



SAVENCIA
FROMAGE & DAIRY



#We are Savencia



Non-Financial Performance
Statement 2020

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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 sustainable and quality food** meeting consumers’ new

expectations and its **#PositiveFood** vision: a diversified diet combining pleasure and health, with natural and limited processed products. By reinforcing its competitiveness and innovation, and its CSR commitment towards its various stakeholders, the Group constantly adapts to the risks of its environment, volatility in dairy, changes in its markets worldwide and customers whether in retail or B to B professionals.

Resources

Human resources

21 021 employees*

...in 31 countries

60.5% of men
+39.5% of women

Subsidiaries in close touch
with their local environment

Environmental and societal resources

18,1 million m³ of water

2,352 GWh of energy

4.8 billion liters
of milk collected worldwide
from dairy farms

Financial resources

The stability of a majority
family shareholding

Equity: €1,552 million

Capital expenditures:
€199 million

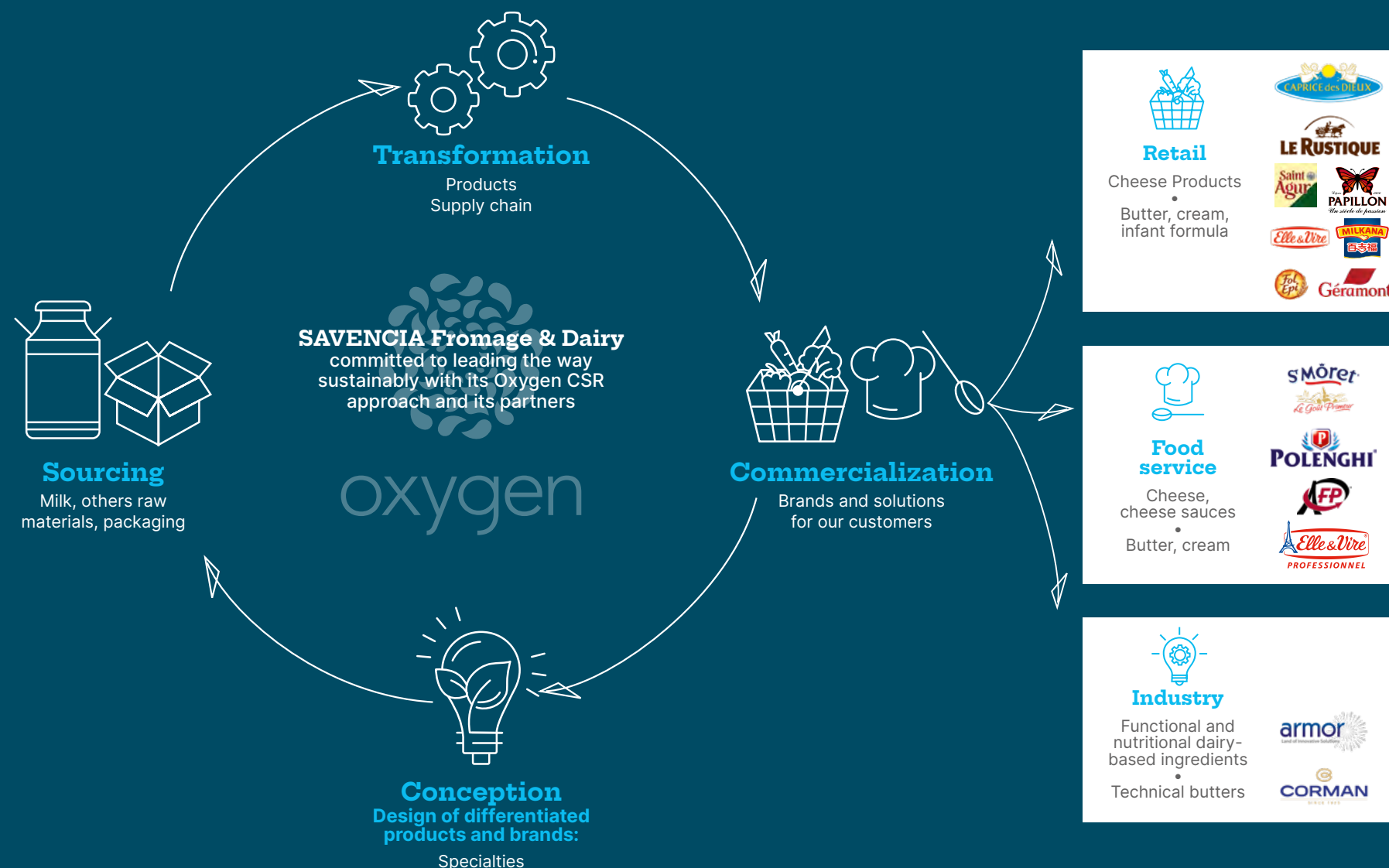
* Permanent and temporary employees
(yearly average full-time equivalent).

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**, SAVENCIA deploys a strategy of creating innovative and high-quality products and specialty brands. The **5th cheese group globally and 2nd cheese group in France**, SAVENCIA Fromage & Dairy

manufactures and sells differentiated cheeses and other dairy products for retail and food service, as well as functional and nutritional 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**, serving a sustainable development.



Shared values

For people

Top Employer Europe 2020-2021

Payroll costs: €1,013 million

63.2% of employees
received training in 2020

439 apprenticeship contracts
in 2020

For the environment

Trend in greenhouse gas
impact of milk collection:
-252,000 equivalent tons
of CO₂ between 2010 and 2020

Energy consumption:
+1% per manufactured ton
between 2015 and 2020

For society at large and local communities

SAVENCIA leader of the Top 10
groups in France for the 2020 revenue
growth (source distributor panel)

Solidarity initiatives:
60.4% of subsidiaries have made
gifts of food

Purchases from suppliers and
service-providers: €3,656 million

Dividends distributed in 2020:
€1 million

Taxes: €103 million

Non-financial assessment:
SAVENCIA Fromage & Dairy is
included in the 2020 Gaïa Index

Presentation of main issues

Approach

The process employed by Groupe SAVENCIA for selecting its main non-financial objectives is identical to the process employed in 2019. It was, however, reviewed in 2020 based on:

Regulatory components:

- the issues covered in the European Directive on the disclosure of non-financial information of October 22, 2014, transposed into French law and amending Articles L. 225-102-1 and R. 225-104 to R. 225-105-2 of the French Commercial Code;
- French Decree No. 2017-1265 of August 9, 2017: list of topics.

Additional items such as:

- business model, business relationships and product features;
- 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 diagnostics were performed, and a list of 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;

- Global environment: The world has been reeling from an unprecedented health crisis. SAVENCIA proved adaptable and agile with the implementation of effective measures aimed at keeping the food chain up and running while ensuring the safety of its employees. Thanks to its employees' dedication, SAVENCIA Fromage & Dairy was able to continue operating its milk sourcing, production and logistics activities. The Food Service subsidiaries were hit hard by restaurant closures in many countries. Innovative solutions have been developed to align with new consumer practices both in terms of products and e-commerce solutions, coupled with expanded drive-up services in France. We elected not to isolate this risk in our non-financial performance report, but instead to include it in the management of our activities.

Methodology

Our comprehensive analysis in 2020 did not uncover any additional issues compared to the previous fiscal year.

We identified 16 issues for which the Group's regulatory compliance was verified, ensuring coverage of the following points:

- The areas provided for by regulatory requirements: social – societal – environment – Human rights – combating corruption – combating tax evasion;
- The other expected themes: consequences for climate change – circular economy and food waste – precariousness – healthy and sustainable diet – animal well-being – 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, these issues have been incorporated in the four major focuses of focus, and performance indicators relevant to our business sector 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, used by rating agencies, are available in a specific document which may be consulted on our savencia-fromagedairy.com website.

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Our key issues

Issue	Risks	Contribution to UN Sustainable Development Goals
HEALTHY, DELICIOUS AND RESPONSIBLE EATING <ul style="list-style-type: none"> Improve the nutritional quality and design of our products Promote responsible consumption 	<ul style="list-style-type: none"> Potential risk of certain substances impacting consumer health Over-eating risk 	   
A SUSTAINABLE AGRICULTURE <ul style="list-style-type: none"> Codevelop a more sustainable sourcing with our suppliers of agricultural raw materials Promote responsible purchasing 	<ul style="list-style-type: none"> Risk of poor animal husbandry or crop farming Risk of breaching social and environmental rights via the supply chain 	    
ENVIRONMENTAL FOOTPRINT <ul style="list-style-type: none"> Reduce our greenhouse gas emissions Control our water resources Optimize waste management Develop eco-design of our packaging 	<ul style="list-style-type: none"> Risk of climate deregulation impact Risk of hydric stress Pollution risk Waste overproduction risk 	   
EMPLOYEE WELLBEING <ul style="list-style-type: none"> Ensure the safety of our employees Improve quality of life at work Develop employee skills Commit to diversity and inclusion Encourage solidarity commitment 	<ul style="list-style-type: none"> Risk of adversely impacting the physical integrity and safety of employees Risk of deterioration in working conditions and impact on employee wellbeing Risk of inadequate skills Discrimination risk Risk of a lack of regional roots 	   
SOCIETY AT LARGE <ul style="list-style-type: none"> Respect for human rights Combating corruption Combating tax evasion 	<ul style="list-style-type: none"> Risk of breaching basic human rights Risk of unethical practices Risk of damage to brand reputation 	  

Healthy, delicious and responsible eating

1. Improve the nutritional quality and design of our products

Issue, risk and policy

In accordance with its "Leading the way to better food" program, Groupe SAVENCIA works to help achieve public health goals by offering high-quality natural products combining enjoyment and health, thus contributing to diversified, health and sustainable diets.

In response to growing consumer expectations in terms of food and given the potential risk of certain substances impacting their health, we are committed to developing high-quality products that go through very little processing and are as natural as possible.

Our teams design and build concrete, targeted plans for progress with the aim of continuously improving the nutritional quality and design of our products.

In 2020, the Group continued rolling out the SAVENCIA's Charter for Responsible Packaging Design defined in 2019.

The goals of the Charter are to:

- provide all subsidiaries with guidelines and proactive orientations for more sustainable and responsible design and redesign of our products;
- establish transversal goals;

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- facilitate the phase of diagnosis and structure proposals for product and packaging improvement plans;
- share methods and a common vocabulary throughout our teams.

The charter has three parts:

- Responsible product design:
 - ensuring the best possible nutritional composition, in terms of the organoleptic quality and use of each product;
 - achieving, 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;
 - preserving the natural nutritional properties of the ingredients used (protein, calcium and vitamins in milk).

• 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 eat well, and attentiveness to the societal and environmental impact of our communication. These principles are applied to all forms of brand communication, whatever the targeted group (customers, consumers, users, etc.) and whatever the media used (packaging, audiovisual media, printed materials, point-of-sale advertising, etc.).

We have undertaken to implement a Clean Label approach on 100% of new branded products by 2025. The Clean Label approach calls for making continuous improvements to the composition of our products by improving the recipes and removing certain additives.

Actions implemented and results

- The Group Nutrition Department has organized meetings with the network of "nutrition correspondents", gathering R&D and marketing teams of the subsidiaries, since early 2020. The purpose of the meetings is to support them in formulating proposals and building concrete, targeted plans aimed at continuously improving the nutritional quality and design of our products.
- Additional indicators have been developed in the Group reporting tool for the purpose of keeping closer track of improvement plans.
- The Oxygen steering committee, in charge of packaging eco-design (see "Developing eco-designed packaging) and tracking the achievement of the established goals, met on a regularly basis during the year.
- Nutritional improvement plans were implemented by multiple brands in 2020 in a bid to optimize the nutritional profile of their products, including in particular:
 - Reducing salt content:
 - by nearly 20% in all products in the Burgo de Arias range (Arias);
 - by 6% in Papillon roquefort cheese.

- Reducing sugar content:
 - in Germany, for example, the Söbbeke brand initiated sugar reduction plans for some of its yogurts and dairy desserts and launched a lactose-free organic cheese.

• Clean Label improvement plans were also implemented:

- a new generation of processed cheese without added phosphates, preservatives and aromas was launched under the Milkana Alpenpur brand. This innovation is available in a cheese spread and in portions with eco-friendly paper, aluminum-free wrappers.

Key performance indicators

- In 2020, 65.5% of our new branded products adopted a Clean Label approach.

	2018	2019	2020	2025 target
% of new branded products having adopted a Clean Label approach	Data unavailable*	64.0%	65.5%	100%

* Indicator created in 2019.

2. Promote responsible consumption

Issue, risk 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.

As a leader in the food sector, and in line with our commitment, we strive to contribute to the achievement of the United Nations Sustainable Development Goals (SDGs). We place a premium on the food safety and nutritional value of our products. In response to over-eating risks, which can lead to weight gain, obesity and other chronic illnesses, our aim is to positively influence the public's diet by encouraging consumers and employees to adopt more responsible eating habits, consistent with healthy and sustainable diets.

An effective source for the development of a balanced and diversified diet is portion size. The Group has set a goal that, by 2025, 100% of its branded retail products will include per-portion nutrition labeling, thereby going above and beyond local regulatory requirements.

The official recommendations issued in many countries are based on frequency of consumption and portion sizes for each food category. By adding per-portion nutrition labeling for all its retail brands, the Group seeks to provide consumers with an improved understanding of the nutritional benefits of its products. For pre-portioned products such as cheese slices, or products including a visual guide to portion size, the actual unit size (on or more units) is indicated on the product label so that the consumer can identify the appropriate portion and adopt smart and well-informed eating habits.

For products that are not pre-portioned, the portion size is close to the recommended portion (30 grams of cheese) or the portion usually eaten as part of a balanced diet.

In addition to per-portion nutrition labeling, we have been using the Nudge methodology since 2016 to encourage smarter and healthier consumption of our products.

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In an effort to limit food waste and combat food insecurity, Groupe SAVENCIA implements initiatives such as making donations to food banks or designing formats tailored to consumer needs (portions, re-closable packages, etc.).

Actions implemented and results

Encouraging consumers and employees to adopt smarter eating habits

- A per-portion nutrition labeling guide was prepared by the Group Nutrition Department and made available to all subsidiaries to help them implement per-portion nutrition labeling for all relevant products.
- After Caprice des Dieux, other brands began using “nudge portions”, adding visual guides in addition to per-portion nutrition labeling: the Saint Loup goat cheese log, Elle & Vire-brand butter and cream, and some of the Balade creams sold by our Belgian subsidiary.
- We continued rolling out the #PositiveFood approach launched in 2019, embodying our commitment to responsible diets combining both pleasure and health. #PositiveFood is synonymous with a diversified diet by proposing balanced menus featuring products that are natural or processed as little as possible. Our digital platform, quiveutdufromage.com, offers flexitarian recipes combining cheese and veggies and boasting a Nutri-Score rating of A or B for balanced meals.
- The roll-out of our “Fromage et Légumes” (meaning “Cheese and Veggies”) PoS nudge marketing campaign continued in 2020, particularly in digital form via our collaboration with Consumer Goods Forum (CGF). Vegetable-rich balanced recipes with a Nutri-Score rating of A or B were offered by the Lyon Carrefour drive-up service, building on the concept of “healthy product combos” encouraging customers to buy more vegetables along with their cheese. The “Collaboration for healthier lives” initiatives were presented in a CGF report, showcasing the effectiveness of the digital wave in increasing sales of fruits and veggies associated with Carrefour Drive recipes. (<https://www.theconsumergoodsforum.com/wp-content/uploads/202007-CHL-France-Digital-Report.pdf>). We also received a LSA award for our “Mes Petits Plats Fromages & Légumes” (meaning “My Small Cheese & Vegetable Dishes”) nudge marketing campaign carried out at Intermarché.
- In October 2020, SAVENCIA launched the Institute for Positive Food, a public-interest association that promotes a positive view of sustainable diets combining healthy pleasure, natural products and responsibility. With the support of a high-level multi-disciplinary science board, and in line with the guidelines for healthy and sustainable diets published by the FAO (Food and Agriculture Organization) and the WHO (World Health Organization), the Institute's mission is to popularize the use of scientific data to encourage positive diets combining wellbeing, healthy pleasure and responsibility.
- In 2020, we also stepped up the deployment of our nutrition policy. The Nutrition Team assists all Group brands in their approach to optimize the nutritional value of our products as part of a healthy, balanced diet. During lockdown, Group employees were asked to participate in digital workshops offering practical tips for healthy diets and exercise.
- We firmly believe that cooperation between producers and distributors is key success factor in improving the impact of initiatives aimed at promoting healthy, sustainable diets. To that end, in 2020 we incorporated the Carrefour's Food Transition Compact to share best practices and engage in a collective effort to develop effective solutions meeting consumer needs as closely as possible.
- Mlekoprodukt, our subsidiary in Serbia, also included #PositiveFood in its CSR program (“Biser Nutry Academy”), which aims to raise awareness in children, parents and educators of the importance of a balanced healthy diet in a child's development. The first online conference, featuring pediatricians and nutritionists as guest speakers, focused on problems associated with child obesity.
- In Germany, our subsidiary specializing in the manufacture of organic products participated in operation “Bio brot-box” providing local support to initiatives promoting healthy diets for children. The initiative offered children a breakfast made up of organic products, including a Söbbeke natural yogurt.
- The roll-out of the nutrition e-learning training module continued in 2020, with the aim of teaching the basic concepts of nutrition to Group employees. This year, the program was translated into five languages to provide better coverage of SAVENCIA subsidiaries worldwide. One of the modules is now available in English, French, Russian, Spanish, Portuguese and Chinese, and the entire program is available in French and Spanish. 49% (vs. 38% in 2019) of employees connected to the Learning@Savencia platform completed the nutrition training program in 2020.

Combating food waste

- As a responsible company aware of the global challenges in terms of access to food and preservation of resources, Groupe SAVENCIA combats food waste by implementing several types of initiatives aimed at:
 - raise consumer awareness:
 - in 2020, SAVENCIA Fromage & Dairy undertook to reduce food waste by signing the best-by date compact launched in France by Too Good To Go and backed by the French Ministry for Agriculture and Food Ministry. The St Môret brand implemented this commitment by including an educational message on shelf life on its packaging;
 - in Romania, a digital anti-food waste campaign was conducted by Delaco.
 - develop appropriate formats:
 - in France, the packaging of two Elle & Vire organic creams was designed to limit product waste: the packet can be completely rolled-up to make sure every last drop of cream gets used. With its re-closable top, pouring is easier and the product can be saved up to 15 days after opening.
 - encourage donations to associations to combat food insecurity:
 - confirming its commitment to Food Banks, SAVENCIA joined Le Club des Entreprises Solidaires des Banques Alimentaires (made up of companies working in solidarity with Food Banks) in 2020. In line with our “Leading the way to better food” mission, this certification reflects our determination to combat food waste while helping disadvantaged members of society gain access to high-quality products. Multiple initiatives were conducted to support the Food Banks during the unprecedented Covid-19 health crisis:



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> thanks to the support of our subsidiaries, 88 tons of products were donated to the Food Banks during the first lockdown, and 39.5 tons during the national collection drive;

> St Môret digitized its initiative to collect fruits and vegetables that went unsold on the markets during the crisis: 10,000 St Môret cups were donated to the Food Banks;

> additional operations took place across all our subsidiaries during the first wave of the pandemic: 320 tons of food products were distributed to various associations;

> Polenghi in Brazil donated 60 tons of products, including 10 tons of Polenguinho, to hospitals;

> in 2020, products made up 80.9% of the donations made by our production sites.

Key performance indicators

➤ In 2020, 42.9% of our branded retail products included per-portion nutrition labeling.

	2018	2019	2020	2025 target
% of branded retail products including per-portion nutrition labeling	35.0%	49.0%	42.9%*	100%

* The decrease in this indicator can be attributed to the change in consolidation scope in 2020, with the consolidation of new subsidiaries. Initiatives implemented to step up the deployment of our nutrition policy will be expanded with these subsidiaries.

A sustainable agriculture

1. Codevelop a more sustainable sourcing with our suppliers of agricultural raw materials

Issue, risk and policy

SAVENCIA Fromage & Dairy has opted for codevelopment, 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 irreproachable 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, thus avoiding the risk of poor animal husbandry or crop farming increasing the risk of these activities.

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;
- the codevelopment of milk from herds benefiting from a GMO-free diet and sourced from Organic Farming.

Actions implemented and results

SAVENCIA Fromage & Dairy buys 4.8 billion liters of milk worldwide, from farms producing cow milk, ewe milk and goat milk.

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

- codevelopment of a more sustainable sourcing;
- promotion of sourcing value enhancement;
- development and progress, together with our stakeholders;
- reduction of the farms' environmental footprint.

Codevelopment 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 organization of producers.

In 2020, SAVENCIA Fromage & Dairy continued working to enhance the value of France's dairy industry, in accordance with the EGAlim law.

Financial measures and special support mechanisms were also implemented, with the aim of:

- promoting investments in farms, the "Eleveur Laitier Demain" (future dairy farmers) program was created in conjunction with an association of producer organizations. The program supports projects conducted on farms through tangible investments (dairy machinery and livestock) and intangible investments (training, registration with the RDI which matches buyers and sellers of farming operations);
- helping young farmers get started in the industry. Young farmers are provided with a "getting started pack" entitling them to financial aid and a contractual commitment over the long term. The pack also includes technical support: performance of an individual diagnostic analysis, three-year follow-up and 10-day training program (farm management, environmental approach, etc.). 114 young farmers benefited from this program in 2020.

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.

The charter contains six commitments: ensuring the traceability of animals on the farm – protecting the health of the herd – providing animals with a healthy, balanced and closely monitored diet – protecting the quality of milk through rigorous hygiene – overseeing the well-being of the animals and safety of employees working on the farm – helping to protect the environment.

In France, 100% of milk producers supplying Groupe SAVENCIA have signed the "Charter for Best Farming Practices", and in 2020, 83.1% of our global volumes already complied with the charter.

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To better answer 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.

Established in 2011, the analysis assesses the level of current practices in economic, social and environmental terms: farm profitability, sustainable management of water resource, carbon footprint, animal well-being, herd dietary self-sufficiency, biodiversity, soil fertility, producers' quality of life, outdoor access and herd health.

The animal well-being indicator is based on the Welfare Quality® method and was co-built with INRAE (French research institute for agriculture, food and the environment). It consists of around 20 questions used to assess an animal's five fundamental freedoms: 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 2020, 19.2% of our global milk volumes were sourced from farms having performed the sustainable milk production diagnostic analysis.

Promotion of value-enhancing sourcing

To encourage the creation of value, 31% of our global milk volumes collected in 2020 were sourced from so-called "differentiated" segments:

- goat milk and ewe milk;
- organic farming;
- herds benefiting from a GMO-free diet (VLOG certification);
- herds benefiting from Protected Designation of Origin.

Technical support from our Milk Collection Technicians, as well as financial measures, assist producers interested 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 2020, more than 420 days of training were 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. Improving traffic flows and access to milk tanks encourages an entirely safe milk collection process.

Our Milk Collection Technicians are in daily contact with producers to support them in changes to their practices. They visit the farms at least once a year to assess the quality of milk produced and offer technical support as needed. Numerous initiatives have been taken, including meetings, working groups, a website dedicated to producers, a quarterly bulletin, videos, corporate support for events, etc.

In order to contribute to the future of the industry and share its expertise, SAVENCIA Fromage & Dairy works with all the contributors in the value chain: the FNIL (French Federation of Milk Producers), the ATLA (Milk Processing Association) and the ANIA (French Association of Food

Industries). SAVENCIA Fromage & Dairy sits on the board of directors of the CNIEL (French interprofessional center for the cow's milk industry), the ANICAP (French interprofessional association for the goat's milk industry), France Brebis Lait (French interprofessional association for the ewe's milk industry) and their regional bodies.

SAVENCIA Fromage & Dairy is also an active member of the International Dairy Federation.

Promotion of biodiversity

Preserving biodiversity is a necessity for the development of a sustainable, eco-friendly farming model. In accordance with our corporate social responsibility policy and in a bid to develop sustainable agriculture, we are committed to preserving biodiversity and promoting its development.

Biodiversity is a source of added value for our ecosystems, and farmers play a major role in preserving biodiversity through their work. This is one of the areas for improvement identified in our Sustainable Milk Production diagnosis, offered on a volunteer basis to our milk suppliers, which is measured using the indicator developed by Céréopa (center for research on the animal production economy and industry). This indicator is used to identify the percentage of permanent pastures on the farm, environmentally significant areas (trees, hedges, waterways, etc.), and to observe if the farm contains a diverse range of animal and plant species. Once the diagnostic analysis is complete, solutions are offered to producers in order to:

- preserve soil fertility;
- save the natural habitat;
- adopt supportive farming practices.

Multiple initiatives have also been developed at our sites:

- The Tessier dairy plant, located in the Maine-et-Loire French department, initiated two projects through the signing of two agreements:
 - one with the SMBAA (Syndicat Mixte du Bassin de l'Authion et de ses Affluents, meaning Mixed Syndicate of the Authion Basin and its Tributaries) to conduct an environmental impact study and determine the size of a future reed bed and plan the creation of wetlands to serve as buffers outside wastewater purification stations. Reed beds are predominantly made up of reeds, which reduce pollution, while wetlands help preserve habitat biodiversity. The goal is to guarantee better water management, improve biodiversity and prevent flooding;
 - the other project calls for the plantation of poplar trees along the floodplains (trees and shrubs promoting biodiversity).
- Multiple beehives have been installed at our sites:
 - In Belgium, at Corman in Goé;
 - In France:
 - 120 kg of "Miel de NEL" honey harvested and stored in jars by the employees of Normandie Export Logistics in Honfleur. Roughly 15 beehives are installed on-site and managed on a volunteer basis by two employees who care for the hives during the winter, guard them against hornets, prepare them for spring and handle all the operations needed to keep them running smoothly;
 - in Condé sur Vire (in the Manche French department), at Elvir: 700 jars of honey distributed to staff;

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– eight beehives at our Vire logistics platform.

- A shelter was set up on the pond, located near our Illoud site in the Haute-Marne French department to promote the installation and nesting of wild aquatic birds.
- Trees were planted, fallow fields adorned with flowers and planned management of green spaces set up at sites in France and abroad.

Key performance indicators

	2018	2019	2020	2025 target
Expand the "Charter for Best Farming practices" worldwide (% milk volume collected)	73.0%	80.0%	83.1%	100%
Deploy the Sustainable Milk Production diagnosis (% volume milk collected*)	16.4%	19.0%	19.2%	50%

* 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. (with contractual milk supply from Compagnie des Fromages & RichesMonts - CF&R - at around 37%).

2. Promote responsible purchasing

Issue, risk 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 develops long-term collaborations with its main suppliers, aiming to consistently move forward to promote responsible purchasing meet the various challenges facing society at large, and prevent the risk of breaching social and environmental rights via the supply chain.

The Group's suppliers are selected on criteria of quality, security, service, competitiveness and their ability to support the Group over the long term.

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: environment, labor, ethics and corruption, supplier relations and supply chain.

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

Ultimately, 80.0% of the Group's external expenditures overseen by the Purchasing function and carried out with major suppliers (exceeding €1 million per year) will be covered (excluding sourcing of agricultural raw materials).

Actions implemented and results

- The Group Purchasing Department conducted two EcoVadis evaluation campaigns in 2020.
- As reminder as to our deployment goals and a general update are prepared and communicated twice-yearly to our Group purchasers.

Key performance indicators

	2018	2019	2020	2025 target
% of Group external expenditures overseen by the Purchasing function and carried out with major suppliers* under the Responsible Purchasing Charter	61.0%	63.0%	63.2%	80.0%
% of Group external expenditures overseen by the Purchasing function and carried out with major suppliers* under EcoVadis evaluations	68.0%	68.0%	68.7%	80.0%

At December 31, 2020, more than 700 Responsible Purchasing Charters had been signed, covering 63.2% of Group expenditures overseen by the Purchasing function and carried out with major suppliers (exceeding €1 million per year)* (excluding agricultural raw materials).

The assessment of CSR risks by EcoVadis was performed for 610 suppliers. The EcoVadis evaluations cover 68.7% of Group expenditures overseen by the Purchasing function and carried out with major suppliers (exceeding €1 million per year)* (excluding agricultural raw materials).

The average score obtained was 51.3/100 versus 42.9/100 on average for the EcoVadis Food & Beverage Panel.

* Excluding Japan, India, Ukraine, Serbia, Romania, Poland and Russia, whose sourcing expenditures cannot yet be automatically consolidated.

Environmental footprint

1. Reduce our greenhouse gas emissions

Issue, risk 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 in order to limit the risk of climate deregulation impact.

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.

One guide in particular, the "CSR Guide for Manufacturers", covers all the issues requiring attention and specifies the actions to be taken. This document is made available to all relevant parties by the Operations Department and is updated once a year.

At Group level, dedicated teams monitor and support our sites in accordance with the guiding policy defined by our Oxygen plan. Environmental correspondents are responsible for coordination and for managing initiatives at the local level.

Groupe SAVENCIA undertakes 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;
- increase its use of renewable energies;
- reduce the carbon footprint of the volume of milk collected by 300,000 tons of CO₂ equivalent by 2025 (compared to 2010).

Actions implemented and results

Reduction of energy consumption

- In France, multiple investment programs eligible for energy savings certificates were approved in 2020 with the aim of renovating some of our energy facilities and thus reducing our energy consumption and carbon footprint. In the Operation Department, with a dedicated team has been set up to implement and monitor these programs. Some of these projects were launched in 2020 and will be operational in 2021, including:
 - modernization of the cold production facility was initiated at one of our major sites, to improve energy efficiency and optimize performances;
 - a heat pump was installed, with distribution to the hot water network, and the cold-water facility was completely replaced.
- Our subsidiary Armor Protéines, specializing in milk fractionation, won

the government's Plan France Relance award for "supporting and driving the reduction of greenhouse gas emissions in industry". The project presented by the Saint-Brice-En-Coglès site (in the Ille-et-Vilaine French department) was selected by Ademe (The French Agency for Ecological Transition) for its carbon reduction initiative: overhauling the processes used to produce its products with high nutritional value with the aim of increasing production capacities while reducing energy consumption. Ours was the only Grand-Ouest region company selected under this plan.

- Our Messageries Laitières logistics platform set up a heat recovery system in its refrigeration facility for the purpose of heating its offices and maintenance workshop.
- "CSR - Energies and Materials" meetings, and meetings with the on-site environmental correspondent, were continued in 2020, in digital format, to keep track of initiatives in progress. We also continued rolling out our Academy SAVENCIA training cursus.
- A second energy audit campaign was launched this year. The resulting reports identified potential sources of energy savings and served as a basis for launching the necessary initiatives.

Development of renewable energies

- SAVENCIA Fromage & Dairy is a member of the Club des Entrepreneurs pour le Climat, launched by the Orygeen Institute, a consortium of French family-owned businesses working to combat climate change.
- In France, 25% of the electricity used to power SAVENCIA Fromage & Dairy plants (excluding CF&R) is certified with a "guarantee of origin" (GO) as hydraulically sourced and produced in France, representing savings of more than 6,475 tons of CO₂ equivalent.
- The Perreault de Meslay-du-Maine cheese plant, located in the Mayenne French department, uses biogas. Supplied by a nearby biogas facility, this biogas meets up to 50% of the plant's fuel requirements.
- Our Edelweiss plant in Germany uses 100% renewable, locally-sourced electricity.
- The rooftop of our plant in Oregon (United States) is equipped with solar panels used to cover approximately 20% of the site's annual energy requirements. Recharge stations for electric cars are made available to staff and the company car is also electric.

Reduction of greenhouse gas emissions generated by transport

Multiple initiatives have been launched:

- surveys are being conducted to consider using alternative fuels to reduce the GHG emissions of the company's fleet of delivery trucks;

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- based on data collected via the GPS navigation system, training courses on eco-driving were provided;
- in France, our logistics platform initiated a voluntary program to reduce the CO₂ emissions of its transport activities and, to that end, signed the "CO₂, Carriers Commit" charter.

Other initiatives were undertaken directly with employees.

- Mobility Week, launched in September, was extended to all Group subsidiaries this year as a challenge. Our sites proved their creativity in the variety of activities offered, while maintaining social distancing: walks, photo contest, hybrid car introductory sessions, provision of electric bicycles, selfie challenge with colleagues and family, eco-driving training courses, etc. As a result, around 20 subsidiaries took part worldwide despite the exceptional circumstances, and more than 35,000 km were saved (in terms of driving in personal vehicles), i.e. the equivalent of five round trips from Paris to New York.

- The Green Pedal Power program set up by Rogue Creamery gives employees the opportunity to use more sustainable means of transport for their commute and thus earn a monthly bonus. Employees signed up for the program agree to make at least 45 sustainable commutes over a one-year period. They can also choose to receive a bicycle instead of a monthly bonus, and if they meet their goal after one year, the bike is theirs!

Reduction in the carbon footprint associated with our milk collection

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

We strive to keep our processing local: 97% of our milk is sourced within a 70 km radius of our cheese plants and 72% within a 30 km radius.

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, additional trials were performed in 2020 using trucks powered with biogas. The biogas is supplied via a partnership established with local biogas producers, with the aim of building a circular economy and reducing the environmental impact.

The reduction of our 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 under the Group's program for Sustainable and Responsible Milk Procurement.

In 2020, 252,000 tons of CO₂ equivalent were saved compared to 2010.

Key performance indicators

% change versus 2015

	2018	2019	2020	2025 target
Reduction of energy consumption (GWh/ton produced)	- 4.4%	- 5.9%	1.0%*	- 25%
GHG Reduction - Scopes 1 & 2** (tons of CO ₂ equiv./ton produced)	- 5.9%	- 3.3%	- 3.4%	- 25%

* The decrease in this indicator is attributed to the change in consolidation scope in 2020, with the consolidation of new subsidiaries.

** This indicator has been recalculated since 2015 to incorporate new emissions factors (Source of emissions factors: Ademe 2020)

Direct emissions (Scope 1) include emissions associated with the combustion of fossil fuels used, with non-energy related processes (due to wastewater treatment) and refrigerant fluid leaks.

Indirect emissions (Scope 2) include emissions associated with the generation of electricity, steam, heat or cold purchased and used by the sites, as well as on-line losses.

This year, in the SAVENCIA Fromage & Dairy scope of operations, we began calculating our Scope 3 emissions (other indirect emissions) in order to refine the measurement of our environmental footprint.

Results: Messageries Laitières logistics platform	2018	2019	2020
Average consumption of company fleet (l/100 km)	35.5	33.5	33.5
CO ₂ emissions of company fleet (in tons of CO ₂ equiv.)	2,923*	2,888*	2,712

* This indicator has been recalculated since 2015 to incorporate new emissions factors (Source of emissions factors: Ademe 2020)

	2018	2019	2020	2025 target
Reducing the carbon footprint associated with our milk collection (volume of milk collected, in total tons of CO ₂ equiv. vs. 2010 in France)	-191,000	-217,000	-252,000	-300,000

2. Control our water resources

Issue, risk and policy

Demographic growth and excessive use of water contribute to the increasing hydric stress experienced worldwide. Accordingly, in the interest of making a positive contribution to the preservation of increasingly scarce water resources, the Group implements responsible practices designed to minimize its own impact on water resources and thus reduce the risk of hydric stress.

Water plays an important role in our processes, notably to ensure a high level of hygiene and safety for our products, primarily through 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.

Face 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

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reinforce, if necessary, the means available to limit so far as possible drawing water from the natural environment.

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

Actions implemented and results

Two new waste water treatment plants were built at two major sites.

- In Saint Brice en-Coglès (in the Ille-et-Vilaine French department), the new plant meets the dual goals of protecting the environment and developing the site's operations. The treatment capacity of the new facility was increased to 60,000 population equivalents (universal unit for comparing treatment capacities of water treatment plants). Organic treatment, which breaks down and eliminates organic pollution from run-off, uses bacteria and incorporates an energy-saving oxygenation system. The excess sludge produced by the breakdown of pollution is concentrated in order to limit the volume through the use of energy- and water-saving technology. Over the first six months, while the facility was operating partially, we determined that around 45% less power was used compared to the old system. The facility is scheduled to be fully up and running by April 2021.

- In Condé-sur-Vire (in the Manche French Department), the total capacity of the new plant was doubled across the whole facility compared to the previous system. Once again, the goal is to improve the quality of run-off while reducing electricity consumption. Plans are also in the works to optimize the treatment of sludge produced. Once the projects are finalized and the facility is operational, the old plant will be destroyed and the space entirely replanted with plants endemic to the Normandy region.

A working group focused on managing our water consumption will be created in 2021, with the aim of sharing best practices and defining areas for improvement. It will be made up of central in-house experts and operational staff, to ensure that we address the local problems encountered by our sites.

To reduce their water consumption, many sites recover some of the water contained in milk to use for cleaning.

Employee training and awareness-raising programs aimed at strengthening best practices in water usage were also continued.

Key performance indicators

% change versus 2015

	2018	2019	2020	2025 target
Reduction of water consumption (m ³ /ton produced)	2.8%	0.8%	2.3%	- 25%

The decrease in this indicator is attributed to the change in consolidation scope in 2020, with the consolidation of new subsidiaries and the rise in cleaning operations due to the health crisis. The development of products from differentiated milk calls for more frequent cleaning and thus increases our water consumption.

3. Optimize waste management

Issue, risk and policy

Processing activities generate 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 the waste of natural resources and reduce waste treatment costs, the Group's policy is to reinforce the sorting and recovery of industrial waste by contributing to circular solutions in order to limit pollution risks.

Actions implemented and results

An "anti-waste" working group, made up of subsidiary representatives and employees of corporate functions, was created to reduce the quantity of waste generated at the source and to optimize and identify new local recycling opportunities. Organic waste is being monitored more closely at the local level to find such opportunities.

A virtuous organic waste recycling program has been implemented at the Rogue Creamery site where artisanal organic cheeses are made. The residue from the cheese manufacturing operation is separated and transformed into by-products, which are directly recycled into the dairy operations as bedding for cattle, or as a natural fertilizer for the pastures. The surplus is sold to local farmers to be used as soil conditioner, thus avoiding the use of chemical products.

Elvir teamed up with its provider to recycle all biowaste previously earmarked for landfills. Most is used to produce energy via methanization. The rest of its organic waste is turned into compost and reused as a natural fertilizer on the farm.

La Compagnie Fromagère de la Vallée de l'Ance installed a cardboard compactor in its packaging plant. Operators throw the boxes into the machine directly, thus optimizing the sorting process and reducing the dumpster rotation frequency while also raising employee awareness.

A deposit system has been set up for cleaning product bottles and containers at some of our sites. Once empty, the containers go back to the supplier to be cleaned and re-used.

Key performance indicators

In 2020, 67.4% of our non-hazardous waste was collected for recycling*.

	2018	2019	2020
% of non-hazardous waste collected for recycling	71.6%	68.0%	67.4%

* Waste can be recycled in multiple ways: reuse of materials, organic recycling or energy recycling.

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The Group continued working with national operators to optimize on-site sorting and storage, in order to identify the best outlets for recovery and recycling, accordingly with our commitment.

4. Develop eco-design of our packaging

Issue, risk and policy

The Group clarified its packaging goals by undertaking to develop the eco-design for packaging and thus reduce waste overproduction risk.

The Charter for Responsible Design prepared in 2019 thus provides guidelines and focuses for the eco-design of packaging, including elements such as reduction measurements at the source and use of recycled materials to promote the transition to a circular packaging economy.

The Group has set a goal of 100% recyclable or biodegradable packaging for its branded products by 2025.

Actions implemented and results

The Oxygen steering committee, dedicated to the eco-design of packaging and tasked with meeting the established target, met twice in 2020. Its goal is to maximize Groupwide synergies and share cross-business ideas on the eco-design of packaging. Top priorities have been selected and purchasing / packaging developer pairs have been set up.

The key performance indicator was clarified and has been included in our in-house new product approval procedures, while also being added to contractual clauses with certain suppliers.

Eco-designed packaging projects, involving in particular the use of recyclable materials and reduction of the package weight, have been launched by all subsidiaries. 2020 achievements include:

- Etorki: portion packaging re-designed, controversial materials eliminated and 70% less plastic used, i.e. -61 tons per year;
- RichesMonts: variety tray redesigned with a 50% decrease in the package weight, i.e. -111 tons of wood and plastic per year, and optimization of upstream logistics keeping 39 trucks off the road over one year;
- Perreault: variety tray packages redesigned: -24 tons of cardboard per year and 22% thinner private-label trays: -17 tons of plastic per year;
- Corman: 11% thinner covers on butter products: -7.5 tons of aluminum per year.

Key performance indicators

Recyclable or biodegradable packaging made up 86.0% of all packaging in 2020.

	2018	2019	2020	2025 target
% recyclable or biodegradable packaging	Data unavailable*	Data unavailable*	86.0%	Aim for 100%

* Indicator created in 2020.

Employee well-being

1. Ensure the safety of our employees

Issue, risk and policy



Groupe SAVENCIA brings together close-knit entities 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 in order to prevent the risk of adversely impacting the physical integrity and safety of employees.

Ten years ago, the Group initiated its focus on safety supported by the "SAFETY is OUR business" program. This program builds on our Health & Safety At Work Charter, co-signed by the Group's Chairman and Vice-Chairman, underscoring 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 staff on payroll 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 Management 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

In response to the health crisis, the Security program has been strengthened to protect all permanent and temporary employees working for the Group. Continuity plans and health protocols were enacted to allow employees to keep working in safe conditions, by providing them with personal protection equipment, adjusting working hours and adapting workspaces.

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- A new e-learning module, "Accueil SST SAVENCIA" was created and added to the new employee acclimation process. It will be implemented across France in 2021, then gradually rolled out to other countries. A SAVENCIA Security passport is issued once the training course is completed and the employee receives 100% correct answers on the quiz.
- Occupational health and safety training is performed at subsidiaries. In 2020, it amounted to 37.3% of the Group's total training.
- A series of operational rules geared towards preventing potentially serious accidents is being rolled out under the title "10 SAVENCIA Safety Essentials". Each Safety Essentials addresses a risk and covers four rules applicable to all employees in all circumstances. A deployment and coordination kit has been specially designed in all of the Group's operating languages to help set up the Safety Essentials in all countries of operation. The entire kit is now available on a digital platform open to all. The roll-out will continue in 2021.
- The "Autumn Safety Days" program, consisting of virtual workshops and events, was launched to help deploy 10 SAVENCIA Safety Essentials.
- Behavioral Safety Visits are also regularly conducted on-site or remotely. Fewer checks were carried out in 2020, due to the health measures in place, coming out at 15,413.
- The frequency of workplace accidents* for both staff on payroll and temporary employees amounted to 10.7 per million hours worked in 2020. 395 accidents resulting in time off were recorded during the year.

Key performance indicators

	2018	2019	2020
% of subsidiaries with no workplace accidents resulting in time off (permanent and temporary employees) during the year	40.7%	34.9%	42.9%

As a reminder, the Group has set a target of "zero" workplace accidents.

2. Improve quality of life at work

Issue, risk and policy

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

The Group places great importance on quality of life at work and employee relations, as a source of personal fulfillment and lasting performance.

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

To that end, and in order to prevent the risk of deterioration in working conditions and impact on employee wellbeing, the Group strives to promote and maintain social dialog, internal communication and employee feedback. 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.

Actions implemented and results

- The next Great Place to Work survey will be conducted groupwide in 2022. Today, the priority is to complete the action plans prepared by each subsidiary.
- Telecommuting has been expanded across the Group for employees able to do their work remotely. In 2020, 21.8% of staff were able to telecommute.
- As of 2020, the personal protection insurance plan in France covers "serious illnesses", reinforcing the existing basic coverage by providing specific financial support for persons affected by serious illnesses as soon as they are diagnosed.
- In 2020, individual compensation and benefits report were distributed to 5,917 employees in France.
- Also in France, an agreement was signed with psychological support firm PSYA, setting up anonymous help sessions for any interested employees. A similar agreement was signed with Morneau Shepell covering 13 countries and 5,580 additional employees* worldwide.
- Operation "MERCİ" was rolled out in 2020. Operation MERCİ is a global plan to distribute a package of festive products during the holiday season to each staff on payroll and temporary employee having worked for SAVENCIA in 2020 to thank them for their dedication and efforts despite the health crisis. 13,000 packages were created and handed out in France. Groupwide, more than 25,000 packages were distributed.
- In 2020, average Group-wide seniority amounted to 13.4 years.

Key performance indicators

	2016-2018	2017-2019	2018-2020	2025 target
% of subsidiaries having performed an internal employee survey in the last three years**	51%	98%	99%	100%

** Rates calculated over the last three years on a like-for-like basis (subsidiaries with at least 20 employees belonging to the Group from 01/01/2015 to 12/31/2018).

* Calculation based on headcount at 31/12/2019 (most recent consolidated headcount when program was deployed).



3. Develop employees skills

Issue, risk 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, building loyalty and maintaining the Group's competitiveness.

This strategy encourages the professional and social fulfillment 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 fulfillment.

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, while preventing the risk of inadequate skills between the level of its employees and the Group's ambitions.

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 to advance in professional and behavioral terms, consistent with the Group's values.

To encourage employee 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 plans to continue developing employee competencies and has undertaken to double compared to 2015 the number of apprentices by 2025.

Actions implemented and results

- Development of the employer brand via Top Employer certification: in 2020, SAVENCIA received Top Employer Europe certification for the seventh year in a row in Germany, Belgium, Spain, France, Poland, Czech Republic and Slovakia. China received Top Employer certification for the second year running.
- Creation and deployment of the new Talent+ skills database for the purpose of spreading and teaching professional competencies specific to each business line as well as six leadership skills associated with Group values and culture.
- Implementation of an editorial policy and publication planning dedicated to the employer brand, followed by the launch of the #WeAreSavencia Ambassadors program, aimed at stepping up communication on social media via 200 ambassadors selected from all over the Group. A toolbox, including a good conduct guide and a content management platform, was also created.

- Roll-out of the Group's "500 Apprentices" campaign with the goal of recruiting 500 apprentices by September 2020.
- Implementation of the "SAVENCIA Management Trainee" program in Asia to recruit, develop and retain young talent. The program includes field training, daily coaching, and group training and work sessions.
- Many of the in-person training courses could not be held due to the health crisis. As a result, digital learning was stepped up and new training courses were posted to the e-learning platform, Learning@Savencia:
 - harassment training, with a completion rate of 90.3%;
 - "Accueil SST SAVENCIA" acclimation training and creation of an SST passport;
 - "CPF" (Compte Personnel de Formation) training account launched in June 2020;
 - nutrition training expanded groupwide.
- Next-gen hybrid-format training courses were developed with, for example, the Talent+ program combining e-learning and virtual classroom presentations.

Key performance indicators

	2018	2019	2020
% of employees trained during the year	69.5%	73.8%	63.2%

As a reminder, the Group's objective is to continue developing employee skills.

In 2020, the Group had to adjust to the health crisis and many in-person training courses had to be canceled, which is why this KPI declined.

	2018	2019	2020	2025 target
Number of ongoing apprenticeship contracts	295	321	439	458

4. Commit to diversity and inclusion

Issue, risk and policy

Faithful to its values and in compliance with regulatory requirements, SAVENCIA promotes equal opportunity for all to avoid any discrimination risk. The Group's Ethical Charter recalls that "respect for people" and "equal opportunity" are cornerstones of our corporate culture. With that in mind, agreements are signed and initiatives taken to facilitate the integration of young people, the employment and continued employment of disabled 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

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employment and continued employment of handicapped persons:

- awareness-raising to combat stereotypes;
- continued employment;
- recruitment of handicapped persons;
- development of partnerships with the sheltered/adapting sector.

Actions implemented and results

- On average, 61% of the women employed within the Group (all socio-professional categories combined) had the benefit of at least one training session in 2020.
- Communication of the Group's 2020 gender equality index in France: 86/100* and identification of areas for improvement. For CF&R, the gender equality index stood at 83/100 in 2020.
- 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.
- Handicap Week was organized again this year by the subsidiaries, stressing the importance of being an "activator of progress". Virtual events helped raise awareness and inform employees about this issue.
- The Group is working to integrate handicapped persons by implementing recruitment processes, support and training, personalized acclimation, and adaptation of sites, jobs and working hours. Some subsidiaries have signed agreements committing to support employees in obtaining recognition of their disabled worker status.
- In 2020, Messageries Laitières was a partner of the crossing of the Mediterranean by Thierry Corbalan, aka the "Corsican Dolphin", a double-amputee propelled by monofin (180 km from Calvi in Corsica to Mandelieu beach in six days).
- In France, appropriate measures and initiatives to counter age discrimination have been taken, involving tutoring, lifelong training, improvement of working conditions and prevention of arduous working conditions in particular for persons nearing retirement.
- The percentage of disabled employees was 3.1% in 2020.

Key performance indicators

	2018	2019	2020	2025 target
% of women managers	40.8%	42.0%	42.4%	50.0%

5. Encourage solidarity commitment

Issue, risk and policy

Conscious of its economic and social impact in the territories in which it is implanted, and as a responsible and solidarity company, Groupe SAVENCIA encourages subsidiaries and their employees to support local initiatives. The Group's subsidiaries, often set in rural areas, play an active role in the employment and economic and social development of their territories, thus limiting the risk of a lack of regional roots.

Numerous initiatives 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, sponsorships, employee presentations at schools.

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

Actions implemented and results

- In solidarity with the Food Banks, SAVENCIA took part in the national food drive held at stores all across France in 2020. Thanks to the support of its subsidiaries, 39.5 tons of products were donated to the Food Banks (dairy products by Elvir, cheese by Berthaut and Fro').
- In 2020, 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 solidarity leave for the purpose of placing their competencies at the disposal of a local NGO in Africa, Asia or South America. This year, however, employees were unable to travel due to the health crisis. In the circumstances, a newsletter was published on the last solidarity mission, which took place in 2019, to share this humanitarian experience with all Group employees.
- Since 2011, the "Arrondi sur salaire" program enables volunteer employees to donate the cents portion of their net monthly pay. Groupe SAVENCIA matches the amount of their donation. The sums collected are distributed to four partner associations.
- 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.). For example, this year the fund helped Antenna France distribute survival food kits to underprivileged and malnourished families in three isolated communities of Madagascar.
- Locally, subsidiaries work together with cultural or solidarity-oriented associations such as Restos du Cœur or Food Banks. They give money or donate products from their subsidiary or collected by employees. One-time operations are conducted to help victims of natural disasters.
- Our SAVENCIA Fromage & Dairy subsidiary in Argentina launched a milk donation campaign to support the Sante Fe Food Bank in 2020. The subsidiary agreed to donate an equivalent amount for every liter of milk donated by employees. By the end of the two-month campaign, 14,000 liters of milk were donated.
- In Brazil, Polenghi funded the purchase of respirators for hospitals in

* Weighted average based on companies with more than 50 employees able to calculate the index excluding CF&R.

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the cities where its plants are established.

- Thanks to the solidarity of our subsidiaries, nearly 200,000 PPE units were distributed to medical and healthcare workers.
- In 2020, 17.6% of subsidiaries supported solidarity initiatives undertaken by employees.
- 35.2% of subsidiaries served as partners or organizers of solidarity initiatives or events.
- In 2020, 60.4% of our subsidiaries made donations to associations.

Key performance indicators

	2018	2019	2020	2025 target
% of subsidiaries performing at least one action of solidarity in line with our mission of "Leading the way to better food".	Data unavailable*	15.1%	13.2%	100%

* This KPI was created in 2019.

Society at large

The issues, risks, policies and results associated with the societal issues of respect for Human rights and combating corruption and tax evasion are presented below. Given their regulatory nature, specific objectives and key performance indicators have been defined, however these are not directly integrated into our Oxygen approach.

1. Respect for human rights

Issue, risk 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 dialog via employee representation.
- compliance with local laws and cultures with regard to age:
 - no child labor;
 - no age discrimination.

Having joined the UN Global Compact in 2003, 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, working conditions and the environment.

The Group's Responsible Purchasing Charter also addresses issues associated with the promotion and observation of human rights and labor rights. By calling on its suppliers to follow this charter, the Group undertakes to promote its commitments in terms of human rights and thus avoid the risk of breaching basic human rights.

Actions implemented and results

- The Group Ethics and Culture Committee, created to set out policies and implement whistleblowing procedures, met twice in 2020. Its members are the Group's Chairman, Corporate Secretary, Compliance Director, Human Resources Director, Legal Director and CFO. During its bi-annual meetings, issues relating to compliance and culture are addressed, along with any alerts raised, where applicable. Special-purpose meetings may also be convened to cover any special matters that arise.
- Due diligence obligations are assigned to a dedicated Compliance Division function. The Group has thus confirmed its determination to promote human rights and fundamental freedoms to all parties in the value chain.
- Materials covering the implementation of due diligence obligations are made available to Group employees with an e-mail address, via the internal digital platform. All procedures, key documents and training materials are placed on the platform.

Key performance indicators

The results of the deployment of the Charter for Responsible Purchasing are available under "Promote responsible purchasing".

More than 700 Responsible Purchasing charters had been signed at end-December 2020, covering 63.2% of Group expenses managed by the Purchasing function and carried out with major suppliers.

2. Combating corruption

Issue, risk and policy

Fighting all forms of fraud and corruption is not only a regulatory requirement but a priority of the Group's corporate culture in a bid to prevent the risk of unethical practices.

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 system help prevent and detect all forms of corruption. The most vulnerable countries are subject to special scrutiny.

Non-Financial Performance Statement

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 these values, via open and competitive bidding.

The Group's subsidiaries undertake to:

- comply with international anti-terrorism and anti-money laundering requirements;
- fight fraud and corruption;
- comply with the principles of fair 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 all new at-risk employees (as defined by Sapin II) are trained in ethics and fraud.

Actions implemented and results

- The Group continued rolling out anti-corruption training courses in 2020, offered in-person and remotely. A mandatory training course on ethics and corruption was also implemented in 2020.
- 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 19 languages have been deployed at all our subsidiaries.
- A Purchasing Code of Conduct sets out the rules for purchasers in their dealings with suppliers in the four major areas of ethics and integrity, communication and collaboration, performance and progress, and sustainable and responsible sourcing.
- The internal compliance whistleblowing system is operational with a special telephone number and e-mail address. To guarantee the confidentiality and security of information shared, only three members of the Compliance Division, including the Compliance Director, are authorized to receive calls and view e-mails from these systems. Alerts are then handled, if necessary, by the crisis unit for a prompt, measured response. In 2020, the informative poster for the Group internal whistleblowing system, reviewing the proper procedure to follow, was translated into 19 languages and posted at all our sites.
- The Data Protection Officer is in charge of implementing the General Data Protection Regulation (GDPR) and oversees its application throughout the Group. Digital training courses were rolled out to the Chief Executive Officers and GDPR officers at the subsidiaries. In 2020, 89.5% of affected employees took the GDPR training course.

- All the Group's compliance documents are available freely on an internal digital platform.

Key performance indicators

	2018	2019	2020	2025 target
% of at-risk employees (as defined by so-called "Sapin II" law) having received training in ethics and fraud	93.4%	92.5%	84.9%	100%

3. Combating tax evasion

Issue, risk and policy

The Group, given the diversity of its geographic locations, could be affected by risks related to tax evasion; however, its exposure is limited given the very nature of its activity.

Tax evasion consists in artificially subtracting sums or assets from the company's tax liability by locating them in countries subject to little or no tax (such as the non-cooperative states and territories listed by the Council of the European Union, or countries charging little tax and not party to the OECD Convention on Mutual Administrative Assistance in Tax Matters).

In accordance with its values of honesty and fairness, Groupe SAVENCIA, a family group, develops responsible, measured and controlled tax and financial policies.

The Group ensures that its subsidiaries comply with local laws and maintains long-term, transparent relations with all partners.

Through its internal process, Groupe SAVENCIA ensures that it does not invest in any "non-cooperative states"*. All tax, legal and cash management Departments are responsible for complying with any and all applicable regulations.

Actions implemented and results

- The tax Department of the Finance Division also monitors and updates the list of non-cooperative states prepared by the Council of the European Union to ensure that the Group meets its obligations in this area.
- The Group's internal audit teams ensure that the procedures defined by the Group are properly applied when they perform reviews at subsidiaries.
- The Group does not have a taxable base, nor assets in countries charging little tax and not party to the OECD Convention on Mutual Administrative Assistance in Tax Matters.
- The Group's effective tax rate is higher than the weighted average of local tax rates incurred. In 2020, it stood at 39.3%.

* List published in the Official Journal of the European Union (2020/C 331/03).

Key performance indicators

	2018	2019	2020
Number of non-cooperative states and territories* in which the Group operates	0	0	0

*List published in the Official Journal of the European Union (2020/C 331/03).

As has been the case for many years, the Group is not established in any non-cooperative states or territories*.

Overview and outlook

Despite the multiple impacts of the global health crisis in 2020, the Group reaffirmed its commitment to CSR and continued rolling out its Oxygen plan with all subsidiaries.

SAVENCIA Fromage & Dairy ranks in the Top 10 corporations generating more than €500 million in revenue selected in the 2020 Gaia Index (non-financial rating index). With this listing, the Group has been recognized for its social, environmental and business ethics performance. It was also subject to an EcoVadis evaluation and received a Silver Medal for its CSR performance in 2020.

In 2021, the subsidiaries of Groupe SAVENCIA will continue rolling out plans aimed at improving security and quality of life at work for employees; Our #PositiveFood initiatives to promote natural, healthy, sustainable diets, will also be extended.

In accordance with the SAVENCIA Responsible Design Charter, our products are subject to ongoing improvements in terms of Clean Labels, nutrition, recyclable packaging and reduced use of plastic in packaging.

In line with its commitment to reduce its environmental footprint, the Group launched an investment program targeting the decarbonation of its manufacturing sites, which will be implemented in 2021, alongside a carbon neutrality approach.

In a world completely uprooted by the impact of the Covid-19 pandemic, the SAVENCIA teams have proved remarkably adaptable and capable of keeping our businesses up and running and maintaining our initiatives for progress for a sustainable, ethical and solidarity-oriented world.

Organization of reporting

Organization of reporting

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

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

Scope

To ensure consistency with the financial scope, Compagnie des Fromages & RichesMonts was consolidated for 8/12th of the data in the "Employee well-being" and "Environmental footprint" categories.

Concerning Employee Well-being, performance data cover 100% of permanent employees at year-end. 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 2020 include 100% of the Group's production sites;
- the data reported on the "Environmental footprint" cover 100% of production sites. In 2020, all of the Group's operational sites were consolidated in the report.

Reporting procedures and guides

Two guides to environmental and social reporting define the Group's environmental and social performance indicators. A methodology memorandum presents the selection process for the issues addressed 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 Commercial Code.

Reporting tools

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

An annual questionnaire, providing for collection of all required data, is distributed to and completed by all Group subsidiaries (including production, logistics and commercial sites) in the CSR scope.

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 checking for consistency and coherence.

To that end, consistency checks are performed and significant variances are identified and explained, in conjunction with the data 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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