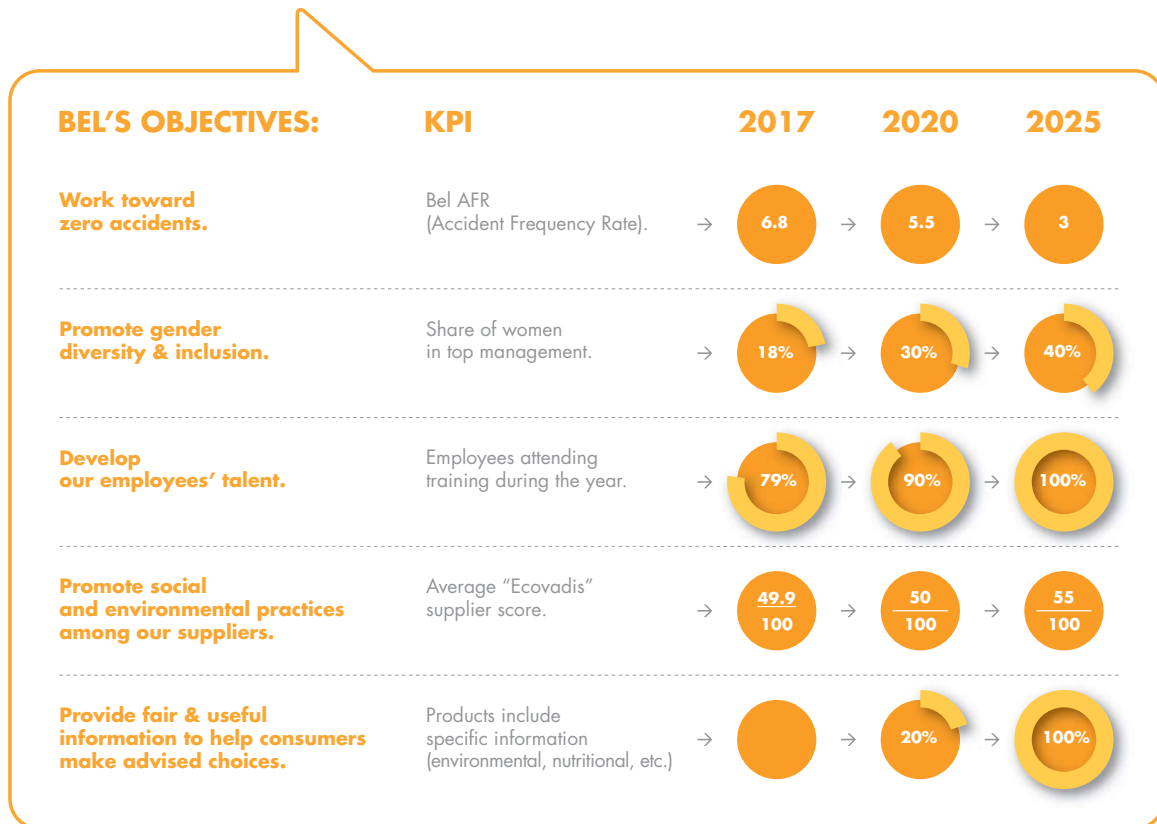
Theme	Country	Details
Remuneration (fixed or supplementary), employee benefits and benefits in kind	France	eight agreements on wages, profit sharing, employee savings plans, health costs and labor relations
	Egypt	one agreement to compensate for the devaluation of the local currency
	Slovakia	one agreement on working conditions, social policy and wages
	Portugal	four wage agreements
	Italy	one agreement on wages, meal allowance, work/life balance and sick leave
	Germany	one agreement on profit sharing
	Belgium	one agreement on bonuses one agreement on profit sharing
Organization and flexible working hours	France	two disability agreements and one intergenerational agreement
	Slovakia	one flexible working hours agreement
Miscellaneous agreements	France	five agreements (scope of labor negotiations, integration of Boursin in the UES, etc.)
	Germany	two agreements on performance assessment and bonuses

Highlights of 2017

- Mapping of Group risks in order to identify gross risks in the areas of corruption, human rights violations and the environment.
- Training of local ethics officers.
- Deployment of communication plans to raise awareness of ethics in all Group subsidiaries.
- Joining of the AIM Progress initiative.
- Joining of the "Sharing Cities" program by two new cities (Antananarivo and Istanbul).
- Signing of a partnership agreement with the International Finance Corporation, a member institution of the World Bank Group, in order to increase the impact of the program in the area of health.
- Inclusion of environmental and social impact criteria in the renewal of the Group's main line of credit.
- Introduction of the communications validation process for all Group marketing teams.
- Launching of the first practical actions in the Diversity & Inclusion program.
- Launching of a mentoring program aimed at enhancing the learning process by leveraging the experience of Group employees.

Priorities for 2018

- Continuing with the deployment of the vigilance plans to comply with the French "Sapin II" and "Due Diligence" laws.
- Continuing with ethics training.
- Accelerating the deployment of communication on the social, societal and environmental impact of Group products.
- Defining a position on responsible communication for children under the age of 12 at Group level for implementation in 2019.
- Setting up a social innovation committee.





COMMITTING TO SUSTAINABLE FARMING

Bel has certain responsibilities as a global healthy dairy and fruit snack food player, including the choice of raw materials that are directly and indirectly used in its products.

Bel has chosen sustainable farming because its activities and their sustainability depend on the land, the people who work the land, the people who care for herds and their future. Bel's priority is to reconcile virtuous agricultural and animal husbandry practices that demonstrate a positive impact for humans, the environment and, more globally, the entire ecosystem within which the Group operates, in order to address climate change and population issues. This approach is in line with Sustainable Development Goal 12 "Sustainable Consumption and Production".

On this basis, the Group has introduced binding actions to promote sustainable farming, starting with two key raw materials in its portfolio: milk and vegetable fat.

Furthermore, for several years, the MOM Group, which was purchased by Bel in 2016, has been applying a number of actions that are a perfect fit for Bel's ambition to commit to sustainable farming.

These actions focus primarily on the origin of apples, developing its own orchards in France, and promoting sustainable farming practices to reduce treatments on orchards.

3.1 Taking action for a sustainable upstream dairy

A binding world charter based on six strategic pillars

Milk is the basic ingredient for cheese making. Bel collects nearly two billion liters of milk from more than 2,650 producers in its ten dairy sourcing regions worldwide each year.

To help feed more than nine billion people responsibly in the future, the Group must develop dairy production while preserving the planet's resources and building long-lasting relationships with its partner producers.

To put this commitment into writing, Bel has defined a charter of commitments for a sustainable upstream dairy at Group level that has been co-signed by WWF France. This covers economic, social and environmental aspects and is structured around six themes:

- farmer sustainability;
- animal welfare;
- pasture grazing;
- sustainable and local animal feed;
- environmental footprint;
- nutritional quality and safety.

Each of these has been developed into actions and ambitious goals to be met by 2025 and are presented in Bel's global charter for sustainable upstream dairy. The Group has included the goals that it considers to be most significant in its CSR scorecard. All of the Charter's themes will be implemented and monitored, however. The action plans will be adapted in 2018 to each of the regions where the Group sources dairy products based on the sector's degree of maturity, the general context, climate conditions and consumer expectations.

This charter also includes commitments regarding other dairy ingredients purchased by the Group, such as cream, butter and milk powder.

Farmer sustainability

Most of the milk used in Bel products is directly collected from its partner producers every two or three days. The Group relies on this direct and regular link to develop long-lasting relations with dairy producers in a fragile economic environment. Dairy farmers' quality of life and working conditions are a major concern for Bel, for which a sustainable growth model is inconceivable without the long-lasting ties and trust of its partners (see paragraph 2.3 "Promoting good social and environmental practices with partners").

In 2017, Bel therefore defined three priority commitments to strengthen the sustainability of these relationships and the production model:

- continuing to develop a network of dairy farms near its production sites in order to strengthen local relations;
- helping dairy producers improve their efficiency, quality of life and yields through training programs, and by sharing good practices or supporting the development of “specific animal husbandry” technologies adapted to each country;
- exploring and encouraging financial solutions tailored to the specific circumstances of each country to help producers invest in the future.

Bel has therefore set itself a target for 2025 of ensuring that all of the dairy producers who supply it with milk have access to innovative social schemes, such as training, long-term contracts or loans.

An unprecedented agreement with the “Association des Producteurs de lait Bel Ouest” (APBO) (Bel West Producers’ Association)

To illustrate this commitment, Bel has strengthened its partnership with the APBO in France through an unprecedented agreement for better milk use.

This unique agreement involves all of the 850 dairy farms that belong to the APBO and guarantees an annual average reference price for the whole of 2018, the deployment of differentiating animal husbandry practices including non-GMO feed for dairy herds, and the development of grazing (commitment of 150 days minimum per year).

Animal welfare

The Group is committed to the welfare of all, from the farm to the plate. It is particularly focused on the well-being of dairy cows, which are the starting point of its value chain and activities. Bel’s primary responsibility is to offer consumers nutritious and high-quality products. High-quality milk production depends on good animal health and welfare. The Group therefore endeavors to address this sensitive issue with its partners to guarantee an environment and practices that are suited to the animals’ physiological and behavioral needs.

It offers practical support to its dairy farmers:

- in France, all of Bel’s dairy farmers have signed up to the Good Farming Practices Charter, which requires them to consider animal welfare, herd health, animal feed, milk quality, personal safety and environmental protection. Regular audits are conducted to check that they are meeting their commitments and encourage continuous improvements in their practices;
- in the Netherlands, 25% of the Group’s dairy farmers use the Cow Compass tool to manage and improve livestock practices, especially in the areas of animal health and welfare;

- in the Azores (Portugal), all of Bel’s milk producers are involved in the *Programa Leite de Vacas Felizes* initiative, which revolves around five themes: grazing, animal welfare, food safety and quality, sustainability and efficiency. In 2016, this program received the Good Dairy Commendation from Compassion in World Farming (CIWF).

The Group wants to go further, by rolling out these good practices across the board to all the dairy sourcing regions where it collects milk. A “Bel Animal Welfare Charter” is currently being defined. This aims to harmonize and promote a set of strict common standards at Group level.

The Group’s ambition is for all of its milk producer partners to comply with the Charter’s commitments and to ensure that this compliance is verified and certified by an independent third party by 2025.

Pasture grazing

Bel encourages grazing whenever conditions allow. The pastures used for grazing may help provide environmental goods and services such as water quality, carbon storage and biodiversity. Grazing also increases the protein autonomy of farms more than other systems. Grazing in appropriate conditions can also offer benefits for the health and well-being of dairy cows.

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

The Group’s commitment is therefore two-fold:

- Bel sets grazing objectives wherever this is possible and beneficial, while maintaining a necessary flexibility according to local climate conditions;
- Bel’s breeder partners therefore commit to a minimum of 120 days of grazing per year in the Netherlands, 150 days in France and 365 days in the Azores, since these three sourcing regions have very different climate constraints.

If grazing is not possible due to climate, geographic or structural limitations, the Group encourages its breeder partners to create conditions that are respectful of animal welfare, such as good air quality and good building ventilation, with at least one stall per cow with enough space to lie down and rest at the same time, and so on.

Sustainable & local animal feed

Limiting the environmental impact of dairy cattle feed

Feed varies according to the geographic location of farms. However, a dairy cow’s diet is usually composed of 80% fresh grass and fodder, and 20% other feed (grains, canola, soy, sunflower, and so on). More than 90% of its feed is locally sourced.

Since 2012, Bel and the WWF France have been working together to evaluate and minimize the environmental impact of dairy cow feed. A joint study of the environmental risks related to each raw material in this feed has shown 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).

We now know that unregulated soybean and palm cultivation is a major cause of deforestation.

Supporting the establishing of responsible supply channels

Knowing this, in 2014 the Group took practical action to support the creation of responsible supply channels 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 all of the volumes of soy meal (73,000 metric tons in 2017) and PKE (45,000 metric tons in 2017) used worldwide for the manufacture of its cheeses. The purchase of certificates supports the establishing of responsible supply channels and helps local producers move toward responsible production methods;
- Bel has also set up two sponsorship projects that support associations on the ground: in Mato Grosso (Brazil) to promote responsible soybean production, and in Borneo (Malaysia) to help small oil palm producers to obtain RSPO certification.

In a further step, the Group has committed to ensuring that its soy meal and PKE come from sustainable and traceable channels (RTRS and RSPO) by 2025.

Encouraging local and GMO-free animal feed

While dairy cow feed may contain a small percentage of GMOs, they are not found in the milk (see paragraph 4.2 "Guaranteeing the nutritional quality of products").

In 2017, a new milestone was nevertheless passed, as Bel wished to continue its efforts, with the assistance of WWF France, to conduct an exploratory study in France, the Netherlands and Slovakia to identify local alternatives to imported genetically-modified soy.

The study's encouraging results have allowed the Group to include a goal of achieving 100% GMO-free feed by 2025 in Bel's Charter for a Sustainable Upstream Dairy Sector. In France, this target should be reached by 2019, according to the agreement with the APBO.

At the same time, the Group is now exploring country-by-country solutions for 100% local feed, assessing their impact on the efficiency of farms, the local economy and the environment, and then setting an appropriate goal.

Environmental footprint

At a time when fossil fuel and water resources are increasingly scarce, 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.

An initial evaluation stage is essential before then introducing virtuous practices to limit the impact of dairy production on the environment and water availability.

Reducing greenhouse gas emissions

According to the United Nations Food and Agriculture Organization (FAO)⁽¹⁾, dairy cattle farming accounts for 2.9% of the planet's carbon emissions.

Wherever possible, the Group helps its producers in its various sourcing regions to control and reduce greenhouse gas emissions, whether through animal waste management, the quality of animal feed or crop mineral fertilization. In France, for example, Bel lent its expertise to the "Ferme Laitière Bas Carbone" (Low Carbon Dairy Farm) project run jointly by dairy industry stakeholders, which aims to reduce the greenhouse gas emissions of the entire French dairy industry.

In order to align its greenhouse gas objectives with scientific recommendations across its entire scope of responsibility, the Group also began its Science Based Targets initiative in 2017 (see paragraph 5.2 "Reducing Greenhouse gas emissions").

Limiting the impact of production on water resources and increasing resilience to water stress

Controlling the impacts of dairy production on water resources is a major concern for both the sector and for Bel. In the Netherlands, all of Bel's partner producers use the Annual Nutrient Cycle Assessment tool to optimize the management of minerals (carbon, nitrogen and phosphorus; the last two are water pollutants) on their farms.

Bel's main milk supply regions (the Netherlands, France and Portugal) are located in areas where there is little pressure on water resources, according to the FAO. Nevertheless, respect for water resources is a major challenge in other regions where the Group is present, such as Morocco and Iran.

The Group is therefore closely monitoring the "Climalait" project, led by French dairy stakeholders. The project's goal is to establish an inventory of water resources according to the soil, weather conditions, altitude, crops, and so on. The Group will use these results to define priority action plans to be implemented with its producers at each type of site (see paragraph 5.2 "Using water sustainably").

The Group's goal is for all its dairy sourcing regions to set up action plans to increase resilience to climate change and water stress by 2025.

(1) Source: FAO (Tackling Climate Change through Livestock – 2013).

Nutritional quality and safety

The Group ensures the strict traceability of all the ingredients in its recipes, and particularly of both liquid and solid dairy raw ingredients. These are all subject to multiple safety checks as soon as they enter production sites (see paragraph 4.1 “Guaranteeing optimal food quality and safety”).

Because Bel is anxious to meet the growing expectations of consumers in terms of quality, nutrition and sustainability, it has partnered with a specialized consulting firm to conduct a

bibliographical study of nearly fifty scientific publications in order to identify the animal husbandry practices most likely to improve the nutritional profile of milk.

This first step uncovered the positive impact of the amount of fresh grass and oilseeds in feed on the lipid profile of milk.

To go even further, the Group wants to pilot projects under real conditions to study and assess the positive impact of more sustainable farming practices on the nutritional quality of the milk used in its products.

3.2 Using vegetable fat within strict limits

The Group wishes to promote the development of sustainable and local channels not only to limit its impact on the environment, but also to support the development of the regions where the group is located, especially in emerging countries.

This is why the Group has chosen to develop new ranges of products combining dairy and non-dairy fat. Bel has therefore defined a set of commitments in order to be able to use vegetable fat from local crops while ensuring a superior standard for the consumer in terms of taste, nutritional qualities and responsible procurement.

Guaranteeing responsible procurement

The RSPO criteria form the basis for a sustainable supply of vegetable fat, particularly including:

- environmental responsibility: no deforestation of protected forests and the protection of biodiversity (see paragraph 5.4 “Working to avoid contributing to deforestation”);
- the responsible development of new plantations: use of sustainable agricultural practices;
- trusting relationships with local communities and consideration of induced impacts;
- fair working conditions in keeping with international labor legislation;
- transparency, the identification of collection regions and traceability along the entire chain.

In order to promote the use of sustainable and local vegetable fats, as well as short supply chains, Bel has taken a two-tier approach based on the sectors present locally:

- where RSPO-certified production exists locally and can meet Bel's technical specifications, the Group undertakes to source products from local suppliers and to establish long-term partnerships;
- where no RSPO production is available locally, Bel undertakes to choose vegetable fat procurement with the greatest positive impact possible in order to support the development of the regions where the Group has operations. This may lead the Bel Group to work with local stakeholders to develop local and sustainable sectors that meet criteria equivalent to RSPO certification.

Guaranteeing superior standards in three areas to consumers

Our recipes' nutritional profiles must obey the principles of innovation and internal improvements in terms of their nutritional composition and ingredients lists. New recipes developed using vegetable fat must therefore be superior for the consumer in three areas: a taste preference for the new product on the part of a majority of consumers, nutritional values that are better or equal to the leading product on the market or to Bel's previous recipe, and a local, sustainable supply.

Highlights of 2017

- Defining of six strategic pillars for a sustainable upstream dairy at global level
- Strengthening of the partnership *between* Bel and its producers in France through an unprecedented agreement for better milk use.
- Concluding of the joint study with WWF France to increase the accessibility of local, GMO-free animal feed in the Netherlands, France and Slovakia.
- Changing of the Leerdammer sliced cheese range into a range produced from milk from grass-fed cows (120 days of grazing per year).
- Formalization of Group commitments and criteria for the use of responsibly sourced vegetable fats.

Priorities for 2018

- Defining the “Farming for the future” program aimed at identifying and sharing existing best practices for a responsible upstream dairy sector.
- Defining annual objectives and action plans for each dairy sourcing region in order to achieve the Group's ambitions by 2025.
- Formalizing the Group's animal welfare policy.
- Reaching the goal of 100% responsibly sourced vegetable fats.

BEL'S OBJECTIVES:

KPI

2017

2020

2025

Contribute to better life quality and working conditions of farmer partners.

Farmer access to innovative societal schemes.



Promote animal welfare practices to encourage livestock wellbeing.

Farms certified by third-party.



Foster non-GMO feeding of the cows providing our milk.

Milk collected from non-GMO fed cows.



Ensure sustainable sourcing for vegetable fat used in our products.

Sourcing certified or under charter commitment (if no existing certification).





PROMOTING CARING NUTRITION

As an agro-food group, Bel is aware of its responsibility to help feed the world's population. At the same time, public health policies in many countries are trying to tackle the poor eating habits that can lead to metabolic disorders or even chronic illness.

Knowing this, the Group has chosen to support the Sustainable Development Goal of eradicating hunger by 2030 and ensuring that everyone, including vulnerable people and infants in

particular, has year-round access to a healthy, nutritious and adequate diet.

When eaten in moderation, Bel's products may contribute to a balanced diet and offer a solution to these two issues. Cheese is an important source of calcium, which is an essential nutrient for growing children, and is compatible with the nutritional needs of all.

4.1 Guaranteeing optimal food quality and safety

As a responsible business concerned for the health of its consumers, Bel takes the measures necessary to ensure a strict standard of food safety and to meet regulatory requirements.

Following a strict food quality and safety policy

Mindful that there is no such thing as zero risk, Bel works in close collaboration with all the participants in its value chain to deliver safe and healthy products to its consumers.

The Group has also begun working to obtain certification of its Integrated Management System at its structures and production sites (ISO 9001, BRC, IFS, FSCC 22000, ISO 14001, OHSAS 18001, etc.)

Strict control and traceability of raw materials

In order to prevent food fraud and to guarantee the authenticity of its products, Bel has established a fraud prevention policy and process within its own supply chain to meet the requirements imposed by the regulations and specific certifications.

The Group also ensures the strict traceability of all the ingredients in its recipes, and particularly of both liquid and solid dairy raw ingredients. These are all subject to multiple safety checks as soon as they enter production sites.

They then undergo further microbiological, physical-chemical and organoleptic testing before being used in production. All packaging, and especially packaging that comes into direct contact with products, undergoes a similar inspection upon arrival at Group plants.

Assisting dairy producers

Milk quality begins on the farm. Farmers are responsible for the safety and compliance of the milk that they produce. They must take suitable measures to guarantee quality. To prevent any

upstream risk such as bacteriological risk, Bel's dairy production technicians continuously teach producers about good practices for producing quality milk. If the milk quality falls below Group standards, our technicians propose and set up targeted actions with the producers, including:

- a farm audit (sometimes in the presence of a veterinarian);
- proposed action plans to improve milk quality;
- monitoring for a period of a few months to one year to help the producer bring about improvements.

Milk: a fragile raw ingredient

Milk is a fragile, living substance that deteriorates when exposed to air, light and the ambient temperature. To preserve its qualities, Bel collects milk within 72 hours of milking and supplies refrigerated tanks to some of its producers. Milk quality is subject to stringent inspections. The milk must meet very specific composition criteria (fats and proteins) and strict safety criteria and contain no traces of antibiotics. Samples are taken during milk collection and upon arrival at the plant, enabling the implementation of a quality control plan that includes laboratory analyses. In very rare cases, the milk is not used if the quality is considered to be inadequate.

Audits of strategic partners

Quality audits are conducted of major suppliers of the most sensitive raw ingredients and of subcontractors whose products bear Bel brand names. These audits are performed by buyers in coordination with the DQRCTG Department and regional operational teams. If any minor non-compliances observed pose no food safety risk, the suppliers and subcontractors audited guarantee to the Group that corrective actions will be taken within a specific time frame.

Strict procedures at every stage of the product life cycle

Every stage of the product life cycle is subject to stringent inspections, from production of the raw ingredients to the release of the finished product. All of the records linked to these inspections, which are evidence of the results of analyses, are kept at the sites. All of these inspections are performed by the plant's analysis laboratory or by accredited independent external laboratories, where necessary. Overall compliance with the specified requirements is guaranteed by the competent health authorities and certified by the approval mark that all of the plants affix to Bel products. The frequency of these inspections is based on the Group's HACCP assessment and is tailored to the (raw) ingredient in question.

At production sites

Food safety and quality are prerequisites at Bel's 32 production sites. These all have the same requirements defined by the Group and meet internationally recognized standards.

The Group's food quality and safety policy includes measures and procedures that are implemented throughout the production chain to avoid any risk of contamination (see paragraph 2.3.1 of the registration document "Risks related to products"). Products processed by Bel are inspected to guarantee their compliance with regulatory requirements according to many criteria, including microbiological and chemical criteria, foreign bodies and allergens.

Quality control plans concern semi-finished products (work in progress), finished products and the production environment (e.g. air, water, machines, manufacturing premises, staff, etc.). On production lines, Bel's semi-finished and finished products must meet requirements that exceed the regulatory minimum, especially with regard to pathogens.

As a precaution, special attention is given to product safety by strengthening controls, especially for foreign bodies, and preventing risks of malicious acts.

Bel has been deploying a global policy of malicious act risk management called "Food Defense" since 2013. This includes a comprehensive analysis of the risks and threats to all plants, the establishing and implementation of action plans dedicated to the application of the associated control measures, and their monitoring. These risk analyses are reviewed on a regular basis.

The pasteurization process used at Bel sites also ensures the proper preservation of collected milk and manufactured products, whose preservation is reinforced by the protective individual packaging of individual portions.

These standards guarantee the structure, compliance and effectiveness of the HACCP (Hazard Analysis Critical Control Point) system that Bel has put in place at all of its production sites to identify, assess and control significant food safety dangers.

Downstream of production sites

Bel audits its product distribution chain to ensure compliance with the cold chain, transport and preservation conditions for its products. For over five years, Bel has been sharing its good storage and Distribution Practices Charter with its distributors (importing customers) in various regions. This charter is tailored to each distributor following individual inspections or audits.

Similar requirements for products that are subcontracted and/or associated with partner products

The Group's product quality, safety and traceability requirements are applied without exception to all subcontracted and co-branded products. Particular attention is paid to co-branded products to ensure that the association of a Bel brand product with a different branded product always meets the expectations of the Group's consumers.

Guaranteed traceability throughout the food chain

Bel takes the steps necessary to ensure traceability, from raw material purchases to the distribution of its products to consumers. Measures are implemented at every stage of the product life cycle under the Group's supervision. Suppliers are also required to meet an optimal deadline for obtaining traceability results. Ensuring the full traceability of products right up to consumption 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 also identified by means of labels that link each unit to the corresponding product batch code.

The methods applied make it possible to identify, at any time, product batches containing a batch of ingredients that has been reported. A single Group tool also provides information about where all of its products are stored, whether with the final customer or anywhere within its distribution network. Regular traceability testing is carried out to identify its raw materials, for its manufacturing processes and for downstream traceability. Tracking provides knowledge about logistical flows and allows the Group to store food safety data, promptly send data in response to requests from authorities, identify risks, and isolate individual production runs if necessary. This guarantees that any withdrawals or recalls are carried out efficiently.

In order to prevent and manage risks, the Group has also developed and put in place a procedure for managing food quality and safety alerts. This includes a recall procedure to manage any potential health/quality crises triggered by serious alerts in a quick and organized way.

With this procedure in mind, traceability testing is performed on a regular basis to test the readiness of the crisis team and the efficiency of the system for contacting partners, and to check the effectiveness of the Group's performance continuity in terms of downstream traceability so that it can respond to a possible crisis.

Protecting consumer health and safety and ensuring a relationship of trust

By providing accurate and useful information to protect their health and safety

Bel always provides information on the composition of its products (presence of allergens, nutritional information and fat content). The nutritional information given on its products is produced in accordance with European regulations on nutritional information for consumers and with the help of calculation tools based on the nutritional values of each ingredient. The results of internal analyses are checked by an independent accredited laboratory according to an annual monitoring plan.

The Group also provides consumers with instructions on how to store its products (e.g. storage temperature and best-before date) on its packaging.

By offering a proactive consumer service

Bel has introduced an efficient quality complaint management system for the entire Group to improve both customer satisfaction and the quality of its products by analyzing causes and taking any necessary corrective and/or preventive actions. Product quality complaints consist of written, electronic or oral complaints by external customers about a product sold by the Group that does not meet the expected quality requirements (traceability, integrity, reliability, safety, and so on).

A new tool, named We Care, has also been deployed in the Group's subsidiaries to monitor and centralize consumer feedback (requests, complaints, congratulations and suggestions).

4.2 Guaranteeing the nutritional quality of products

Bel wants all of its products to meet the expectations both of consumers, in terms of enjoyment, and the public health authorities.

Committing to constantly improving nutritional quality and naturalness

Meeting consumers' organoleptic expectations

The Group regularly analyzes its products using sensory profiles, in order to verify the quality delivered to the consumer. Most of these analyses are conducted by panels of experts trained in detecting subtle differences, so that the stability of our products can be checked. In 2017, Bel adopted a complementary approach with employees, who are also consumers of Group products. Over the year, more than 400 employees gave their opinions of product developments and improvements as part of the "Taste & Share" program.

The Group continually refines its branded products to meet these differing expectations. In all, Bel's products are based on over 550 different cheese recipes.

For example, the consistency of The Laughing Cow and Kiri products is creamier or runnier depending on the country in which they are sold. In a further example, the Group has been extending its offering of Leerdammer brand products for the last few years, producing new ranges (e.g. smoked, characterful and fruity) by changing the cultures used in its recipes and the curing time.

To develop its nutrition expertise, the Group also conducts research programs in partnership with universities and academic institutes (INRA, CNRS, etc.) in order to better understand the nutritional and behavioral impact of its cheese portions on its consumers' diets.

Selecting quality ingredients

Bel takes particular care with the selection and list of ingredients used in its products' recipes, while maintaining optimal organoleptic properties.

Ahead of the recipe formulation stage, ingredients and raw materials must be chosen that make the finished product of benefit to the consumer or prevent any suspicions (see paragraph 4 "Committing to sustainable farming").

For example, at all of its sites, Bel only purchases GMO-free raw materials and ingredients, as defined by European Union Regulations⁽¹⁾.

Simplifying our recipes

The fresh and pressed cheeses sold by Bel do not contain any additives.

However, Bel sometimes uses food additives in other recipes to meet precise specifications – a long shelf life or an ability to keep without refrigeration if the integrity of the cold chain cannot be guaranteed – and consumer expectations (e.g. a creamy texture or attractive color).

The Group only uses ingredients and additives authorized by local regulations, and whose safety has been demonstrated by scientific studies that have provided the authorities with the necessary evidence to justify their use in food products. However, because some consumers may be wary of certain ingredients, the Group has taken a comprehensive approach to the optimization of product quality, systematically limiting their use and aiming to gradually remove them completely from certain recipes.

In 2017, for instance, the Group replaced the existing The Laughing Cow range with an additive-free offering in Slovakia and the Czech Republic.

(1) Containing no GMOs or in tiny and technically unavoidable quantities (less than 0.9%).

Being attentive to public health issues

In addition to these safety issues, consumers want to take care of their health by limiting foods likely to cause chronic diseases and enjoying the benefits of the products they eat, including dairy products for optimal development.

Many years of work on three key cheese nutrients...

For several years, the Group has been focusing its efforts above all on three key cheese nutrients – fats, sodium and calcium – while controlling the content of other nutrients. The reference quantities are those effectively consumed per unit of consumption, in other words per portion:

- fat: Bel offers reduced fat versions for three of its five core brands: The Laughing Cow, Leerdammer and Mini Babybel;
- sodium: the Group is striving to reduce the amount of salt in its recipes. However, a minimal quantity is sometimes necessary to the manufacturing process and/or to ensure the safety of products;
- calcium: Bel gradually adjusts the calcium content of its products if it appears to be too low and there are proven cases of deficiency in the local population.

Sometimes, when clear deficiencies in certain vitamins and minerals are found, the Group adds more to its portions. The Laughing Cow, for example, has been fortified differently depending on the country: with iron in Morocco and Algeria, and with calcium and vitamin D in Southeast Asia, affecting more than 11 million consumers.

... formalized by a nutritional profiling system and improvement objectives

In 2016, the Group developed a nutritional profiling system to target its products at different consumers (children/adults) on the basis of the World Health Organization's dietary recommendations.

This system, called Bel Nutri+, was launched in 2017 and is intended to guide the development and improvement

of its products, in order to continue with the nutritional improvement process initiated by the Group a decade ago. It gives thresholds for nutrients that should be "limited" (such as saturated fatty acids and sodium) and thresholds for nutrients that should be "promoted" (such as calcium and protein). All the thresholds were defined in accordance with the WHO recommendations and validated by more than a dozen international experts, who are independent nutritionists recognized in the nutritional profiling field.

Bel Nutri+ allowed Bel to draw up a new road map for improving its products by 2025. The goal of ensuring that 80% of the products for children comply with the Bel Nutri+ promise is a priority.

Going further by expanding to other Group food categories

The Group will extend this nutritional profiling system to its other product categories in order to align it with changes to its product portfolio, which now includes non-cheese products. This extension will initially focus on other dairy products (yogurt, UHT milk, etc.), followed by non-dairy categories (e.g. apple compote).

Developing products combining nutritional quality with accessibility for emerging countries

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

Some populations with less purchasing power often find themselves in complex nutritional positions of under-nutrition or malnutrition. The Group has therefore formulated specific recipes adapted to their needs. In cases like these, the challenge for the Group is to provide nutritional added value (specific nutrients studied and competitive superiority) while keeping products affordable for as many consumers as possible.

With this aim in mind, a committee of external, international scientific experts is helping Bel with its thought process and the nutritional scoping of these new products.

4.3 Fostering better eating habits and healthier lifestyles

Bel feels a strong sense of responsibility to help feed the world's populations. The Bel Group wants to do more and express its commitment to its stakeholders by encouraging better eating habits and healthier lifestyles in its employees, partners and consumers (see paragraph 2.3 "Promoting good social and environmental practices with partners").

For our employees and partners

The Group is continuing with its "Healthy Smiles" nutritional education program launched in 2016, which helped to raise the awareness of more than 3,500 employees in Africa in 2017.

This program includes several types of actions: the distribution of educational tools (booklets, posters, games, etc.), events and games on the theme of nutrition and balanced eating, the promotion of infrastructure (access to a catering service and provision of drinking water fountains), the promotion of physical activity and support for women who want to breastfeed.

The encouraging of healthy habits also extends to some of the Group's partners in Africa. In 2017, over 7,000 partners and their families learned about healthy lifestyles.

For our consumers

As nutritional habits have evolved around the world, new nutrition concerns have emerged in recent years. Malnutrition is still a problem in developing countries, while the obesity rate is constantly growing and is contributing to the rise of chronic diseases all over the world.

“Educanut” project

Bel knows that children and their families must be educated to change food habits and lifestyles toward best practices. The Group therefore actively supports nutritional education programs for children through its Educanut project.

The project includes a variety of programs (distribution of teaching tools, organization of events, etc.) designed to help children and their parents better understand the importance of nutrition and physical activity for their health. These may be led in partnership with public health associations, governmental and non-governmental organizations, universities, and so on.

In 2017, the Group supported two programs: one in France and one in Iran.

Bel has been contributing to educational projects in Iran since 2016, in partnership with UNESCO. Through this partnership, it supported a project to develop a booklet and an application on health (good nutrition and water consumption practices) for literacy learners.

Bel has set itself the goal of supporting programs in ten key Group countries by 2025.

Commitment to the Scaling Up Nutrition movement

Bel also wants to participate in the nutritional education of at least 50,000 children a year until 2025 through its involvement in the Scaling Up Nutrition Movement to combat malnutrition in developing countries. In 2017, over 80,000 children took part in nutritional education initiatives in Senegal and the Ivory Coast.

Highlights of 2017

- Deployment of the Food Fraud plan, designed to prevent fraud in the supply chain.
- Continuation of the plan to improve product safety, including through the use of X-rays and the monitoring of Food Defense action plans.
- Launching of the Bel Nutri+ nutritional profiling system for cheese products and defining of the “Nutrition and naturalness” road map for product improvements.
- Launching of the first additive-free The Laughing Cow line in Slovakia and the Czech Republic.
- Participation of over 80,000 children in nutritional education initiatives in Senegal and the Ivory Coast.
- Healthy lifestyle awareness program for more than 7,000 partners and their families in sub-Saharan Africa.

Priorities for 2018

- Continuing to work on reducing the additives in the Group’s product offering.
- Extending the Bel Nutri+ nutritional profiling system to non-cheese products.
- Continuing with nutritional education programs aimed at Group consumers, employees and partners.
- Continuing to work on the nutritional scoping of products for populations with less purchasing power.

BEL’S OBJECTIVES:

KPI

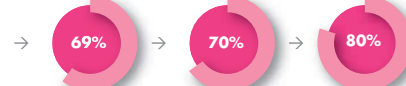
2017

2020

2025

Continuously improve the nutritional quality of our products.

Children portfolio meeting “Bel Nutri+” ambition (Bel nutritional profiling system).



Foster healthy consumption habits and lifestyle.

Key countries where a program is implemented for consumers (“Educanut”).



Key subsidiaries where a program is implemented for employees (“Healthy smiles”).





REDUCING THE ENVIRONMENTAL FOOTPRINT

5.1 Pursuing an ambitious environmental policy

Bel is strongly committed to reducing its environmental impact along its entire value chain. The Group is therefore introducing a continuous improvement process in line with its priority issues, from the upstream agricultural sector to the consumption of products by its consumers, including issues related to its production sites and their environment, based primarily on the direct and indirect risks identified (see section 3.2.2 “Stronger monitoring in the fight against corruption and to ensure respect for human rights and the environment”).

This long-standing approach contributes to the responsible production and consumption of the Group's products, and so is fully in line with UN Sustainable Development Goal 12.

On its industrial sites

Bel has robust data with which it is able to report on the major impacts of its direct activities worldwide, particularly in terms of water, energy and greenhouse gas (GHG) emissions.

The Group sets itself ambitious targets for reducing its sites' water and energy footprints. It invested over €6 million in reducing its environmental footprint at its production sites in 2017, and has invested more than €45 million since 2009.

The Wasabel (Water Saving at Bel) and Esabel (Energy Saving at Bel) programs allow each site to monitor its level of consumption and develop action plans to reduce it. To amplify these progressive efforts, Bel organizes dedicated training and best practice sharing sessions between sites.

Eighteen industrial sites representing more than 80% of the volume of cheese produced by the Group have put in place an ISO 14001-certified environmental management system to formalize their actions.

Bel is well aware of the impact that its establishments may have on their environment, so it also invests in preserving the biodiversity around its industrial sites (see paragraph 2.5 “Contributing to the vitality of host regions”).

Along its entire value chain

The Group also introduces continuous improvement programs to mitigate impacts throughout its value chain. Bel is particularly committed to reducing greenhouse gas emissions from its upstream agricultural activities, to including its products in the circular economy and to ending its contribution to deforestation by 2025.

5.2 Reducing greenhouse gas emissions

Greenhouse gas emissions are continuing to rise worldwide and have more than doubled since 1990⁽¹⁾. Taking emergency measures to fight climate change and its impacts is one of the 17 Global Goals adopted in September 2015 at the United Nations Sustainable Development Summit.

Global carbon audit

Bel has been conducting a global carbon audit since 2016 to identify significant sources of greenhouse gas emissions (direct

and indirect) along its value chain. This first audit was carried out in accordance with the Greenhouse Gas Protocol's guidelines. It does not include the impacts of the processing of the Group's by-products if they are sold to third parties.

The results of this carbon audit confirmed those of the life cycle analyses previously performed by the Group and showed the significant contribution of dairy raw ingredients to its carbon footprint.

(1) Source: United Nations Sustainable Development Goals.

Distribution of Bel's greenhouse gas emissions along the entire value chainTotal quantity = 4.3 million metric tons of CO₂ equivalent ^(a)

2016

Scopes 1 & 2**6%****Scope 3:****94%**

• o/w dairy raw ingredients	82%
• o/w upstream transport ^(b)	6%
• o/w packaging	3%
• o/w capital equipment	2%
• o/w downstream transport ^(c)	1%

*(a) excluding MOM.**(b) from production sites to warehouses.**(c) from warehouses to stores.*

- 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, and 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.
- Scope 3 corresponds to other indirect emissions (dairy raw ingredients, packaging and upstream and downstream transportation).

Involvement in the Science Based Targets initiative

The Group is aware that its greenhouse gas reduction efforts cannot be limited to its direct emissions. In 2017, it therefore voluntarily joined the Science Based Targets initiative launched by the Carbon Disclosure Project (CDP), the World Resources Institute (WRI), the WWF and the United Nations Global Compact.

By joining this initiative, Bel committed to reducing its greenhouse gas emissions along its entire value chain (Scopes 1, 2 and 3). The Group now has two years to define its targets and have them validated. These must be in line with the Paris Agreement, which aims to contain global warming to within 2°C.

Site greenhouse gas emissions (Scopes 1 and 2)

Reducing our activities' energy footprint

Bel prioritizes actions to reduce its energy consumption as a way of reducing its dependency on fossil fuels and gradually limiting its greenhouse gas emissions. This approach is justified since more than 97% of the greenhouse gas emissions at

its sites are from energy consumption, while the remaining 4% are attributable to refrigerant leaks.

Cheese production is a highly energy-intensive activity, especially milk pasteurization, which is necessary to ensure the impeccable quality of a raw ingredient that is sensitive to bacteriological contamination and the cold storage of finished products.

The Group performed energy audits of its French entities (plants and head office) in 2015 as required by current regulations.

Using renewable energy sources

Based on this reduced consumption, the Group is also studying the possibility of using renewable energy sources while continuing to take local factors into account (availability of energy from renewable sources, technical feasibility and economic impact).

Following the sale of the Cléry-le-Petit site and the acquisition of the MOM Group, Bel now has two biomass boilers. In 2017, these boilers represented 13.6% of the energy consumed for heat production.

The Group has also purchased electricity from renewable sources for the Vale de Cambra (Portugal) and Brookings (United States) sites, and for all of its French industrial sites (excluding the MOM Group) and Dutch sites, accounting for more than half of the Group's total electricity consumption.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Change 2008-2017
Electricity consumption (in MWh)* ^(a)											
Uncertified electricity from a renewable source	247,340	257,531	258,212	264,725	273,392	274,685	263,551	270,929	289,967	182,462	-26%
Certified electricity from a renewable source	-	-	-	-	-	-	6,178	10,048	9,857	150,960	
TOTAL ELECTRICITY	247,340	257,531	258,212	264,725	273,392	274,685	269,729	280,976	299,825	333,422	+35%
Of which renewable electricity	-	-	-	-	-	-	2.3%	3.6%	3.3%	45.3%	
Consumption of oil, gas and biomass products to generate heat and for other purposes (in MWh LHV)* ^(a)											
Oil and gas products	543,381	543,080	541,237	521,335	503,969	489,435	473,679	489,156	437,769	505,372	-7%
Biomass	-	-	-	-	30,307	42,687	32,146	39,911	92,016	79,681	
STATIONARY COMBUSTION	543,381	543,080	541,237	521,335	534,276	532,122	505,825	529,067	529,785	585,053	+8%
Of which biomass	-	-	-	-	5.7%	8.0%	6.4%	7.5%	17.4%	13.6%	
Energy consumption (in MWh/metric ton produced) ^(b)											
Electricity	0.68	0.66	0.66	0.66	0.66	0.65	0.63	0.63	0.60	0.57	-17%
Oil and gas products	1.50	1.39	1.38	1.31	1.22	1.16	1.11	1.09 ^(c)	0.88 ^(c)	0.90 ^(c)	-40%
Biomass	-	-	-	-	0.08	0.10	0.08	0.09 ^(c)	0.19 ^(c)	0.12 ^(c)	

* Indicator audited by the Statutory Auditors with a reasonable level of assurance.

(a) Group total.

(b) Production of cheese and other products that are more concentrated than milk (excluding MOM and Safilait sites).

(c) Since 2015, the metric tons produced have included manufactured products to be reprocessed within the Group. Products that result from a main manufacturing process are considered to be by-products.

Audit of greenhouse gas emissions

Numerous parameters affect the Group's emissions on a worldwide scale:

- manufacturing processes;
- the energy mix used by each site, and especially their use of renewable energy sources.

Other factors contribute to a lesser extent:

- refrigerant leaks: HCFC/R22 refrigerants, used mainly for the storage of finished products, are gradually being phased out;
- fuel consumption by the Group's vehicle fleet.

Breakdown of greenhouse gas emissions*	2015	2016	2017
Scope 1			
Associated with fossil fuel and gas consumption	56.3%	48.1%	56.4%
Associated with biomass consumption	0.3%	1.0%	0.9%
Associated with refrigerant leaks	3.5%	3.8%	2.4%
Associated with the fuel consumption of the Group's vehicle fleet	4.7%	9.3%	4.2%
Scope 2			
Associated with the generation of electricity purchased within the Group	35.2%	37.8%	36.1%

* Indicator audited by the Statutory Auditors with a reasonable level of assurance.

Optimizing all these factors allows the Group to gradually reduce its greenhouse gas emissions per metric ton produced and increase its production without increasing its carbon footprint.

Only one site in France (Sablé-sur-Sarthe) is still a part of the greenhouse gas quota system, but the goal is at least to not have to buy quotas even though the site's activity is growing.

GREENHOUSE GAS EMISSIONS – SCOPES 1 AND 2*

Emissions	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Change 2008-2017
kg CO ₂ eq./metric ton produced ^(a)	694	624	615	579	541	520	490	487 ^(b)	431 ^(b)	382 ^(b)	-45%
Metric tons CO ₂ eq. ^(c)	251,048	243,414	241,287	230,437	222,556	219,769	209,941	218,880	234,454	226,734	-10%

* Indicator audited by the Statutory Auditors with a reasonable level of assurance.

(a) Production of cheese and other products that are more concentrated than milk (excluding MOM and Safilait sites).

(b) Since 2015, the metric tons produced have included manufactured products to be reprocessed within the Group. Products that result from a main manufacturing process are considered to be by-products.

(c) Group total.

As required by current regulations, the carbon audits of the French production sites are available at: <http://www.bilans-ges.ademe.fr/>.

Working toward carbon neutrality by 2025

In a further step forward, in 2017 the Group set a target of moving toward the carbon neutrality of its operations (Scopes 1 & 2) by 2025.

Non-site greenhouse gas emissions (Scope 3)**Agricultural raw ingredients**

Aware of its responsibility and dairy production's impact on the environment, the Group has made its commitment to a sustainable dairy sector a priority of 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 paragraph 3.1 "Taking action for a sustainable upstream dairy").

The work is focused on both dairy cow feed and helping dairy producers move toward still more sustainable production practices. Given the significant impact of agricultural raw materials on the Group's overall carbon footprint, the reduction of GHG emissions from this source will therefore be decisive in achieving the targets set in connection with the Science Based Targets initiative.

Bel has also worked with the French Livestock Institute to develop the dairy farm environmental diagnostic tool CAP2ER in France, which it then shared freely with the entire dairy industry.

Transportation/Distribution

The carbon audit revealed that around 7% of the Group's greenhouse gas emissions were generated by the transportation of its finished products from its production facilities to distributors. The Group optimizes the transportation of its raw ingredients 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 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:

- optimize truck and container fill rates;
- optimize transport flows and delivery frequencies;
- study alternatives to road transportation that produce fewer greenhouse gas emissions.

Packaging

As a major player on the healthy snack food market, Bel faces challenges related to packaging. It has therefore introduced action plans to reduce the environmental footprint of its packaging:

- responsible procurement (see paragraph 5.4 "Working to avoid contributing to deforestation");
- eco-friendly packaging design (see paragraph 5.5 "Designing eco-friendly packaging");
- recovery of packaging waste (see paragraph 5.6 "Being part of the circular economy");

5.3 Using water sustainably

Water scarcity affects more than 40% of the world's population⁽¹⁾, a worrying proportion that could worsen due to global warming caused by climate change. Guaranteeing access to clean water and sanitation for all by 2030, and ensuring the sustainable management of water resources, is one of the 17 Global Goals adopted in September 2015 at the United Nations Sustainable Development Summit.

To contribute to this essential collective effort, Bel routinely reduces the water consumption required for production and uses efficient water treatment technologies.

Reducing water consumption at production sites

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).

In 2017, Bel continued to reduce its average water consumption per metric ton of cheese produced. The programs implemented have allowed Bel to reduce its water consumption per metric ton produced by 38% between 2008 and 2017.

Water consumption	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Change 2008-2017
In m ³ per metric ton produced ^(a)	12.53	11.21	11.21	10.93	10.05	9.58	9.24	9.19 ^(b)	8.45 ^(b)	7.80 ^(b)	-38%
In thousands of m ³ * ^(c)	4,553	4,377	4,409	4,350	4,136	4,048	3,956	4,118	4,348	5,000	+10%

* Indicator audited by the Statutory Auditors with a reasonable level of assurance.

(a) Production of cheese and other products that are more concentrated than milk (excluding MOM and Safflait sites).

(b) Since 2015, the metric tons produced have included manufactured products to be reprocessed within the Group. Products that result from a main manufacturing process are considered to be by-products.

(c) Group total.

Quality of discharges from its production sites into the natural environment

To avoid accidental discharges directly into the environment, Bel protects water bodies and river run-off points adjoining its sites with special structures. To limit its negative impact on the environment and protect biodiversity, Bel makes sure that the quantity of organic matter contained in discharges from sites, and the temperature of discharges, comply with applicable regulations.

By reducing their water consumption, the sites automatically reduce their discharges and improve their quality, as the lower

the volume of water treated in treatment facilities, the lower the concentration of organic matter flowing out of these facilities. Most wastewater from sites is treated internally. Discharges sent to third parties for treatment are pre-treated by Bel. The Group spends close to €4 million on wastewater treatment each year.

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).

(1) Source: United Nations Sustainable Development Goals.

	2015	2016	2017	Change 2015-2017
Total wastewater volume (in thousands of m ³) ^(a)	4,152 ^(c)	4,489 ^(d)	4,492 ^(e)	+8.2%
Treated internally	2,196 ^(c)	2,174 ^(d)	2,192 ^(e)	> 0.2%
Treated by a third party with other effluents	1,956 ^(c)	1,934 ^(d)	2,300 ^(e)	+17.6%
Spread untreated	0	381		
Volume of wastewater per metric ton produced (m ³ /metric ton produced) ^(b)	9.2 ^(c)	9.3 ^(d)	8.2 ^(e)	-11.3%
Quality of treated water (in metric tons) ^(a)				
Chemical oxygen demand (COD)	123 ^(f)	94 ^(f)	80.1 ^(g)	-35%
Suspended matter discharged	51 ^(f)	39 ^(f)	30.6 ^(g)	-40%
Total nitrogen discharged	14.5 ^(f)	14.1 ^(f)	14.0 ^(g)	-3.3%
Total phosphorous discharged	5 ^(f)	5 ^(f)	2.6 ^(g)	-48%
Cost of wastewater treatment (in thousands of euros) ^(a)	4,026	3,884	4,491	+12%
Spreading of sludge from wastewater treatment or untreated water ^(a)				
<i>Total dry matter</i> (in metric tons)	1,644	1,540 ^(h)	1,356 ^(h)	-29%
<i>Nitrogen</i> (in metric tons)	136	123 ^(h)	96 ⁽ⁱ⁾	-22%
<i>Phosphorous</i> (in metric tons)	101	101 ^(h)	76 ⁽ⁱ⁾	-25%

(a) Group total

(b) Production of cheese and other products that are more concentrated than milk (excluding MOM and Safilait sites).

(c) Data available for 24 sites, i.e. 85% of total production for this reporting scope.

(d) Data available for 30 sites, i.e. 90% of total production for this reporting scope.

(e) Data available for 29 sites, i.e. 92% of total production for this reporting scope.

(f) Data available for 13 out of the 14 sites providing full treatment before discharge into the natural environment. Data from community stations are no longer collected.

(g) Data available for 12 out of the 13 sites providing full treatment before discharge into the natural environment. Data from community stations are no longer collected.

(h) Data available for six out of the 7 sites that spread their waste.

(i) Data available for five out of the six sites that spread their waste.

Increasing the resilience of agricultural production

Water is a necessary input for agricultural production. On the other hand, agriculture has an impact on the quantity and quality of water resources.

Although our dairy supply regions differ with regard to the effects of climate change, these are being felt more and more all around the world. With water becoming increasingly scarce, particularly in certain areas under water stress in which the Group operates,

two parallel measures are necessary to increase the resilience of dairy farms: a reduction in water needs and the introduction of solutions to satisfy their irreducible needs.

This is why Bel participates in the "Climalait" program, which aims to provide the French dairy sector with practical solutions. In order to extend this approach to all of its production regions, the Group has set itself the goal of ensuring that 100% of its dairy regions have action plans to increase their resilience to climate change and water stress by 2025 (see paragraph 3.1 "Taking action for a sustainable upstream dairy").

5.4 Working to avoid contributing to deforestation

The Group aims to eliminate deforestation from its supply chain by 2025. It has committed to applying increasingly responsible practices in terms of packaging, the raw ingredients used in its recipes and feed for the dairy cows that produce the milk collected to make its products.

In Spain, in 2017, the Kiri brand signed a partnership with a local NGO (*Fundación Apadrina un árbol*), which replanted 10,000 trees in an area destroyed by a forest fire in the Guadalajara region in 2005.

Animal feed

As part of this commitment and its partnership with WWF France, the Group promotes sustainable production of the feed for the cows whose milk is used directly or indirectly in its products (see paragraph 3.1 "Taking action for a sustainable upstream dairy").

Under its agreement with the APBO in France, for instance, the Group offers a bonus to producers feeding their dairy cows GMO-free feed. The Group wants to extend the use of feed that does not contribute to deforestation to all of its dairy supply regions.

Since 2016, Bel has also been purchasing certificates to offset the volumes of soy meal (RTRS certification) and PKE (RSPO certification) used worldwide to produce the milk used in its cheeses.

Vegetable fats

When vegetable fats are used in Bel products, they must comply with the Group's position statement on their use (see paragraph 3.2 "Using vegetable fat within strict limits").

This sets out the following fundamental procurement principles:

- RSPO certification or certification under a similarly demanding standard for vegetable fats;
- the promotion of local purchases and the building of local sustainable sectors;
- the use of vegetable fats from 100% responsible, sustainable and traceable agricultural sectors by the end of 2018.

Cardboard packaging

Cardboard represents approximately two-thirds of the packaging used by Bel. It is divided into two broad categories, each representing approximately 50% of the total volume of cardboard used:

- corrugated cardboard, used for transport packaging;
- flat cardboard used primarily for consumer sales units.

Bel uses cardboard made from recycled fibers wherever possible (see paragraph 5.4 "Designing eco-friendly packaging"). However, for some uses where strength is important (e.g. automated processes and transportation), it uses cardboard made from virgin fibers, as recycled fibers require significantly more material to deliver the same performance.

In 2017, 75%⁽¹⁾ of the corrugated cardboard used by the Group was of certified origin. Bel is currently working on having its flat cardboard packaging gradually certified.

Bel aims to ensure that, by 2025, all of its cardboard, both corrugated and flat, is of certified origin.

5.5 Designing eco-friendly packaging

The individual cheese portion has been the signature Bel concept for nearly a century and lies at the heart of its business model. This format offers numerous advantages that allow the Group to contribute to more sustainable food:

- by improving food quality and safety (see paragraph 4.1 "Guaranteeing optimal food quality and safety");
- by offering consumers the right nutritional intake for their needs;
- by helping reduce food waste (see paragraph 5.6 "Being part of the circular economy").

Bel is nevertheless aware of the challenges posed by packaging use. This is why the Group implements action plans to reduce its environmental impact at every stage of the product life cycle, from design through to end-of-life management. Bel adopts a two-pronged approach to eco-friendly design: choosing the right materials and reducing the quantities used at source.

Packaging design and manufacture must also minimize its environmental impact after use, allowing and promoting recycling and reuse (see paragraph 5.6 "Being part of the circular economy").

This approach will be formally defined by a "Responsible packaging" policy in 2018.

Reducing quantities of packaging

Whether designing new packaging or updating existing models, reducing the amount of packaging used has been a priority for

Bel for several years. Reduction at source is the aim for all the packaging put on the market, regardless of the country, but without compromising the essential functions of packaging, i.e. food safety, preservation, protection, ease of use and minimal risk of waste.

Continuous improvement plans have helped reduce the thickness of the sheets of aluminum used for The Laughing Cow and Kiri portions, which are now a mere 10 to 12 microns thick.

The Group is also working on a project to reduce the quantities of cardboard used in its packaging that will be implemented in its plants starting in 2018. In the United States, combination boxes of four boxes of eight portions have been replaced by boxes of 32 portions, halving the amount of cardboard used.

Using recycled and recyclable materials

One of the Group's commitments is to be part of the circular economy (see paragraph 5.6 "Being part of the circular economy"). Whenever technically possible, the Group therefore:

- includes recycled materials in its packaging;
- uses recyclable materials.

The new Leerdammer sliced cheese packs (roll-out in progress since 2017) are made of recycled PET. Likewise, 75% of the cardboard packaging used by the Group contains recycled fibers ⁽¹⁾.

(1) Excluding MOM.

Using certified materials

Bel has also identified environmental issues concerning the supply of two materials representing 85% of its packaging volume: cardboard and aluminum ⁽¹⁾.

Cardboard

Under its “Zero Deforestation” commitment, Bel aims to ensure that 100% of its cardboard is of certified origin by 2025 (see paragraph 5.4 “Working to avoid contributing to deforestation”).

Aluminum

Each year, Bel sells more than 18 billion individual portions worldwide, the vast majority of which have aluminum wrappers. Although this material only accounts for a small percentage of the Group’s packaging purchase tonnage, its symbolic place

within the brand portfolio means that Bel is keen to actively contribute to its sustainable management.

Aside from its environmental impact, aluminum sourcing can have significant social impacts, such as compliance with labor standards in bauxite mines and recyclable waste not being recycled.

The Group therefore intends to participate in the transformation of the aluminum sector by joining existing initiatives. In January 2017, Bel joined the global Aluminium Stewardship Initiative, whose goal is to establish new standards for responsible aluminum procurement, and whose certification program will be launched in 2018. As a downstream supporter, the Group hopes to encourage the emergence of responsible aluminum certification and will draft a road map aimed at gradually certifying its plants that use aluminum packaging.

5.6 Being part of the circular economy

The circular economy is present in every stage of Bel’s value chain, from the manufacture of its products, to distribution, to their use by consumers.

At Bel, it revolves around two central concerns: fighting food waste and recycling packaging.

Fighting food waste

According to the FAO (Food and Agriculture Organization)⁽²⁾, more than 30% of the food produced worldwide is wasted; equal to 1.3 billion metric tons of food per year.

Bel considers fighting any form of food waste to be an important ethical challenge.

Production sites

Finished product production runs are adjusted to match sales estimates to avoid overproduction of products without a sales outlet.

Bel does, however, produce substandard cheeses in all its manufacturing cycles (for technical or mechanical reasons) in addition to cream and whey from its dairy sites.

All these by-products are reused in the Group’s own plants or resold as raw ingredients in the manufacture of other products. A small portion of them are reused to generate energy (methanization). Bel Industries sells the proteins from milk processing which are not used in its dairy plants to other firms in the food industry. Its Nollibel brand is a leader in its category.

Ultimately, less than 1% of the Group’s by-products are not recovered ⁽¹⁾.

Distribution

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

Production processes, thermal milk treatments, product development and efficient packaging design allow Bel cheeses to keep their taste and health properties over relatively long shelf lives, which helps to avoid food waste.

The Group has taken the necessary steps to enable its sites and logistics warehouses to donate products to food banks. In 2017, Bel’s warehouses in Europe⁽³⁾ donated 196 metric tons of products to charity, including 117 metric tons in France.

In the home

Food wastage by consumers has a high environmental impact, as it includes the impact generated by waste processing, transportation and storage.

According to some estimates, wastage by consumers accounts for nearly half of all food waste. Bel’s individual portion format allows for the optimum preservation of products even when a pack has been opened: the fact that these formats mean that products do not need to be thrown away is the second reason for buying them after convenience of use⁽⁴⁾.

Bel actively participated in preparing the Anti-Waste Charter proposed by the Association Nationale des Industries Alimentaires (French association of agribusiness, or ANIA) in France. Bel signed this charter in 2015 to show the commitment of agro-food industry companies to fighting food waste throughout the product life cycle.

(1) Excluding MOM.

(2) Source: <http://www.fao.org/save-food/ressources/keyfindings>.

(3) In 2017, Bel donated products in the following countries: Belgium, Spain, France, Greece, Italy, the UK, Sweden and Switzerland.

(4) Study conducted in April 2013 with 764 consumers of cheese sold in the self-service aisle.

Bel Foodservice (Bel's catering division) has been assisting school cafeteria chefs with managing waste and reducing food wastage for several years. The goal is to help them to create recipes that are balanced and adapted to children's tastes, to raise children's awareness through fun and educational activities, and to encourage them to sort their waste after meals thanks to the co-financing of waste sorting tables.

Packaging

The packaging of Bel products in individual portions guarantees their quality and safety for several weeks, while offering consumers the right nutritional intake for their needs and helping to reduce food waste.

The Group is nonetheless aware of the issues surrounding packaging waste and is therefore looking for ways to reduce the environmental footprint of its packaging in the home and on its production sites.

On production sites

On Bel's production sites, any packaging off-cuts resulting from the manufacturing process are systematically sorted and sent to the corresponding recycling channels if such channels exist in the country concerned.

Distribution

To reduce waste from packaging and encourage its reuse, the Group launched a project in 2017 to identify and work on other areas of optimization. The following actions were taken:

- review of all the distribution platforms in Europe;
- optimization of packaging in containers exported from France.

In the home

The Group aims to move toward 100% technically recyclable and/or biodegradable packaging by 2025.

This is already the case for 85% of the Group's packaging. However, Bel is hindered by the absence of a collection system for the recycling and reuse of packaging materials in many countries where its products are sold. This is particularly the case for aluminum microwaste and plastic packs.

Bel wants to step up its support for the development of collection and recycling schemes. In France, the Group is a member of CELAA, which intends to help improve the sorting and recycling of small aluminum and steel packages in partnership with Citeo, the company that manages the household packaging sorting and recycling scheme. In 2016, Bel joined a similar initiative in Belgium and wishes to extend these initiatives to other countries.

The Group is also changing the plastic packs for its Leerdammer sliced cheese lines to make them recyclable.

A technical solution for the "Original" line was validated on two test markets in 2017. This solution will be extended to the Group's two main markets (France and Germany), representing approximately 50% of the total volume, in 2018, and then to all markets by 2020. This innovative development allowing the recycling of the pack and the lid means that these packages are already ready for the gradual extending of recycling to all plastic packaging in Europe.

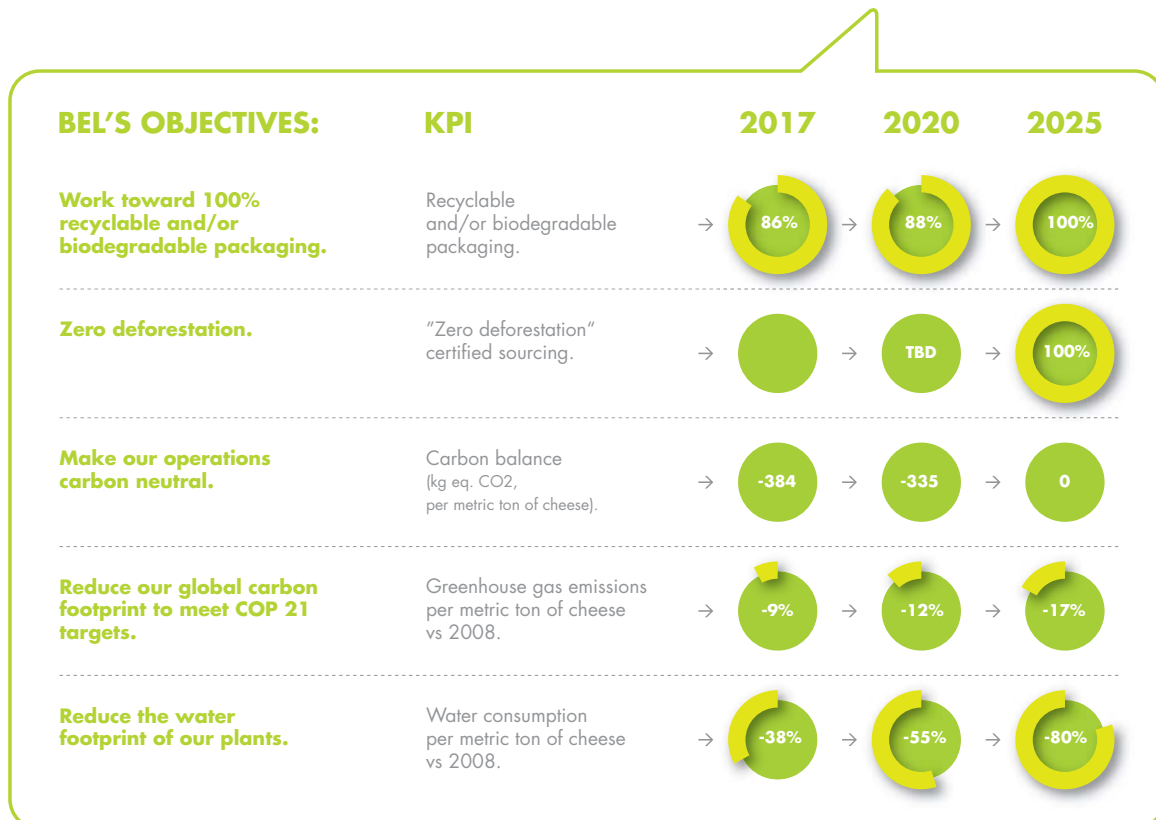
Because consumers play a key role in reducing the environmental impact of packaging through recycling, the marketing teams are also working to provide clear recycling instructions either on the package itself or on brand websites. In emerging countries, the Group is gradually altering its packaging to explain how individuals can act responsibly and reduce litter (see paragraph 2.4 "Providing fair and helpful information to consumers").

Highlights of 2017

- Joining of the Science Based Targets initiative to reduce its greenhouse gas emissions along its entire value chain.
- Setting of the goal of carbon neutrality for Group operations by 2025.
- Zero deforestation objective for the Group's entire value chain by 2025.
- Working toward 100% technically recyclable and/or biodegradable packaging by 2025.
- Validation of the technical solution aimed at replacing the existing Leerdammer sliced cheese plastic pack with a recyclable plastic pack.
- Establishing of a logistics circuit between several French plants and warehouses allowing the use of trucks running only on natural gas.

Priorities for 2018

- Continuing to work on defining the greenhouse gas emission reduction targets in connection with the Science Based Targets initiative.
- Fine tuning the road map toward achieving carbon neutrality for Group operations.
- Finalizing the Group responsible packaging policy.
- Replacing the existing Leerdammer sliced cheese plastic pack with the recyclable pack in the main two markets (France and Germany).





APPENDIX

APPENDIX 1: Correspondence table for the 10 principles of the United Nations Global Compact

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

APPENDIX 2:

Contributing to the United Nations' Sustainable Development Goals

Document paragraph(s)		The Sustainable Development Goals			
2. WORKING FOR PEOPLE WELL-BEING					
2.1	Ethics at the heart of the Group's activities	       			
2.2	Stronger monitoring in the fight against corruption and to ensure respect for human rights and the environment				
2.3	Promoting good social and environmental practices with partners				
2.4	Providing fair and helpful information to consumers				
2.5	Contributing to the vitality of host regions				
2.6	Building an inclusive employment model for our employees				
2.7	Guaranteeing health, safety and well-being at work				
2.8	Promoting equal opportunity and diversity within the Group				
2.9	Developing our employees' talents				
2.10	Maintaining a positive company climate				
3. COMMITTING TO SUSTAINABLE FARMING					
3.1	Taking action for a sustainable upstream dairy	   			
3.2	Using vegetable fat within strict limits				
4. PROMOTING CARING NUTRITION					
4.1	Guaranteeing optimal food quality and safety	    			
4.2	Guaranteeing the nutritional quality of products				
4.3	Fostering better eating habits and healthier lifestyles				
5. REDUCING THE ENVIRONMENTAL FOOTPRINT					
5.1	Pursuing an ambitious environmental policy	     			
5.2	Reducing greenhouse gas emissions				
5.3	Using water sustainably				
5.4	Working to avoid contributing to deforestation				
5.5	Designing eco-friendly packaging				
5.6	Being part of the circular economy				

APPENDIX 3:

Summary of environmental data

	Units	2015 Values	2016 Values	2017 Values
CIRCULAR ECONOMY				
Recovered by-products (excluding MOM)				
Substandard cheeses or similar recovered internally or externally	t	12,772	15,504	17,138
Dry whey extract recovered internally or externally	t	82,445	82,963	83,391
Cream recovered internally (production site or within the Group) or externally	t	45,991	47,623	47,838
Quantity of recovered by-products*	t	141,208	146,090	148,367
WATER CONSUMPTION				
Water consumption in vulnerable zone	m ³	1,965,747	2,132,557	1,933,485
Water consumption in stress zone	m ³	493,958	721,671	659,945
Water consumption in water shortage zone	m ³	264,898	602,338	969,795
Water consumption in non-vulnerable region	m ³	1,393,805	891,296	1,436,860
Total water quantity*	m ³	4,118,408	4,347,862	5,000,085
ENERGY				
Electricity				
Consumption of grid electricity without certification of renewable source	MWh	270,583	289,535	181,942
Consumption of self-generated electricity from fuel oil or gas	MWh	345	433	520
Electricity consumption from a certified renewable energy source	MWh	10,048	9,857	150,960
Total electricity consumption*	MWh	280,976	299,825	333,422
Fuels				
Fuel oil	MWh_LHV	77,092	96,559	86,858
Gas	MWh_LHV	412,064	341,210	418,514
Biomass	MWh_LHV	39,911	92,016	79,681
Stationary combustion*	MWh_LHV	529,067	529,785	585,053
Greenhouse gas (GHG) emissions				
GHG emissions linked to electricity consumption	tCO ₂ e	77,150	88,760	81,888
GHG emissions linked to fuel oil and gas consumption	tCO ₂ e	123,193	112,708	127,939
GHG emissions linked to biomass consumption	tCO ₂ e	587	2,245	1,944
GHG emissions linked to refrigerants	tCO ₂ e	7,553	8,838	5,348
GHG emissions linked to the Group's own vehicle fleet	tCO ₂ e	10,397	21,902	9,614
GHG emissions Scopes 1 and 2*	tCO ₂ e	218,880	234,454	226,734

	Units	2015 Values	2016 Values	2017 Values
DISCHARGES INTO WATER				
Discharge into the natural environment				
Volume of water purified internally with discharges into the natural environment	m³	2,196,270	2,173,602	2,191,714
Discharged chemical oxygen demand	kg	122,572	93,673	80,131
Discharged phosphorous	kg	5,496	4,808	2,571
Discharged suspended matter	kg	51,015	38,547	30,605
Discharged nitrogen	kg	14,471	14,099	14,028
Discharged to an urban wastewater treatment facility				
Volume of water treated by a third party with other effluents	m³	1,955,567	1,933,975	2,299,966
DISCHARGES INTO SOIL				
Spreading of untreated water				
Volume	m³	0	381,078	ND
Agricultural recovery of sludge from wastewater treatment facilities				
Nitrogen	t	123	112	96
Phosphorous	t	101	94	76
Dry matter	t	1,540	1,356	1,088
Discharges into water and soil				
Total volume of discharges	m³	4,151,837	4,488,655	4,491,680
Total cost of treatment of these discharges	€	4,026,167	3,884,469	4,491,235
OTHER EMISSIONS INTO THE AIR				
Nitrous oxide, nitrogen dioxide	t	167	201	204
Sulfur dioxide	t	145	213	194
NOISE POLLUTION				
Percentage of sites whose noise level at its boundaries and emergence level for the most at-risk residents is compliant	%	86	83	83
ENVIRONMENTAL DAMAGE				
Number of incidents	unit	103	101	67
Corrective actions	unit	101	98	67
WASTE PRODUCTION				
Quantity of non-hazardous waste sorted and sent for recovery	t	17,341	16,999	21,947
Quantity of hazardous waste sorted and sent to appropriate treatment channels	t	710	1,291	534
Waste incinerated with generation of energy	t	2,746	2,598	3,077
Waste incinerated without generation of energy	t	262	1,092	490
Waste disposed of in landfills	t	3,333	2,873	6,327
Total quantity of waste		24,391	24,853	32,375
Cost of treatment	EUR	1,352,085	1,432,100	2,039,290
Income from sale	EUR	435,978	434,452	684,973

* Indicator audited by the Statutory Auditors with a reasonable level of assurance.





Sharing smiles

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A French limited company
(*société anonyme*) with share capital
of €10,308,502.50 euros
RCS Nanterre 542 088 067
Code APE/NAF: 1 051C



COMMUNICATION ON
PROGRESS

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

We welcome feedback on its contents.