



SAVENCIA
FROMAGE & DAIRY

Non-Financial Performance Statement 2019



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Trends & vision

Food transition is a major social issue. With “consum’actors” in the quest of Better Food and trust, food is evolving towards a **new model that is more responsible and more respectful of local cultures**. Sustainable development and the digital revolution are transforming the agrifood chain and food retailing. SAVENCIA Fromage & Dairy has **the ambition of reinventing quality food** meeting consumers’ new

expectations: natural, good, healthy, practical and sustainable. By reinforcing its competitiveness and innovation, and its CSR commitment towards its various stakeholders, the Group constantly adapts to risks of the environment, to dairy volatility, to changes in its markets worldwide and in its customers whether in retail or in B to B professionals.



Shared value

For people

- Top Employer Europe 2019
- Payroll costs: **€918 million**
- 73.8%** of employees received training in 2019
- 321** apprenticeship contracts in 2019

For the environment

- Trend in greenhouse gas impact of milk collection: **-217,000 equivalent tons of CO₂** between 2010 and 2019
- Energy consumption: **-5.9%** per manufactured ton between 2015 and 2019

For society at large and communities

- A new formula for evolution of the price for milk jointly developed with the farming community
- SAVENCIA has led retail revenue growth in France between 2016 and 2019 (source: distributor panel)
- Solidarity initiatives: **65%** of subsidiaries have made gifts of food
- Purchases from suppliers and service-providers: **€3,638 million**
- Dividends distributed in 2019: **€16 million**
- Taxes: **€90 million**
- Non-financial assessment: SAVENCIA Fromage & Dairy is included in the 2019 Gaïa Index

Resources

Human resources

- 20,031** employees
- ...in **31** countries
- 60%** of men
+40% of women

Subsidiaries in close touch with their local environment

Environmental and societal resources

- 16,8** million m³ of water
- 2,055** GWh of energy
- 12,000** dairy farms supplying **4.2 billion** liters of milk

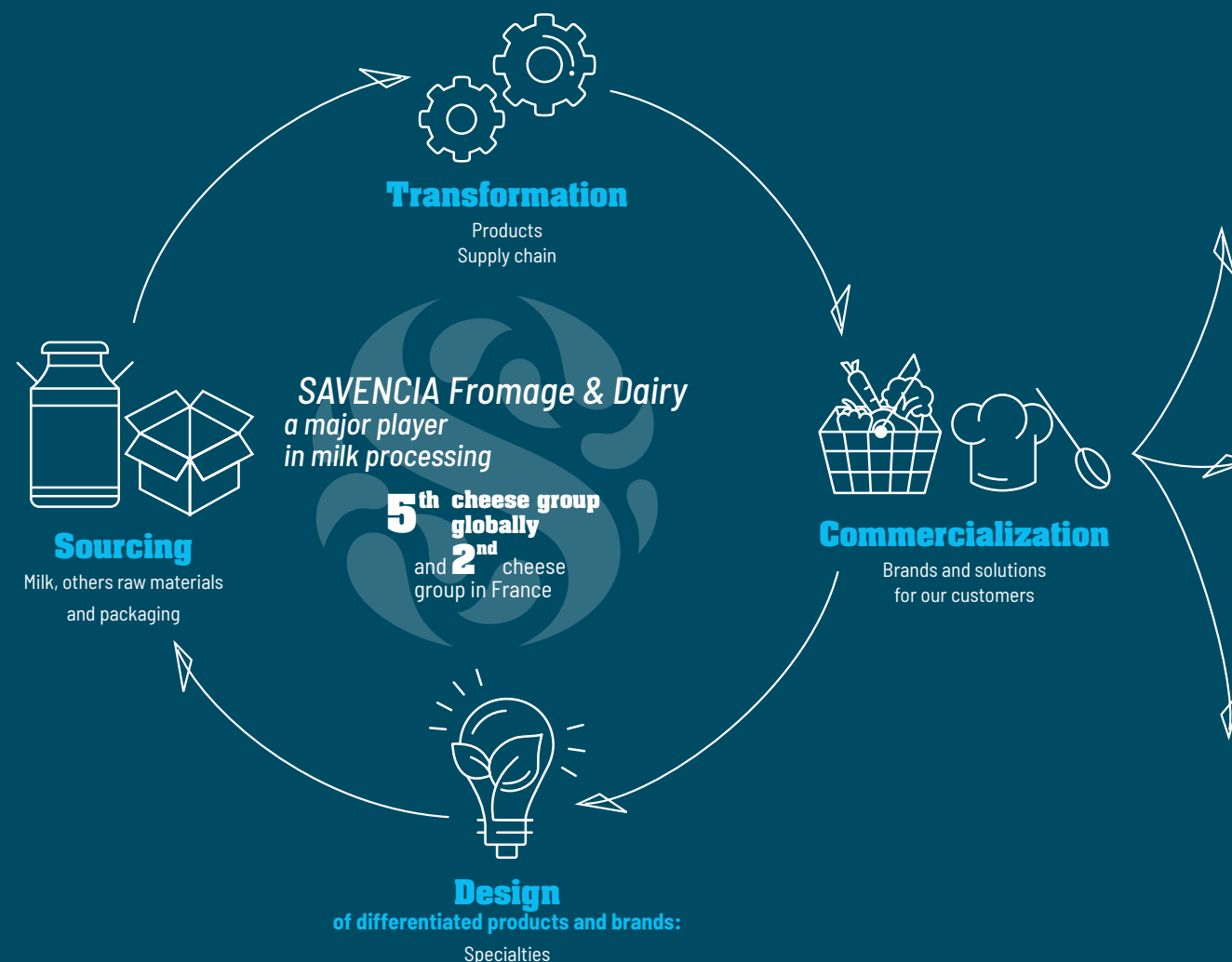
Financial resources

- The stability of a majority family shareholding
- Equity: **€1,464 million**
- Capital expenditures: **€219 million**

Value creation

An international, independent family food group with a long-term perspective. With its strong values and its mission: **LEADING THE WAY TO BETTER FOOD**, the Group deploys a strategy of creating **innovative and high quality products and brands**.

SAVENCIA Fromage & Dairy manufactures and sells differentiated cheeses and other dairy products, under specialty brands, for retail and food service, as well as dairy-based ingredients for industry. The Group relies on subsidiaries in close contact with their local markets as well as by the pooling of global expertises.



Retail

Cheese Products
Butter, cream, infant formula

Food service

Cheese, cheese sauces
Butter, cream

Industry

Functional and nutritional dairy-based ingredients
Technical butters
Dry fruits

Presentation of Key issues

The approach

The process of selection of Groupe SAVENCIA's key issues is unchanged from 2018 but has nevertheless been reviewed in 2019 to reflect:

Regulatory aspects:

- The topics presented in the European directive on the disclosure of non-financial and diversity information dated October 22, 2014, transposed into French law and modifying articles L225-102-1 and R225-104 to R225-105-2 of the French code of commercial law;
- French decree n°2017-1265 dated August 9, 2017: list of topics.

Additional elements such as:

- The Group's business model, business relationships and products;
- The materiality analysis performed by the work group on Corporate Social Responsibility (CSR):

A multidisciplinary group bringing together the Group's key business functions has been established, with support from an external consultant specializing in CSR.

Initial mapping and diagnosis were performed, and CSR issues have been listed.

– 185 stakeholders worldwide were consulted (employees, producers, customers, consumers, suppliers, executives, investors and members of society at large).

Materiality analysis was then performed with a view to selecting the issues identified as priorities both for the Group, and for all its stakeholders;

- Groupe SAVENCIA's approach to Corporate Social Responsibility (CSR):

Our OXYGEN plan, the name of Groupe SAVENCIA's approach to CSR, embodies the CSR ambition of combining meaning and performance, acting in conjunction with our partners and innovating for a sustainable world.

Four major focuses for progress have been identified for the period through 2025:

- The reflexions conducted within the Group's Oxygen Committee. Created in 2019 and led by the CSR Department, it brings together supporting expertise from the Group's Human Resources, Purchasing, Milk Procurement, Marketing, Nutrition, Quality and Industrial departments.

In 2019, the Committee identified a new issue translating into the Group's recent commitment to clarify its ambition with regard to packaging by developing eco-design. The objective is to approach 100% of recyclable or biodegradable packaging for our branded products by 2025.

Methodology

In 2019, the analysis just described sheds light on 16 issues for which the Group's regulatory compliance had been verified, ensuring coverage of the following points:

- The areas provided for by regulatory requirements: Social – Societal – Environment – Human Rights – Combating corruption and tax evasion;
- The other expected themes: Consequences for climate change – The circular economy and food waste – Precariousness – Healthy and sustainable diet – Animal wellbeing – Collective agreements and action in favor of diversity – Handicaps.

For each key focus identified, a commitment has been defined, and quantitative or qualitative objectives have been set.

To ensure the consistency of our overall CSR approach, the issues have been integrated within our four major focuses for progress, and performance indicators relevant to our operating segments have been defined for each of them.

SAVENCIA Fromage & Dairy makes voluntary publication of a Non-Financial Performance Statement in the framework of application of the European directive. Data in France's so-called "Grenelle II" format are available in a specific document which may be consulted on our savencia-fromagedairy.com website.



Our key issues:

ISSUES

Healthy and responsible pleasure

- Improve the nutritional quality and design of our products
- Promote responsible consumption

A sustainable agriculture

- Co-develop a more sustainable sourcing with our suppliers of agricultural raw materials
- Promote responsible purchasing

Environmental footprint

- Reduce our greenhouse gas emissions
- Control our water resources
- Optimize our waste management
- Develop eco-design of our packaging

Employee wellbeing

- Ensure our employees' safety
- Improve quality of life at work
- Develop competencies
- Commit to diversity and inclusion
- Encourage solidary commitment

Society at large

- Respect for human rights
- Combating corruption
- Combating tax evasion

RISKS

- Quality and food safety risk
- Risk of damage to brand reputation

- Risks associated with suppliers
- Regulatory risk
- Climate risk

- Climate risk
- Environmental risk

- Risks associated with human safety and health
- Regulatory risk
- Risk of lack of competencies and attractiveness

- Regulatory risk
- Risk of damage to the Group's reputation
- Financial risks

Healthy and responsible pleasure

1 | IMPROVE THE NUTRITIONAL QUALITY AND DESIGN OF OUR PRODUCTS

Improve the nutritional quality of our products

Issues, risks and policy

SAVENCIA Fromage & Dairy manufactures natural products using carefully selected quality raw materials.

In harmony with its vocation of "Leading the way to better food", the Group is determined to contribute to public health objectives by offering sound and healthy food, with the conviction that it is food a key factor in people's health and wellbeing. To meet consumers' growing expectations of transparency, we provide clear information to guide their choices.

Our teams design and put together concrete and targeted plans for progress with the aim of continuously improving products' nutritional quality and design and promoting responsible consumption. With this purpose, our actions focus on two major drivers, namely product offering and consumer habits, in order to contribute positively to the evolution of dietary practices.

An effective source for the development of a balanced and diversified diet is the size of the portion consumed.

The official recommendations issued in many countries are based on the frequency of consumption and portion sizes for each food category. By adding nutritional per portion labeling for all its retail brands, the Group seeks to provide consumers with an improved understanding of the nutritional benefits of its products.

In the case of pre-portioned products such as cheese slices, or including a visual guide to portion size, the actual unit size is on the product label so that the consumer can identify the appropriate portion and adopt a reasoned and educated mode of consumption.

In the case of products that are not pre-portioned, the portion size approaches the recommended portion of 30 grams of cheese or the portion habitually consumed in the framework of a balanced diet.

The Group undertakes that by 2025, 100% of its branded retail products will include per-portion labeling, thereby going beyond the regulatory requirements of certain countries.

Actions implemented and results

- Caprice des Dieux is a brand committed to the concept of portion size. All packs already included per-portion labeling and in addition, the 150, 200 and 300 gram formats now all include visual portion markings on the bottom of each packet to encourage reasoned consumption of the product.

Key performance indicators

- In 2019, about 49% of our branded retail products include per-portion nutritional labeling.

Responsible design and redesign of our products

Issues, risks and policy

To ensure the sustainability of its activities and reputation, Groupe SAVENCIA must adapt to new habits of consumption and meet growing societal expectations for the sustainability of its products as well as public authorities' requirements.

SAVENCIA's Charter for Responsible Packaging Design has been prepared in 2019.

Its purpose is:

- To **provide** all its subsidiaries with guidelines and proactive orientations for more sustainable and responsible design and redesign of our products;
- To **establish** transversal goals;
- To **facilitate** the phase of diagnosis and structure proposals for product and packaging progress plans;
- To **share** methods and a common vocabulary throughout our teams.

The charter has three parts:

Responsible product design

Our commitment is to have implemented by 2025 a Clean Label approach for 100% of our new branded products, involving an a continuous improvement approach for our product formulation, based on recipe enhancement through the removal of certain additives and a list of ingredients reduced as much as possible.

With that objective, a stage-by-stage process has been defined at Group level, thereby enabling our brands to commit to an approach of progress and optimization of product formulation.

As to the nutritional quality of our products, we make use of both our product offering and consumption behavior to achieve positive improvement in consumption habits by relaying the official nutritional recommendations.

Our commitments are as follows:

- To **ensure** the best possible nutritional composition, in regard to each product's organoleptic quality and use, in order to achieve positive improvement in the nutritional profile of our product portfolio;
 - To **align**, as much as possible, the nutritional composition of our products targeting children, on the thresholds provided by the WHO's marketing guide for products destined for children (percentages of fat, salt and total and added sugar);
 - To **limit** the number of stages in our processing in order to retain the natural nutritional properties of the raw materials used (e.g. milk proteins, calcium and vitamins).
- Eco-design of packaging**
Groupe SAVENCIA's ambition is to design packaging reconciling its indispensable functionalities (contain and conserve the product's qualities - protect the product from shocks, light and contaminants - store, regroup and transport the product), and to adapt to new consumption patterns, with minimum environmental impact.
 - Responsible communication and marketing**
Responsible communication is based on a number of principles: transparency in responses provided to consumers, sincerity in commitments, encouragement to consume well and attentiveness to the societal and environmental impact of our communication. The approach applies to

all forms of our brand communication, whatever the targeted groups (customers, consumers, shoppers, users etc.) and whatever the media used (packaging, audio-visual media, printed materials, point-of-sale advertising etc.).

Actions implemented and results

- The Charter for Responsible Design has been shared with all our subsidiaries** and has been presented to our various internal stakeholders (buyers, pack developers, CSR managers etc.). Our definitions of recyclability and biodegradability have been fine-tuned.
- An Oxygen Steering Committee, dedicated to packaging eco-design, has been set up to monitor achievement of the defined objective.
- Several of our brands have optimized their products' nutritional profile in 2019. For example:
 - The salt content of Saint-Loup's new goat cheese log has been reduced by 14%;
 - In Egypt, the Milkana range has seen a 20% reduction in salt content;
 - A lactose-free cream has been launched by Elle & Vire.

Key performance indicators

- In 2019, approximately 64% of our new branded products have incorporated a Clean Label approach.

2 | PROMOTE RESPONSIBLE CONSUMPTION

Issues, risks and policy

Supporting consumers, and our employees, in adopting more reasoned habits of consumption is both a societal challenge and one of the Group's objectives.

The Group has been using the Nudge methodology since 2016. It uses behavioral economics to create the conditions that can encourage individuals, without coercion, to adopt behavior beneficial for themselves, for the community and/or for the planet.

To limit food waste, Groupe SAVENCIA deploys actions such as gifting to food banks or designing formats adapted to consumers' needs (portions, re-closable packs etc.).

Actions implemented and results

- Signature in June 2019 of a partnership with the European Food Banks Federation.
- Launch of a store promotion inciting increased consumption of vegetables via the grant of a reciprocal reduction coupon for the simultaneous purchase of cheese and a kilo of vegetables.
- In October 2019, for the World Food Day, the #PositiveFood hashtag was launched. It formalizes our commitment to a responsible diet mixing pleasure and health. #PositiveFood implies a diversified diet and balanced menus giving pride of place to products that are natural or processed as little as possible. It also implies a well-meaning yet committed approach to food transition via positive initiatives inciting consumers to adopt new habits. Flexitarian recipes, associating cheese with vegetables, are available on our quiveutdufromage.com digital platform. The recipes achieve A or B Nutri-Score and contribute to balanced meals.
- An e-learning training module devoted to a healthy diet and nutrition was deployed in 2019. The 5-part learning program was developed by nutritionists and other specialists. Its purpose is to provide Group employees with the fundamental concepts of nutrition as well as prac-

tical advice in support of more healthy and responsible patterns of consumption.

Since 2016, our St Môret brand has organized the collection, on French local markets, of unsold or damaged fresh produce for gifting to the *Fédération Française des Banques Alimentaires* (French food bank federation). In 2019, St Môret has directed 2 tons of fresh produce towards local food banks.

In 2019, products made up 82.7% of the gifts made by our manufacturing sites.

Key performance indicators

The above mentioned training was shared with our subsidiaries at the end of 2019.

Over three months, 38% of the Group's employees connected to its *Learning@Savencia* digital platform have followed the Nutrition module in 2019.

A sustainable agriculture

1 | CO-DEVELOP MORE SUSTAINABLE SOURCING WITH OUR SUPPLIERS OF AGRICULTURAL RAW MATERIALS

Issues, risks and policy

SAVENCIA Fromage & Dairy has opted for co-development, with its suppliers of agricultural raw materials, of a more sustainable and value-creating sourcing, in order to ensure the sustainability of its operations, and meet the climatic and societal challenges of its ecosystem.

The Group focuses on strong and recognized brands, that require irreplaceable raw materials from its suppliers. It engages in long-term partnerships with its suppliers, with whom it strives to foster and maintain fair and balanced commercial relationships.

To meet our consumers' new societal expectations, our subsidiaries are keen to develop relationships of quality that are respectful of animal wellbeing and the environment, and bring more value to the work performed by our producers.

Our commitments focus on our main strategic raw material, milk, with:

- The extension of our Charter for Best Farming Practices to all our milk collection worldwide, by 2025;
- The deployment of our "Sustainable Milk Production" diagnosis to 50% of our milk producers by 2025; and
- The co-development of milk from herds benefiting from a GMO-free diet and sourced from Organic Farming.

Actions implemented and results

SAVENCIA Fromage & Dairy buys 4.2 billion liters of milk in 15 countries worldwide, from around 10,000 farms producing cow milk, ewe milk and goat milk.

In the framework of our Oxygen plan, our milk procurement functions have undertaken four commitments with regard to sustainable and responsible sourcing:

- Co-development of a more sustainable sourcing;
- Promotion of sourcing value enhancement;
- Development and progress, together with our stakeholders; and
- Reduction of the farms' environmental footprint.

Co-development of a more sustainable sourcing

Groupe SAVENCIA supports a policy of responsible milk purchasing. In France, 100% of our milk producers are members of a collective entity such as a Cooperative or an other form of producers' organization.

A transparent milk purchase price policy has been developed, in the wake of France's so-called EGalim food economy law, using market indicators related to the product mix associated with SAVENCIA Fromage & Dairy's operations. Technical, financial and other supportive measures have also been implemented with the aim of facilitating the installation of young producers (about 160 each year).

In 2019, SAVENCIA Fromage & Dairy has contributed to the value provided enhancement of France's dairy industry, within the framework of the EGalim law.

In terms of quality and production/farming conditions, compliance with our Charter for Best Farming Practices is contractually required of all our French farmers. This requirement will progressively be extended to all our milk collection worldwide.

In 2019, 80% of our worldwide milk volumes already complied with the charter.

To better meet our customers' questions on how our milk is produced, and as a means of progressing beyond the requirements of the Charter, the Group also offers producers its "Sustainable Milk Production" diagnosis incorporating 10 indicators.

The diagnosis helps assess the level of current practices in economic, social and environmental terms: farm profitability – sustainable management of water resources – carbon footprint – animal wellbeing – herd dietary self-sufficiency – biodiversity – soil fertility – producers' quality of life – outdoor access – herd health.

Animal wellbeing, for example, is backed up by the animal's five fundamental freedoms, namely: freedom from thirst or hunger, freedom from discomfort, freedom from pain, injury or illness, freedom to engage in behavior that is natural for the animal's species and not experience fear or distress.

By the end of 2019, 19% of our global milk volumes were sourced from farms having performed the "Sustainable Milk Production" diagnosis.

Promotion of value enhancing sourcing

To encourage the creation of value, 26% of our global milk volumes collected in 2019 were sourced from so-called "differentiated" segments:

- Goat milk and ewe milk farms;
- Organic farming;
- Herds benefiting from a GMO-free diet;
- Herds benefiting from Protected Designation of Origin.

Technical support from our Milk Collection Technicians, as well as financial measures, assist producers who so wish in converting their farms to these differentiated segments.

Development and progress together with our stakeholders

After completion of the "Sustainable Milk Production" diagnosis, farmers may select a focus for progress for which the Group can provide support with suitable training covering topics such as cows' health and nutrition, soil fertilization or protein autonomy. In 2019, more than 670 days of training were thus provided to our French milk suppliers.

SAVENCIA Fromage & Dairy has also committed to risk prevention. In France, since 2012, the Group has deployed, at all its dairy farms, a transport safety protocol designed to analyze the risks associated with the maneuvering of milk collection tankers. By improving traffic flows and access to milk tanks, an entirely safe milk collection is thus encouraged.

Our Milk Collection Technicians are in daily contact with producers to support them in changes to their practices. Numerous initiatives have been taken: meetings, working groups, a website dedicated to producers, a quarterly bulletin, videos, corporate support for events etc.

Key performance indicators

	2017	2018	2019	2025 Objective
Extend our Charter for Best Farming Practices worldwide (% milk volume collected)	75.2%	73.0%	80.0%	100.0%
Deploy our Sustainable Milk Production diagnosis (% milk volume collected*)	14.8%	16.4%	19.0%	50.0%

*The volume of milk collected subject to deployment of the diagnosis is estimated on the basis of the average volume of milk collected per farm for the applicable scope.

2 | PROMOTE RESPONSIBLE PURCHASING

Issues, risks and policy

France's so-called "Sapin II" law and legislation on the Duty of Vigilance have led the Group to reinforce its existing requirements, in order to ensure the compliance of its purchasing with the requirements for undeclared labor, transparency and the prevention of corruption and of any violation of human and environmental rights.

Groupe SAVENCIA thus engages in long-term partnerships with its main suppliers, with a focus on shared progress towards promoting responsible purchasing practices and meeting the various societal challenges.

The Group's suppliers are selected on criteria of quality, security, service, competitiveness and of their capacity to support the Group lastingly.

Since 2010, a "Charter for Sustainable and Solidary Purchasing" has been submitted for signature by the Group's main suppliers. The charter is consistent with the Group's Ethical Charter and with the charter for best purchasing practices prepared under the aegis of France's Ministry for the Economy, Finance, Industry, Competition and National Mediation and signed by the Group on January 10th, 2012. Since January 1st, 2018 the Charter for Sustainable and Solidary Purchasing, completed with the Group's recently published Charter for Combating Corruption and Influence Peddling, has been renamed the Charter for Responsible Purchasing.

The CSR risks associated with our suppliers are assessed, since 2010, within the framework of the EcoVadis evaluation process. The four areas of assessment are: the Environment – Employment – Ethics and Corruption – Supplier Relationship and Procurement.

The Group undertakes to develop responsible purchasing practices with all its suppliers, with the exception of suppliers of agricultural raw materials, via its Charter for Responsible Purchasing and the EcoVadis evaluations, and with successive waves of deployment subject to overall coverage monitoring.

Ultimately, 80% of the Group's external purchases will be covered (with the exception of agricultural raw materials) within established commercial relationships.

Actions implemented and results

- In 2019, the Group's Purchasing Department undertook three EcoVadis evaluation campaigns, reflecting the preliminary EcoVadis risk-mapping focus, and with a global scope. Specific training in support of the evaluations was performed in China and in the USA.
- A reminder as to our deployment goals and a general update are prepared and communicated twice-yearly to our Group Purchasers.

Key performance indicators

By December 31, 2019 our Charter for Responsible Purchasing had been signed by 403 suppliers representing 36% of the Group's expenditure* (outside of agricultural raw materials).

The EcoVadis assessment of CSR risks was performed for 498 suppliers and covered 39% of the Group's expenditure* (with the exception of agricultural raw materials).

The average score was 48.8/100 compared with an average of 42.4/100 for the EcoVadis Food & Beverage Panel.

* Excluding Brazil, China, Japan, India, Ukraine, Serbia, Rumania, Poland and Russia whose purchasing expenditure cannot yet be automatically consolidated.

Environmental footprint

1 | REDUCE OUR GREENHOUSE GAS EMISSIONS

Issues, risks and policy

Conscious of the global challenges posed by greenhouse gas emissions, and of the necessity of combating climate change and its consequences for society at large, the Group strives to reduce the environmental impact of its activities.

Its ongoing programs relate notably to energy, water, waste and emissions.

Internal Best Practice Guides complement the Group's programs by helping production sites optimize their processes and continuously improve their facilities. Successful experiences are shared and thereby extended as much as possible to all Group sites.

Environmental correspondents are responsible for coordination and for managing initiatives at the local level.

Groupe SAVENCIA has undertaken to reduce the environmental impact of its operations by means of a 25% reduction per ton of production, by 2025 (compared to 2015), of:

- Energy consumption;
- Greenhouse gas emissions from production and transport;
- Fuel consumption for supply chain activities;
- Water sourced from the natural environment;

As well as by increasing its use of renewable energies.

And achieving a reduction of 300,000 tons of CO₂ equivalent of the carbon footprint of its volume of milk collected, by 2025 (compared to 2010).

Actions implemented and results

Reduction of energy consumption

- At Group level, dedicated teams monitor and support our sites in accordance with the guiding policy defined by our Oxygen plan. "CSR - Energies and Materials" meetings are the opportunity to review the actions implemented and their results. "G'ENVI" meetings are also organized to enable our sites' environmental correspondents to exchange with external specialists.
- In 2019, the deployment of our Academy SAVENCIA training cursus was pursued.
- One of our French sites engaged in a major investment by replacing its old heavy oil boiler with a new gas boiler, thereby significantly improving the thermic yield of its facility.
- Numerous other initiatives in the area of energies were engaged at our sites with a view to reducing consumption: insulation of equipment and circuits, replacement of lighting by new LED systems, optimization of compressed air facilities etc.

Development of renewable energies

- In Spain, 100% of the electricity consumed by our five plants is of renewable origin.
- Wood boilers are in operation in France and in South America.

Reduction in greenhouse gas emissions for transport

To reduce the greenhouse gas emissions associated with our own fleet of trucks, several actions have been implemented:

- Eco-driving training continued in 2019 with help from the data collected via the trucks' onboard navigation systems;
- The deployment of LED lighting at sites reduced the related electricity consumption by 10%;
- The use of airlocks was tested at two loading bays with the aim of limiting the loss of energy to the outside environment and improving comfort during truck unloading;
- In France, our supply chain platform is committed to a voluntary approach to reducing the CO₂ emissions associated with its road transport activities and as such, subscribes to the industry charter named "CO₂, Carriers Commit". The platform, located near Honfleur, possesses France's High Environmental Quality (HQE) certification.

Results for the supply chain platform operated by Messageries Laitières

	2017	2018	2019
Average consumption of the company's owned fleet (l/100 km)	36.3	35.5	33.5
CO ₂ emissions of the company's owned fleet (tons of CO ₂ equivalent)	2,561	2,294	2,267

* The emission factor retained is based on combustion (cf. Ademe 2018).

- During the European Mobility Week, 28 subsidiaries and 6,500 employees took part in a mobility challenge, with the purpose of rethinking travel between home and work throughout the week. More than 100,000 km of individual car use were saved. One of our sites was rewarded for its results (more than 6,000 km of alternative forms of mobility) in the sustainable mobility challenge organized by Grand Poitiers and Ademe (a French environmental agency). Other initiatives have been implemented by certain subsidiaries, such as mobility credit, bicycle leasing by Corman in Belgium, or mobility challenges organized on a monthly basis.

Reduction in the carbon footprint associated with our milk collection

France accounts for 75% of our milk sourcing worldwide and all the milk we process in France is of French origin.

Our processing is performed locally: 97% of our milk is collected within a radius of 70 km of our cheese plants and 72% within a radius of 30 km.

Our milk tanker fleets are committed to the "CO₂, Carriers Commit" approach certified by Ademe and our drivers receive regular training in eco-driving.

Working towards the use of alternative forms of energy, trials were performed in 2019 using trucks powered with biogas.

The reduction of carbon footprint for French milk production is calculated on the basis of two factors:

- The "natural" decrease for French dairy farms as a whole;
- The additional decrease derived from action plans implemented in the framework of the Group's program for Sustainable and Responsible Milk Procurement.

In 2019, 217,000 of CO₂ equivalent were saved compared to 2010.

	2017	2018	2019	2025 Objective
Reduce the carbon footprint of our milk collection (volume of milk collected in France, in cumulative tons of CO ₂ equivalent, compared with 2010)	- 164,000	- 191,000	- 217,000	- 300,000

Key performance indicators

% of change compared to 2015

	2016	2017	2018	2019	2025 Objective
Reduction of energy consumption (GWh/ton produced)	-1.1%	-3.1%	-4.4%	-5.9%	-25%
Reduction of scope 1 & 2* greenhouse gas emissions (tons of CO ₂ equivalent/ton produced)	1.8%	-0.6%	-1.2%	-4.7%	-25%

(The greenhouse gas emission indicator has been recalculated since 2015 to reflect steam-related emissions at one of our sites).

Source for the emission factors: Ademe 2018 and Ecoinvent.

*Direct (scope 1) emissions include the emissions associated with the combustion of fossil fuels, those from processes not using energy (due to the treatment of wastewater) and those resulting from leakage of refrigerating fluids.

*Indirect (scope 2) emissions include those associated with the production of electricity, steam, heat or cold purchased and consumed by sites, as well as losses in transit.

In the framework of our approach and for the purpose of fine-tuning the Group's environmental footprint, a calculation of scope 3 emissions is under review.

2 | CONTROL OUR WATER RESOURCES

Issues, risks and policy

Demographic growth and excessive use of water contribute to the increasing hydric stress experienced worldwide. In that context, and in order to contribute positively to the preservation of ever scarcer water resources, the Group implements responsible practices designed to minimize its own impact.

Water plays an important role in our processes, notably to ensure a high level of hygiene and safety for our products in particular by means of cleaning routines. It may also serve as a technical adjunct during manufacturing by serving as a heating or cooling medium. Water is also an input to our fire prevention and firefighting equipment.

Faced with climate change, certain situations of hydric stress are expected to become more acute, in certain countries in particular. Great attention is paid to such phenomena, in order to identify and prevent risks and reinforce, if necessary, the means available to limit so far as possible drawing water from the natural environment.

The goal is to reduce drawing water from the natural environment, per ton of production, by 25% by 2025 (in comparison with 2015).

Actions implemented and results

- In Argentina, a major site has succeeded in reducing its use of water drawn from the natural environment by more than 20%, thanks to the implementation of numerous initiatives including: the installation of meters, employee awareness-raising, water recovery and recycling and the optimization of ultra-filtration and clean-in-place equipment.
- In 2019, the Group engaged in major renovation projects for its purifying stations in order to improve the quality of effluents or prepare for increased levels of production. In France, two new stations are currently under construction.
- France was particularly concerned in 2019 with episodes of drought and hydric stress in certain regions; levels of attention were reinforced, notably via monthly monitoring of levels of alert nationwide, followed by appropriate measures at the sites concerned.
- Personnel training and awareness-raising programs were also implemented with a view to deploying or reinforcing best practices for the use of water. Water pistols are often introduced to limit water consumption during manual cleaning.
- The water contained in milk or whey may be recovered by means of evaporation or inverse osmosis, then treated and used for external cleaning as a means of reducing the consumption of fresh water.

Key performance indicators

% of change compared with 2015

	2016	2017	2018	2019	2025 Objective
Reduction of water consumption (in m ³ /ton produced)	0,2%	1,4%	2,8%	0,8%	-25%

(The indicator has been recalculated since 2015 to take into account cooling water for one of our sites).

Despite the reduction measures implemented at our sites, our overall water consumption still tends to increase given the reinforcement of hygiene and food safety procedures at our industrial sites and the development of new product ranges using differentiated milks, thus requiring more frequent washing.

3 | OPTIMIZE OUR WASTE MANAGEMENT

Issues, risks and policy

Processing generates waste inherent to manufacturing and packing, mainly in the form of non-hazardous industrial waste, most of which, such as cardboard, paper, glass, steel or aluminum, are treated by recovery/recycling organizations. Presence of hazardous industrial waste is infrequent. It is mostly waste oils and electrical and electronic waste generated by maintenance operations, which are sorted for recycling by specialist contractors.

To combat waste of natural resources and reduce the costs of waste treatment, the Group's policy is to reinforce the sorting and recovery of industrial waste, by contributing to circular solutions.

Actions implemented and results

- Implementation by one of our French subsidiaries of a recovery process for the containers used to store liquids or powders. After use, the containers are collected and recycled by a contractor to produce new containers, facilitating the circular economy.

- Optimization of onsite sorting and storage, in collaboration with national operators, in order to identify the best outlets for recovery and recycling.
- Reduction, at the source, of package weight, and use of more readily recyclable materials.

Key performance indicators

In 2019, 68% of our non-hazardous waste was collected for recycling, which may take several forms: materials reuse, biological recycling or recycling into energy.

4 | DEVELOP ECO-DESIGN FOR OUR PACKAGING

Issues, risks and policy

In order to reduce environmental pollution and help the transition towards a circular packaging economy, in particular for plastic packaging, the Group, as an addition to the Oxygen objectives published in 2018, has sought in 2019 to clarify its ambition for packaging and to commit to the development of eco-design.

The Charter for Responsible Design prepared in 2019 thus provides guidelines and focuses for the eco-design of packaging.

The Group's objective is to aim for 100% of recyclable or biodegradable packaging for its branded products, by 2025.

Actions implemented and results

- Initiatives for the eco-design of packaging, involving in particular the use of recyclable materials and reduction of the package weight, have been engaged by several subsidiaries:
 - Tartare and Bresso portions: change in the plastic used, with the adoption of PET incorporating 50% of recycled material. With these recyclable packs, which contribute to a more circular economy, 62 tons of "virgin" plastic have been saved;
 - Elvir: finalization in 2019 of deployment of the solution of assembling cream cartons into packs using an adhesive band in place of the previous shrink film. 100% of the company's references have adopted this solution, which has generated 42.5 tons of plastic savings in 2019;
 - Corman: for private label butters, a new injection mold incorporating technical improvements has led to a 15%, or 70 tons a year, saving in the use of plastic.
- An indicator for the proportion of recyclable packaging is in the process of development.

Employee wellbeing

1 | ENSURE OUR EMPLOYEES' SAFETY

Issues, risks and policy



Groupe SAVENCIA brings together entities of human scale united by a strong business culture which guides its behavior and action. The wellbeing and the preservation of the physical integrity and health of the men and women working in and for the Group are the concern of all, and at every level of the organization.

A range of actions are implemented by SAVENCIA for the purpose of ensuring the physical integrity and health of all persons working in the Group.

Ten years ago, the Group initiated its focus on safety supported by the "SAFETY is OUR business" program. It builds on our Charter for Health and Safety at Work, co-signed by the Group's CEO and Deputy CEO, underlining our objective of zero accidents in the workplace.

As each individual's behavior is key to improving day-to-day safety at our sites, the Group targets exemplary behavior in all situations and in all environments involving industrial, logistic or administrative work.

The Group is committed to preventing risks for the safety of both its permanent and temporary employees. The health and safety of our temporary employees are monitored and subject to measures of prevention, as with permanent employees. Workplace accidents for temporary employees resulting in time off are thus included in the Group's accident frequency rate, with those of permanent employees.

At Group level, health and safety are jointly supervised by our HR and Operations departments. At subsidiary level, oversight is assumed by a local body headed by the General Manager and generally supported by an OH&S correspondent designated for each site.

The Group is committed to attaining zero workplace accidents, whether affecting our permanent or temporary employees.

Actions implemented and results

- A survey of safety awareness, performed by the Dupont consulting firm, reached out to 5,243 Group employees at 37 industrial and administrative sites in France, and was taken up by 75% of employees. The survey helped measure the sites' degree of maturity in terms of safety culture, for the purpose of defining an action plan for implementation by each Group entity in 2020.
- Occupational health and safety training is performed at subsidiaries. In 2019, it amounted to 32.7% of the Group's total training.

- The Group also aims for each corporate meeting to begin with a review of safety.
- In May 2019, during the seventh Global Week for Health and Safety at Work, a Safety challenge brought together 268 teams representing a total of 1,340 Group employees, thus sharing safety requirements and best practices amongst all our sites and subsidiaries worldwide. The two winning teams visited one of our new industrial sites in France.
- A Group film was made, focusing on the achievements of the teams having taken part in the Safety Challenge.
- Behavioral Safety Visits are also performed at sites on a regular basis. In 2019, 16,479 such visits took place.
- An in-house group of safety experts meets several times per year and shares best practices via our Workplace corporate social network.
- The frequency* of workplace accidents (TFI*) for both permanent and temporary employees amounted in 2019 to 10.4 per million hours worked. 373 accidents resulting in time off were recorded during the year.

Key performance indicators

	2017	2018	2019
% of subsidiaries with no workplace accident (for permanent and temporary employees) resulting in time off during the year	36.1%	40.7%	34.9%

It may be noted that the number of workplace accidents resulting in time off fell from 419 in 2018 to 373 in 2019. The split of the accidents between subsidiaries was more even in 2019, thereby explaining the deterioration in the key performance indicator above.

2 | IMPROVE QUALITY OF LIFE AT WORK

Issues, risks and policy

Quality of life at work is a key factor of attractiveness and employee retention. It is a particularly important part of HR policy in contexts of full employment.

The Group gives great importance to the quality of life at work and to employee relations, as a source of personal fulfilment and lasting performance.

To that end, it seeks to promote and maintain social dialogue, internal communication and listening to its employees. SAVENCIA Fromage & Dairy thus develops solutions to improve working conditions and quality of life in the workplace and regularly measures their effectiveness with a view to continuous improvement.

Social dialogue is decentralized to adapt to each business and to the particularities of each entity in accordance with the Group's principle of subsidiarity.

The Group thus undertakes to perform opinion surveys and develop plans for progress at all its subsidiaries in order to improve the quality of life in the workplace.

* Number of workplace accidents for permanent and temporary employees resulting in time off x 1,000,000/number of hours worked by permanent and temporary employees.

Actions implemented and results

- Great Place To Work (GPTW) surveys have been periodically performed at Group subsidiaries since 2009 for the purpose of assessing the social climate and providing each employee the opportunity for individual expression, on an anonymous basis, and for making his/her opinions known. **In 2019, a GPTW survey was performed at a majority of the Group's subsidiaries**, thereby fueling a common approach to all our entities. Each subsidiary is now engaged in a plan for progress in line with the results obtained.
- In 2019, three amendments were signed to collective agreements in France, the first relating to the Group's corporate retirement savings plan and the second to healthcare costs. The third relates to providence benefits and allowed for the institution of a new guarantee in respect of critical illness, reinforcing the existing basic cover by providing specific financial support for persons affected by serious illnesses cutting in as off the initial diagnosis.
- A new agreement was also signed on the functioning of the European Works Council.

In 2019, average Group-wide seniority amounted to 13.5 years.

Key performance indicators

Internal opinion surveys are performed about every three years. In 2019, 98% of the Group's subsidiaries participated in the GPTW survey and their average response rate amounted to 78%.

	2015-2017	2016-2018	2017-2019
% of subsidiaries having performed an internal opinion survey during the last three years*	52%	51%	98%

* The percentages calculated for SAVENCIA as a whole cover the last three years and are calculated for subsidiaries present within the Group between 01/01/2015 and 12/31/2018 and possessing at least 20 permanent employees.

3 | DEVELOP COMPETENCIES

Issues, risks and policy

The Group has always strived to implement a responsible and sustainable strategy, based in particular on the development and promotion of its employees and on a humanistic and entrepreneurial culture favoring the development of competencies, loyalty building and the maintenance of the Group's competitiveness.

It favors the professional and social fulfilment of the men and women who work in the Group. Driven by its culture, it accompanies their development within a professional environment propitious to their fulfilment.

Employee training and career management play a leading role in enabling each employee to enrich his or her skills in order to achieve personal development, contribute to collective success and maintain employability.

The training policy for the Group's employees focuses on performance management, accompanying change and preserving know-how with the objective of providing each employee the opportunity of progressing in professional and behavioral terms, consistent with the Group's values.

To encourage its employees' development, the Group's career management policy favors internal mobility and pushes it systematically at every level. In the case of executives, line managers and supervisors, the aim is to provide visibility for their career, to identify attractive opportunities in line with their expectations and to be able to develop their skills.

For many years, a policy of dual vocational training has been favored for the integration of apprentices or other trainees. The Group believes that such an approach is particularly adapted to accompanying future young graduates in their first steps within the company and to offering them subsequent lasting employment within SAVENCIA.

The Group intends to continue to develop competencies and to double the number of apprentices by 2025.

Actions implemented and results

- Development of our employer brand via Top Employer certification: in 2019, 3 new countries, namely China, the Czech Republic and Slovakia, developed their employer brand by obtaining the certification, as a result of which 8 of the Group's countries now possess this certification.
- Deployment of annual employee appraisals to subsidiaries, individual career monitoring and forward planning for jobs and competencies via the annual career review engaged in by all subsidiaries.
- The Group's offer of in-house training, Delta Compétences, has been enriched with the launch of three new certified training courses in English, Lean Management and Change Management. The structure of our training catalogue has equally evolved and presently covers six main areas: Management & Excellence, Digital & Collaborative Working, Change, Operating Excellence, Oxygen (CSR) and Functional Competencies.
- The launch of two new modules on our e-learning platform, *Learning@Savencia*:
 - GDPR training for European subsidiaries, provided to about 2,639 persons (with a 94% level of participation);
 - Nutrition training at Group level.
- The development of "blended learning" training, i.e. training combining physical attendance and digital elements.
- Preparation of a Guide for the subsidiaries' HR functions, to help them implement and support training sessions within their scopes of responsibility.

Key performance indicators

The calculation of the percentage of employees trained has evolved and is now based on average employees for the year.

	2017	2018	2019
% of employees trained during the year	71.6%*	69.5%*	73.8%

In 2019, a new indicator tracking the number of apprenticeship training contracts has been introduced.

	2017	2018	2019
Number of ongoing apprenticeship contracts at 31 December	308*	295*	321

In 2015, the Group had only 229 apprenticeship training contracts.

* Certain key performance indicators were recalculated for 2017 and 2018 following the identification of prior year anomalies.

** Weighted average for Group companies in excess of 50 persons in a position to calculate the index.

4 | COMMIT TO DIVERSITY AND INCLUSION

Issues, risks and policy

Faithful to its values and in compliance with regulatory requirements, SAVENCIA promotes equal opportunity for all with particular attention to non-discrimination. The Group's Ethical Charter recalls that "respect for people" and "equal opportunity" are cornerstones of our corporate culture. In that state of mind, agreements are signed and initiatives taken to facilitate the insertion of young people, the employment and continued employment of handicapped persons and gender equality.

The Group strives to promote gender equality in terms of qualification, training, remuneration and career development. In the framework of its Oxygen plan, SAVENCIA has committed to achieving gender parity in managerial positions by 2025.

In order to change how employees view handicaps, maintain jobs for handicapped persons and promote their recruitment, the Group has committed to its Action Handicap policy with four focuses on the employment and continued employment of handicapped persons:

- **Awareness-raising** to combat stereotypes;
- **Continued** employment;
- **Recruitment** of handicapped persons;
- **Development** of partnerships with the sheltered/adapted sector.

Actions implemented and results

- The organization of working conditions and departments designed to reconcile personal and professional life, e.g. by the alignment of working hours for couples working at the same plant.
- Arias, in Spain, has taken appropriate measures to ensure professional equality by setting up an ad hoc committee and has obtained the national certification for Corporate Equality.
- On average, 70% of the women employed within the Group (all socio-professional combined) had the benefit of at least one training session in 2019.
- Communication of the Group's 2019 gender equality index in France: 85/100** and identification of points for progress.
- In 2019, our handicap week was for the first time deployed throughout France with the aim of raising awareness and informing all employees on the subject.
- All subsidiaries with more than 250 employees have appointed handicap correspondents.
- A community of handicap correspondents has been implemented on the Group's Workplace corporate social network as a means of sharing initiatives taken, information and best practices.
- Development of partnerships with sheltered workshops.
- Insertion of handicapped persons by means of appropriate recruitment processes, support and training, individual welcome and integration, and adaptation of sites, jobs and working hours. Certain subsidiaries have signed agreements committing to support employees in obtaining recognition of their handicapped/disabled worker status.

In France, appropriate measures and initiatives to counter age discrimination have been taken, involving tutoring, lifelong training, the improvement of working conditions and the prevention of arduous working conditions in particular for persons nearing retirement.

Key performance indicators

	2016	2017	2018	2019
% of women managers	39.6%	39.8%	40.8%	42.0%

	2016	2017	2018	2019
% of employees recognized as disabled	2.8%	2.7%	2.9%	3.0%

5 | ENCOURAGE SOLIDARY COMMITMENT
Issues, risks and policy

Conscious of its economic and social impact within the territories in which it is implanted, and as a responsible and solidary company, SAVENCIA encourages subsidiaries and their employees to support local initiatives. The Group's subsidiaries, often set in rural areas, play an active role for the employment and economic and social development of their territory.

Numerous actions are undertaken, in collaboration with local and regional authorities, in particular in the areas of:

- Employment: partnership with national employment agencies, integration of apprentices and other trainees, communication of job offers to schools;
- Training: cooperation with schools and universities, payment of training taxes, sponsoring, visits of employees to schools.

The Group undertakes that each of its subsidiaries will perform at least one act of solidarity in line with our mission of "Leading the way to better food".

Actions implemented and results

In 2019, the Group renewed its corporate sponsorship agreement with Planète Urgence, which allows volunteer employees to perform a two-week humanitarian assignment in the framework of a solidary leave for the purpose of placing their competencies at the disposal of a local NGO in Africa, Asia or South America. This year, 5 employees engaged in missions in Africa and South America. Two newsletters were published, in which the employees shared their experiences with all the Group's employees.

Since 2011, the Arrondi sur salaire program enables volunteer employees to gift the cents of their monthly net compensation. Groupe SAVENCIA matches the amount of their gift. The sums collected are distributed to four partner associations.

Locally, subsidiaries work together with cultural or solidary associations such as Restos du Cœur or Food Banks. They give money or make gifts in kind of their products or those collected by employees. One-off operations are mounted to help the victims of natural catastrophes.

At Group level, our "Bien nourrir l'Homme" endowment fund supports employees playing active roles in associations, and it finances projects designed to enable all, and in particular children, obtain year-round access to healthy, balanced and sustainable food (e.g. via school canteens, solidary grocery stores, market gardening, animal husbandry, dietary education etc.).

In 2019, 21% of the Group's subsidiaries made employees available for acts of solidarity.

Key performance indicators

	2017	2018	2019
% of subsidiaries partnering/organizing solidary actions or events*	21.7%	20.9%	30.2%

* Individual or collective solidary initiative undertaken by employees seconded for that purpose. For example, an employee assists an association for 5 months in the development and deployment of a website.

In 2019, an additional indicator reflecting the number of subsidiaries performing at least one act of solidarity in line with our mission of "Leading the way to better food" was deployed: 15.1% of our subsidiaries thus performed at least one such act of solidarity.

In 2019, 65.1% of our subsidiaries made gifts to associations.

Society at Large

The issues, risks, policy and results associated with the societal issues of respect for human rights and combating corruption and tax evasion are presented below but have not been covered by specific quantitative or qualitative objectives given their regulatory nature and their treatment within the chapter devoted to risk management and more particularly to the Group's vigilance/alertness plan and to the so-called "Sapin II" law.

1 | RESPECT FOR HUMAN RIGHTS

Issues, risks and policy

The Group is attentive to compliance with human rights and fundamental liberties and to respecting the conventions of the International Labor Organization (ILO) in particular for the following two themes:

- Individual employee development and collective cohesion:
 - Progressive worldwide extension of the annual individual review;
 - Promotion of social dialogue via employee representation.
- Compliance with local legislations and culture with regard to age:
 - No child labor;
 - No age discrimination.

Via its commitment since 2003 to the UN's Global Compact, SAVENCIA Fromage & Dairy undertakes to respect social requirements and fundamental human rights in all the countries in which the Group is present.

The Group's Ethical Charter – The Group and its Culture – recalls the Compact's 10 fundamental principles with regard to human rights, to working conditions and to the environment.

Actions implemented and results

- In 2019, a Group Committee for Ethics and Business Culture was created to define policies and implement systems for processing compliance alerts. The committee meets twice yearly to discuss all matters relating to the Group's business culture and compliance. Its members are the Group's Chairman and its General Secretary, Compliance Director, Human Resources Director, Legal Director and CFO.
- In 2019, a Duty of Vigilance Officer was appointed within the Group's Compliance Department, thereby confirming the Group's active support for human rights and fundamental liberties all along its value chain.
- Additional information in this respect is provided in the chapter on the duty of vigilance/alertness.

2 | COMBATING CORRUPTION

Issues, risks and policy

Fighting all forms of fraud and corruption is not only a regulatory requirement but a priority of the Group's enterprise culture.

Our action principles and rules of conduct are included in the ethical charter, The Group and its Culture, given to each new employee joining the Group. The Group's ethical charter and internal control help prevent and detect all forms of corruption. The most vulnerable countries are particularly under scrutiny.

Honesty and loyalty are part of the Group's four fundamental values, and trust and mutual interest are at the foundation of the relationships the Group wishes to develop with its partners. Suppliers are therefore selected on the basis, in particular, of those principles via open and competitive bidding.

The Group's entities undertake to:

- comply with international anti-terrorism and anti-money laundering requirements;
- fight fraud and corruption;
- comply with the principles of loyal competition, within the applicable legal framework;
- promote their products and services in an honest and loyal manner.

In the framework of France's so-called "Sapin II" law, the Group has established a detailed mapping of its exposure to external solicitation for the purposes of corruption. The mapping is designed to identify, assess and rank its exposures to corruption with a view to ensuring effective and appropriate compliance, but also to inform management and provide it with the necessary visibility for implementing measures of prevention and detection proportionate to the issues encountered.

The Group's Risk Management & Compliance Department monitors those measures, assesses their effectiveness and ensures that 100% of new employees at risk (as defined by the "Sapin II" law) are trained in the concepts of ethics and fraud.

Actions implemented and results

- In 2019, a compliance correspondent was appointed for each subsidiary and has received specific training.
- A compliance Charter for Subsidiaries' General Managers has been issued and classroom training on all the issues associated with corruption has been dispensed.
- In 2019, case studies on corruption were circulated to all subsidiaries in order to raise awareness and inform them of the means of response placed at their disposal.
- All the Group's compliance documents are available on an internal digital platform.
- A whistleblowing procedure and an anti-corruption code of conduct translated into nineteen languages have been deployed at all our subsidiaries.
- A Purchasing Code of Conduct sets out the rules for buyers in their dealings with suppliers in the four major areas of ethics and integrity, communication and collaboration, performance and progress, and sustainable and responsible purchasing.
- In 2019, 92.5% of the Group's employees at risk (as defined by the "Sapin II" law) have received training in the concepts of ethics and fraud.

3 | COMBATING TAX EVASION

Issues, risks and policy

Although the diversity of the Group's geographical locations makes it theoretically concerned by the risks associated with tax evasion, the nature of its activity limits its exposure.

In accordance with its values of courage, honesty and loyalty Groupe SAVENCIA, a family group, develops fiscal and financial policies which are responsible, measured and controlled. Its strategy postulates compliance with local legislations and the maintenance of long-term relationships, based on transparency, with all its partners.

In accordance with its societal commitments, the Group is also attentive to making an equitable contribution to the countries in which it operates by paying all the local taxes to which it is subject.

Actions implemented and results

- All the Group's tax, legal and treasury departments have been made aware of this issue and ensure that no legal, tax or financial arrangements are made within the Group with the objective of tax evasion.
- The Group's internal audit teams verify the effective application of the procedures defined by the Group when they perform reviews at subsidiaries.
- The Group's effective tax rate is higher than the weighted average of the local tax rates for the jurisdictions in which the Group is present. In 2019, it amounted to 37.82%.

Perspectives

2019 has been the year of deployment of our Oxygen plan to the Group as a whole, providing a shared ambition for the local initiatives launched by subsidiaries.

In 2020, SAVENCIA's Charter for Responsible Design will guide the Group's plans for product design or renovation in terms of nutrition, clean label or reduction of plastic packaging.

The performance, at the end of 2019, of the Great Place To Work survey in almost all the Group's subsidiaries will enable the implementation of plans to improve employees' quality of life at work.

Environmental impact remains a major issue and we are actively working on the new Oxygen ambition of approaching 100% of recyclable or biodegradable packaging by 2025.

All SAVENCIA subsidiaries worldwide are mobilized to pursue our quest for progress towards a sustainable, ethical and solidary world.

Appendix: the bases of reporting

Organization of reporting

Collection of Corporate Social Responsibility (CSR) indicators is monitored by the Group's functional departments for their respective areas. They are supported by their networks of local experts who contribute the raw data.

The Group's CSR Department is the preferred contact for the Group's external auditors.

Scope

Concerning Employee Wellbeing, the performance data covers 100% of permanent employees at the year-end. The previously published data have been reviewed to reflect changes in the scope of consolidation and the identification of anomalies with regard to certain key performance indicators.

For other indicators:

- The results for 2019 include 100% of the Group's production sites;
- The changes for 2015/2019 are presented like-for-like i.e. for subsidiaries present in both 2015 and 2019 (94.3% of the Group's total production sites).

Reporting procedures and guides

Two guides to environmental and social reporting define the Group's environmental and social performance indicators. A methodological memorandum presents the selection process for the issues selected by the Group.

The documents serve as references for external verification of the data as provided for by the implementing decree for article L. 225-102-1 of the French code of commercial law.

Reporting tools

Data from all subsidiaries are received and consolidated via the Group's consolidation system.

An annual questionnaire, providing for collection of all the data required, is distributed to, and completed by all Group subsidiaries (including all manufacturing, supply chain and sales locations) within the CSR scope of consolidation.

Consolidation and internal control

At Group level, the persons in charge of CSR reporting consolidate the data collected in order to prepare the Group indicators presented in this chapter.

They also ensure internal control over the data by verifying its coherence and consistency.

For that purpose, coherence tests are performed and significant variances are identified and explained, in conjunction with the data's contributors.

External verification

The nature of the work performed by the independent third-party entity, and its conclusions, are presented in an appendix.



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