2022

ANNUAL GENERAL MEETING

COMBINED ORDINARY AND EXTRAORDINARY

CONVENED ON APRIL 27, 2023

SAVENCIA
FROMAGE & DAIRY

TABLE OF CONTENTS

1

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED DECEMBER 31, 2022

1. The Group's business activities

Key events of the period

Follow-up to the Corman flood

A flood occurred at Corman SA in 2021. Almost immediately order a business continuity plan was in place. Throughout 2022 the production lines continued their gradual resumption, and the restoration work is nearing completion. Those restoration costs as classified in Other Operating Expenses.

Effect of the Russia-Ukraine crisis

The international geopolitical situation has been tense since February 2022, when Russia invaded Ukraine. War between the two countries is still going on, affecting financial markets and the global economic picture by exacerbating inflation and disrupting supply chains worldwide. Economic sanctions against Russia have been declared.

The Group's financial exposure in these two countries is limited. The December 2022 financial statements were affected, however, by changes in the discount rates applied to these countries, due to the sharp increase in the country risk premiums used in our yearly intangible asset valuation tests.

Economic climate

In the first four months of the year, the global market for dairy products was tightened by a decline in worldwide dairy production but not in demand. After April production picked up in the United States and the European Union. Production costs rose throughout the year, aggravated by the war in Ukraine and leading to higher milk prices in every country.

Except for butter, the price of which started to contract only in September and remains very high, the trading prices of manufactured products are down sharply after peaking in April. This is due to the wait-and-see attitude of buyers in the face of additional supply and weakening demand on the international market.

2022 was characterized by high inflation in all countries, affecting all production costs.

The European dairy market is still impacted by stiff competition among retailers.

South America continues to deal with excessively unstable and highly inflationary economies, particularly in Argentina.

Finally, Asia was affected by a pandemic surge that significantly impacted consumption.

1.1. Scope of consolidation and accounting standards

Following the memorandum of understanding signed on March 07, 2022, the Group purchased 51.04% of the equity in Poitou Chèvre SAS on March 15, 2022. As 48.96% of this company was already held and consolidated under the equity method, this purchase conferred 100% control of the company. With this transaction Poitou Chèvre SAS will add to Savencia's expertise in goat cheese specialties.

On October 6, 2021, the Group acquired, via Alternative Foods LLC, a subsidiary of Zausner Foods Corp, the assets of Hope Foods LLC, a leading producer of hummus and other plant-based dips, based in Colorado, USA. The Hope brand fills out Savencia's portfolio in the United States with new premium plant-based products that fit perfectly into the Group's strategy.

The Group has applied the new standards and interpretations mandatory for accounting periods beginning on or after January 1, 2022, in particular the amendments to IFRS 3 "Business Combinations - References to the Conceptual Framework," the amendments to IAS 37 "Provisions - Onerous Contracts - Contract Costs," the amendments to IAS 16 "Pre-use Revenue from Property, Plant and Equipment" and the Annual Improvements of the 2018-2020 Cycle. These amendments have no impact on the statements for the period ended December 31, 2022.

The Group has not applied the other standards and interpretations not mandatory in 2022 but which may be applied to that period in advance, specifically the amendments to IAS 12 "Taxes on Assets and Liabilities Arising from a Single Transaction," IFRS 17 "Insurance Contracts" and changes to IFRS 17, the amendments to IAS 1 and Practice Statement 2 on disclosures about accounting policies and the amendments to IAS 8 on the definition of accounting estimates.

Since the Group operates in Argentina, it applies IAS 29 "Financial reporting in Hyperinflationary Economies." The principles and their effects on the consolidated financial statements are summarized in Note 13 to the consolidated financial statements.

1.2. Operations and performance

SAVENCIA Fromage & Dairy (the trade name of SAVENCIA SA) demonstrated its ability to withstand a turbulent, highly inflationary environment. The geographical spread of our markets and the diversity of our business lines enable us to offset most of the variability in economic conditions affecting consumption levels and the inputs to cost of goods. Consumer demand does not vary in mature markets as it does in developing regions. It will vary with the type of consumer good and the intensity of competition for sales.

Changes in the global trading prices of manufactured products do not normally affect the Cheese Products and Other Dairy Products businesses at the same time, with the same magnitude or in the same direction.

The impact of cost increases depends on brand strength and product features, often including their innovativeness.

Other risk-related information is included in the "Financial Position" section of this document, in note 11.6 to the consolidated financial statements, in the excerpt from the statement of non-financial performance presented at the end of Part 1 of this management report on the Group's operations, and in the report on internal control, risk management and the vigilance plan.

KEY FIGURES AT DECEMBER 31, 2022

					Change in %			
Consolidated data in € millions	31/12/2022	% of Net sales	31/12/2021	% of Sales	Total	Scope	Currency	Organic
Net sales	**6,551.2**		**5 610,4**		**+16.8%**	**+0.3%**	**-0.2%**	**+16.7%**
▪Cheese Products	3,820.5	58.3%	3 449,7	61.5%	+10.7%	+0.6%	+2.8%	+7.3%
▪Other Dairy Products	2,928.5	44.7%	2 324,6	41.4%	+26.0%	+0.1%	-5.0%	+30.9%
▪Other (Intercos)	-197.8	-3.0%	-163,9	-2.9%	+20.7%	+0.6%	-2.1%	+22.2%
Current operating profit	**234.3**		**246,1**		**-4.8%**	**-1.6%**	**+1.4%**	**-4.6%**
▪Cheese Products	81.6	34.8%	153,8	62.5%	-47.0%	-4.1%	+2.1%	-45.7%
▪Other Dairy Products	180.0	76.9%	116,6	47.4%	+54.5%	+0.2%	+0.7%	+53.2%
▪Other (Intercos)	-27.3	-11.7%	-24,2	-9.8%	-12.9%	-0.1%	0.0%	-12.9%
Operating margin (%)	**3.6 %**		**4.4 %**					
▪Cheese Products	2.1 %		4.5 %					
▪Other Dairy Products	6.1 %		5.0 %					

For the period ended December 31, 2022, **SAVENCIA Dairy Cheese & Dairy had consolidated net sales of €6,551.2 million,** as compared to €5 610,4 million for the previous year, an increase of +16.8%.

At constant structure[(1)] and exchange rates[(2)], the change was positive at +16.7%. The growth in net sales was hurt by a negative currency effect of -0.2% due to appreciation of the US dollar, the Brazilian real, the yuan and the ruble, though fully offset by the depreciation of the Argentinean peso.. The scope effect of +0.3% resulted from the consolidation of Alternative Foods (Hope Foods) as of October 1, 2021 and the acquisition of control of Poitou Chèvre as of March 15, 2022. The organic growth of SAVENCIA Fromage & Dairy during 2022 was driven in great measure by Other Dairy Products.
The share of Net Sales outside France increased from 68.6% in 2021 to 69.4% in to 2022.

Current operating profit fell -4.8% from 2021 to €234.3 million. This includes a negative scope effect of -1.6% and a positive currency effect of 1.4%.
On a like-for-like basis, EBIT fell -4.6%, hurt by the sharp rise in raw materials costs and all production costs.
Ordinary operating margin was **3.6%** as compared to 4.4% in 2021.

1.2.1. Cheese Products

Net sales from the Cheese division rose +10.7% from 2021, to **€3,820.5 million**, representing 58.3% of the total consolidated net sales of SAVENCIA Fromage & Dairy. The relative share in 2021 was 61.5%.

---

(1) The scope adjustment for incoming entities involved:
- *for entries into the consolidation during the current year, deducting the contribution of the acquisition from the aggregates of the current year;*
- *for entries into the consolidation during the previous year, deducting the contribution of the acquisition from January of the current year until the last day of the month of the current year in which the acquisition took place the previous year.*

The adjustment for outgoing entities involved:
- *for deconsolidations during the current year, deducting the contributions of the deconsolidated entity from the previous year's aggregates from the first day of the month of disposal;*
- *for deconsolidations during the previous year, deducting the contributions of the deconsolidated entity from the aggregates of the previous year.*

(2) The currency adjustment involved calculating the aggregates of the current year at the exchange rates of the previous year.

The change in net sales breaks down as follows:

- organic growth of +7.3% mainly due to price increases required in all markets to cope with the impact of inflation. Under the circumstances, volumes contracted, particularly in Europe, impacted by the discontinuation of certain SKUs, the delisting by certain distributors and changes in consumer behavior in response to inflation. Internationally, volumes on the whole grew nicely, though in some markets the trends were more mixed.
- an unfavorable foreign exchange effect of +2.8%, due primarily to appreciation of the US Dollar, the real and the ruble, and
- a scope effect of +0.6% resulting from the consolidation of Alternative Foods as of October 1, 2021 and the acquisition of control of Poitou Chèvre as of March 15, 2022.

Current operating profit for the Cheese division was €81.6 million , down -€72.2 million or -47.0% from 2021.

The operating margin of this business segment shrank from 4.5% to 2.1% in 2022. Performance was affected by inflation in material costs and all production costs and pressure on sales terms and conditions, combined with a drop in volumes throughout the European territory.

1.2.2. Other Dairy Products

Net sales from "Other Dairy Products" came to €2,928.5 million up +26% from to 2021. This represents 44.7% of total consolidated net sales of SAVENCIA Fromage & Dairy. The relative share in 2021 was 41.4%.
The change in net sales breaks down as follows:

- Organic growth of +30.9% resulting from a positive price effect due to higher trading prices of manufactured products (butter, powder and whey) throughout the year and to price increases necessary to cover inflation.
- an unfavorable foreign exchange effect of -5%, due mainly to the depreciation of the Argentine peso against the euro.

Current operating profit for Other Dairy Products was **€180.0 million** compared with €116,6 million in 2021, or growth of +54.5%. **The operating margin** rose from 5% in 2021 to 6.1% in 2022. This was largely due to better pricing in the Ingredients business and a more favorable volume-mix as a result of greater demand for high quality proteins.

1.2.3. Items not allocated to operations

Current operating profit for unallocated items amounted to € -27.3 million, as against €-24,2 million in 2021. This primarily represents the expenses of the holding companies. Non-recurring items totaled -€71.4 million, versus -€73.1 million in 2021. These include net reorganization expenses, principally in France and Central Europe, of -€3 million, costs from the flooding at Corman SA of -€9.9 million, net impairment of assets of -€62.5 million, including -€47.6 million chiefly on the Russian CGU (see "Key Events"), plus other items representing net income of +€4 million.

Operating profit was €162.9 million, down -5.9% from 2021.

Net financial expense of SAVENCIA Fromage & Dairy was **-€24.4 million for 2022,** as compared to -€20.9 million in 2021, due to higher interest rates and foreign exchange losses.

The gain on net monetary position of €2.7 million in 2022, unchanged from 2021, reflects the application of IAS 29 regarding hyperinflation (in Argentina).

The after-tax **share of income from equity-accounted investments was €1.5 million**, as against €1.7 million in 2021.

Income taxes were -€57.3 million, or €6.3 million less than in 2021, in line with the decline in pre-tax profit. The effective tax rate remained fairly stable at 40.1%, vs. 40.6% in 2021.

Net income from continuing operations was €85.4 million, as compared to €93 million in 2021.

Net income for the year attributable to shareholders of SAVENCIA Fromage & Dairy was **€68 million**. In 2021 the figure was €82.9 million.

Net income for the year attributable to non-controlling interests was €17.4 million, compared to €10.1 million in 2021. This improvement was due to better overall performance by those subsidiaries less than 100% owned by the Group.

1.3. Capital expenditures

SAVENCIA Fromage & Dairy's **spending on physical and intangible fixed assets** ran 17.1% lower than in 2021, while the Group focused on priority projects. There were €188.4 million of such expenditures in 2022, as against €229.4 million in 2021.

Capital expenditures broke down by business segment, as follows:

- Cheese Products 55.5%
- Other Dairy Products 37.9%
- Unallocated 6.6%

In terms of external development, the Group acquired an additional 51.04% stake in Poitou Chèvre SAS in 2022.

1.4. Research and development

SAVENCIA Fromage & Dairy has always considered R&D spending as a highly effective means of providing innovation and hence growth in its various business lines. In keeping with its culture and general operating principles, development efforts are grouped by technology cluster so that they can adapt to the specific needs of each business. These efforts are coordinated under company-wide programs aimed primarily at balanced diets and exploiting the nutritional qualities of milk.

Research and development costs are recognized in their entirety in the relevant categories of expense.

1.5. Workforce

The average total headcount, including temporary personnel, in the fully consolidated companies was **21,797 in 2022**, compared with 21,927 in 2021, a decrease of -0.6%.

At comparable scope, the decrease was -1.1%. The workforce was distributed as follows:

- Cheese Products 73.3%
- Other Dairy Products 22.0%
- Unallocated 4.7%

1.6. Financial position

The Group's balance sheet reflects continued financial health.

Shareholders equity, at €1,827.2 million, rose €124.2 million from 2021 or +7.3%.

Net debt[1] at €-410.6 million decreased by €17.6 million. It represented 22.5% of **shareholders equity**, versus 25.1% at December 31, 2021.

The financial ratios set imposed by our financing agreements were met.

SAVENCIA Fromage & Dairy does not have significant exposure to financial market risk. Foreign exchange exposure was, as in years past, limited by our policy of locating production units in their geographic sales markets. Interest rate risk is managed with a conservative hedging strategy.

1.7. Events after the reporting period

As far as the Company is aware, as of the ratification of the yearly consolidated financial statements, there were no significant events subsequent to the closing that might impact those statements.

1.8. Outlook

In an unprecedented environment, highly disrupted due to

- strong inflationary pressures that may require further price increases to restore margins and that could potentially impact consumption, and
- the consequences of the war in Eastern Europe, which have caused Savencia to suspend any new investments in Russia,

SAVENCIA Fromage & Dairy will continue to demonstrate its ability to adapt, develop its brands internationally, strive to be price-competitive and ensure that its dairy producer partners receive some of the best prices for milk in France.

Furthermore, the unwavering commitment of our people throughout 2022 has enabled the Group

- to earn once again the title of top employer at a great many subsidiary companies and for all Europe,
- to sign onto the first Animal Welfare Charter for cattle, sheep and goats, covering the Group's operations worldwide, and
- to continue its efforts to reduce greenhouse gas emissions through energy efficiency plans and major investments in renovating its facilities, along with a program to help breeders reduce their environmental footprint.

[1] *Net debt excludes the put and call options contracted with holders of minority interests and the lease obligations recognized since 2019 pursuant to IFRS 16 (see Note 27 to the consolidated financial statements).*

2. The Parent Company

In 2022 your company's financial statements were prepared using the same accounting principles and policies in 2021.

2.1. Operations and performance

Operating revenue for the financial year totaled €33.2 million, consisting of (i) royalties on industrial property paid by your subsidiaries, on a level with last year, and (ii) reversals of provisions. Operating revenue in 2021 was €43.5 million.

Operating expenses in 2022 were €56 million, as against €68.3 million in 2021. Net of reversals of provisions recognized in operating revenue, operating costs for 2022 amounted to €54.7 million, down €1.6 million.

Net financial income showed a profit of €37.7 million as against €28.2 million in 2021, due to increased dividends received and despite increased financing costs.

Extraordinary items showed a loss of €1 million due to various provision expenses, in contrast with a profit of €1.1 million in 2021.

The Income Taxes line was impacted by the tax consolidation regime applicable to your French subsidiaries owned 95% and above. This regime makes it possible to zero out transactions made within the consolidated Group and to offset taxable profits with tax losses.
Accounting profit net of depreciation, amortization and provision expense showed a profit of €26.3 million, as compared to a profit of €17.3 million in 2021.

Income statement *in millions of euro*	**2022**	**2021**
Operating revenue	33.2	43.5
Operating expenses	-56.0	-68.3
Operating income	-22.8	-24.7
Net financial income	37.7	28.2
Net extraordinary income	-1.0	1.1
Income taxes	12.5	12.7
NET INCOME	**26.3**	**17.3**

Capital expenditure on intangible assets, consisting mainly of software, amounted to €2.2 million during the period, as compared to €1 million in 2021. Capital expenditures on tangible asset were €2.0 million and had been nil in 2021. Financial investment expenditure was not significant in 2022, just as in 2021.

The short-term investment portfolio, totaling €91 million as compared to €85 million in 2021, consisted of liquid securities and treasury shares.

Summary balance sheet *in millions of euro*	**2022**	**2021**
Shareholders' equity	-810	-804
Net financial debt (*)	-496	-496
Other liabilities	-20	-30
Other assets	1,326	1,330

(*) The 2022 variation of the net debt, level at €496 million from 2021, is broken down in the following cash flow statement:

Cash flow in millions of euro	2022	2021
Net cash flow from operating activities	24	32
Cash flow from investing activities	-4	-1
Dividends paid	-20	-21
Net cash flow before financing (*)	**0**	**10**
Other cash flows not affecting net debt	46	127
NET CASH FLOW	**46**	**137**

2.1.1. Intercompany loans

Pursuant to the French Monetary and Financial Code and its implementing decree, joint-stock companies must disclose the amount of loans granted for less than three (3) years to companies with which they have economic ties warranting such loans. This disclosure shall be certified by the Company's Statutory Auditor, as provided by law. As of December 31, 2022 the Company has not granted any inter-company loans.

2.1.2. Payment periods

To comply with the Article L. 441-6-1 of the French Commercial Code relating to the disclosure of payment periods, we disclose the breakdown, as at the end of the financial year, of the Company's trade payables and receivables:

	article D. 441-4 of the French Commercial Code: Invoices received, unpaid and overdue as of the balance sheet date					
Trade accounts payable	**0 days (for information)**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and over**	**Total (1 day or more)**
(A) Portion past due						
Number of invoices concerned	60					30
Total sum (incl. taxes) of invoices concerned In thousand of euro	3,938	2	6		19	27
% of amount invoiced for the financial year incl. taxes	5.99%	0.00%	0.01%	0.00%	0.03%	0.04%
(B) Invoices excluded from (A), involving disputed liabilities not recognized						
None						
(C) Reference payment periods used (contractual or statutory periods – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						
Payment periods used for calculating late payments	20 days net ≤ contractual period ≤ 60 days net					

Trade receivables	article D. 441-4 of the French Commercial Code: Invoices received, unpaid and overdue as of the balance sheet date					
	0 days (for information)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day or more)
(A) Portion past due						
Number of invoices concerned	45					20
Total sum (incl. taxes) of invoices concerned In thousand of euro	5,612	228	55		-37	246
% of amount invoiced for the financial year incl. taxes	4.79%	0.19%	0.05%		0.03%	0.21%
(B) Invoices excluded from (A), involving disputed liabilities not recognized						
None						
(C) Reference payment periods used (contractual or statutory periods – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						
Payment periods used for calculating late payments	Contractual periods ≤ 20 days from the end of the month					

2.1.3. Review of agreements authorized during a previous financial year and continued in 2021

The Board of Directors has reviewed the following agreements entered into during a previous financial year and the execution of which continued in 2022:

- The financing of the Belgian company S.B.M.S. SA:

Pursuant to an authorization from the Board on September 06, 2018, a €200 million loan was granted to S.B.M.S. With a 5-year term, this loan carries interest at the 6-month EURIBOR rate plus 0.875%. The interest due for financial year 2022 came to €1,927,600.

- supplementary retirement plan:

A pension plan governed by Article 39 of the French Tax Code was set up in 2002, providing for payment to certain executives of 0.5% the of their compensation for their most recent year of service and capped at 2.5%. This is over and above their basic pension plan.

2.1.4. Earnings for the financial year and proposed distribution

We ask you to approve the parent company and consolidated financial statements for the year ended December 31, 2022 as presented to you and propose that you transfer the profit for the year ended December 31, 2022 of €26,338,070.62, which, together with retained earnings of €357,269,927.23, constitutes an available amount of €383,607,997.85, in the following manner:

In euro	
To the shareholders as a dividend per share of €1.3 (*)	18,242,809.00
To retained earnings	365,365,188.85
TOTAL	**383,607,997.85**

(*) Including the unpaid dividend on treasury shares which is allocated to retained earnings.

The total gross dividend per share would be set at €1.3. It would be paid on May 17, with the ex-dividend date set at May 15.

To comply with legal requirements, it should be noted that the dividends paid to shareholders for the last three financial years are as follows:

Paid in	In respect of the financial year	Number of shares in the share capital	Total dividend (1)	Gross dividend per share	Discount
2020	2019	14,032,930	0 €	0.00 €	NA
2021	2020	14,032,930	20,560,102 €	1.50 €	40 %
2022	2021	14,032,930	20,498,992 €	1.50 €	40 %

(1) Excluding zero-dividend shares

We hereby confirm that in 2022 there were no extravagant expenses as defined in Article 223 quater of the French General Tax Code.

2.2. Disclosures concerning share capital

2.2.1. Distribution of the share capital at 31 December 2022

At December 31, 2022	Share capital in%	Number of shares	Gross number of voting rights [3]	Gross voting rights in%	Net number of voting rights [4]	Net voting rights in%
SAVENCIA Holding	66.64 %	9,350,953	18,701,906	78.58 %	18,701,906	80.47 %
FCPE [1]	4.89 %	686,070	1,079,970	4.54 %	1,079,970	4.65 %
Treasury stock [2]	3.99 %	560,812	560,812	2.35 %	0	— %
Public	24.48 %	3,435,095	3,458,465	14.53 %	3,458,465	14.88 %
Total	100 %	14,032,930	23,801,153	100 %	23,240,341	100.00 %

(1) Employees of SAVENCIA Fromage & Dairy and related companies as defined by articles L. 1- et seq. of the French Labor Code who hold SAVENCIA Fromage & Dairy shares in the Company mutual fund.
(2) Including liquidity contract.
(3) Including non-voting shares.
(4) Excluding non-voting shares.

Northern Trust held 5.11% of your Company's share capital as of February 14, 2023.

Since February 28, 2013 the share capital has consisted of 14,032,930 shares with a par value of €1 each.

2.2.2. Public trading by the Company in its own shares

The Combined Shareholders' Meeting of April 21, 2022, acting in accordance with Article L. 225-209 of the French Commercial Code, authorized the Company to buy back its own shares on the stock market in order to exercise stock option plans for the purchase of and/or subscription to shares by senior executives and/or corporate officers and/or employees of the Company or affiliated companies, or to award them at no cost employees and/or corporate officers of the Company or affiliated companies.

Maximum purchase price: €140 per share.

Number of shares to be acquired: up to a maximum of 10% of the number of shares constituting the share capital.

In this respect, and during the financial year:

1. With regard to restricted stock and stock option plans granted to senior executives and/or corporate officers and/or employees of the Company or its affiliates:

- 200,000 shares were purchased at an average price of €60.61.
- Trading costs totaled €60,447.
- There were no disposals.

2. With regard to stimulating the market for its shares, the Company entered into a liquidity contract. Under this liquidity contract:

- 45,963 shares were purchased at an average price of €59.18.
- 47,325 shares were sold at an average price of €59.90.
- Trading costs totaled €25,000.

3. With regard to shares intended to be retained for subsequent use as part of external growth transactions:

- 23,044 shares were purchased at an average price of €56.03.
- Trading costs for 2022 totaled €5,164.

At December 31, 2022, your Company held 560,812 of its own shares representing 4.00% of the share capital with a cost value of €33,016,630 and a par value of €560,812.

However, taking into account the share buybacks made between January 1, 2022 and February 09, 2023, company holds 560,918, shares representing 4.00% of the share capital with a cost value of €33,037,515 and a par value of €560,918.

2.3. Financial performance of the last five years

Art. R. 225-81, R. 225-83 and R. 225-102 of the French Commercial Code.

In euros and units	2018	2019	2020	2021	2022
Financial position at year-end					
Share capital	14,032,930	14,032,930	14,032,930	14,032,930	14,032,930
Shares issued	14,032,930	14,032,930	14,032,930	14,032,930	14,032,930
Number of bonds convertible into shares					
Operations and period earnings					
Net sales excl. taxes	27,726,437	28,867,056	29,639,110	31,460,675	31,823,337
Profit before taxes, amortization and provisions	11,611,593	9,021,250	-19,648,217	-2,304,472	19,530,040
Income taxes	-12,112,189	-10,353,177	-13,399,201	-12,672,743	-12,453,902
Profit after taxes, amortization and provisions	22,320,802	14,647,712	-21,618,761	17,273,779	26,338,071
Amount of profits distributed	13,783,566	0	20,560,102	20,498,992	
Operating earnings per share (€1 par value)					
Profit after tax but before depreciation, amortization and provisions	1.69	1.38	-0.45	0.74	2.28
Profit after taxes, depreciation, amortization and provisions	1.59	1.04	-1.54	1.23	1.88
Dividend per share	1.00	0.00	1.50	1.50	
Personnel					
Number of employees	2	2	2	2	2
Total payroll	389,759	346,579	354,812	303,404	660,302
Employee benefits paid (social security, company welfare schemes etc.)	241,998	271,550	274,523	229,729	345,327

2

NON-FINANCIAL PERFORMANCE STATEMENT

OUR MISSION

Leading the way to better food

Resources

21,797 EMPLOYEES committed to our common values. 60.4% men / 39.6% women.

STRONG AND UNIQUE BRANDS including local heritage brands, brands of origin and PDO.

4.8 billion liters of processed milk, collected from **DAIRY FARMERS** who are partners of Savencia Fromage & Dairy.

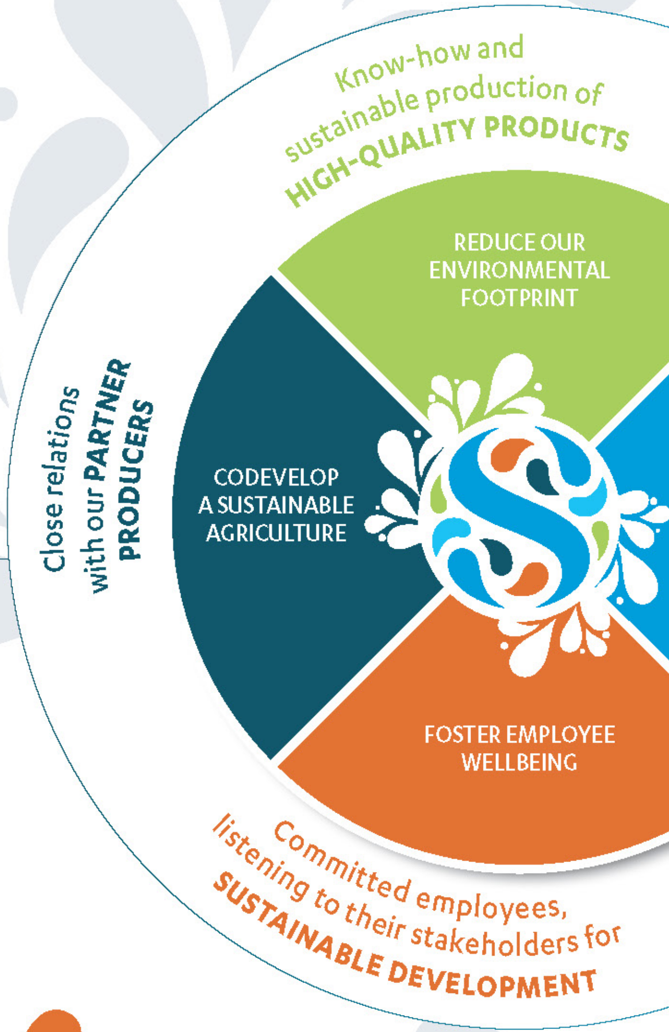
Quality, R&D and business expertise in our **PRODUCTION SITES** around the world. Continuous improvement in natural resources management.

An omnichannel strategy, with partnering **SALES NETWORKS** and customers globally.

A "GLOCAL" MODEL with shared global expertises and local subsidiaries in close proximity to their markets.

The stability of A **FAMILY SHAREHOLDING** majority.

Value creation



OUR CULTURE

Values: tolerance, courage, honesty, loyalty

Principles for action: subsidiarity, collegiality, autonomy

Savencia Fromage & Dairy,

12th largest dairy group in the world
and 5th largest cheese group

OUR STRATEGY

Creating value through specialty differentiation and innovation

PROVIDE A HEALTHY, DELICIOUS AND RESPONSIBLE EATING

SPECIALTY BRANDS at the service of our customers

#Positive Food: products combining pleasure, naturalness & health

Retail

Cheese Products

Butter, cream, infant formula

Food service

Cheese, cheese sauces

Butter, cream

Industry

Dairy ingredients and nutritional solutions

Technical butters

Shared value

FOR EMPLOYEES:
a recognized HR policy with 14 countries certified as Top Employer 2022-2023. Commitment to youth employment with 471 apprenticeship contracts in 2022. 43% of female managers.

FOR PRODUCERS:
137 young dairy farmers supported with our Installation Pack.

FOR CLIENTS:
Savencia number one sales force in the dairy department in France in 2022.

FOR CONSUMERS:
nutritional improvement and clean label products, support for responsible consumption via our #PositiveFood approach.

FOR THE ENVIRONMENT:
-311,000T CO2 eq between 2010 and 2022 for our milk collection. 10% reduction in our GHG emissions, scopes 1 & 2, per ton manufactured between 2015 and 2022.

FOR SOCIETY AND COMMUNITIES:
we contribute to the development of local territories. 63% of our subsidiaries support solidarity actions.

Introduction

CSR: at the heart of our mission

SAVENCIA is an international family-owned food group. SAVENCIA actively pursues a strategy of creating value from product differentiation and specialty brands.

Empowered by its mission of “Leading the way to better food” and its Oxygen CSR plan, the Group is committed to championing sustainable business practices that respect both people and the planet.

SAVENCIA Fromage & Dairy is the 12th largest dairy group in the world and the number five cheese producer. Its wide range of cheeses, butters, creams, dairy ingredients and nutritional solutions meets the needs and expectations of its customers in the mass retail, food service and manufacturing industries.

SAVENCIA can draw strength from smaller, tight-knit autonomous subsidiaries fostering close ties with their local markets, as well as global expertise shared across the Group. These subsidiaries play an active role in the local development of their host regions, and they maintain regular dialog with their suppliers, customers and other partners.

Commitment and adaptation in the unprecedented and turbulent environment in 2022

In 2022, SAVENCIA demonstrated its agility and pragmatism by adjusting its selling prices to reflect the unprecedented level of inflation invading the markets. SAVENCIA Fromage & Dairy continued to provide its dairy production partners with one of the highest milk remuneration packages in France. In addition, the teams’ unwavering commitment throughout 2022 enabled the Group to:

- achieve recognition again as a Top Employer in a large number of subsidiaries and across Europe;
- significantly improve how the Group’s employees around the world view their quality of working life and their well-being. Over 30% of our subsidiaries have now been certified by the Great Place To Work label;
- embrace the principles of the first Animal Welfare Charter for cattle, sheep and goats in all the Group’s worldwide operations;
- continue its efforts aimed at reducing greenhouse gas emissions by leading energy efficiency plans and engaging major investments to refurbish its facilities, as well as a program to support farmers in reducing their environmental footprint.

Vision and outlook in a changing world

The synergies between Groupe SAVENCIA’s core businesses (retail, food service and industry) and its varied range of geographical locations build the necessary resilience to withstand the various risks facing the Group.

SAVENCIA has demonstrated its ability to adapt its game plan to address the risks in its environment, the volatile prices for raw materials, and the major changes sweeping its markets, its customers and its consumers, by strengthening its competitive advantage, staying ahead of the innovation curve and working closely alongside its stakeholders.

SAVENCIA is committed to supporting the necessary transitions in light of the profound changes affecting our business, social and technology models:

- the food transition for encouraging healthier and more sustainable food. SAVENCIA is focused on its ambition of playing a leading role in moving the food transition forward with an array of sustainable and high-quality products meeting consumer expectations and furthering its #PositiveFood approach of promoting a diversified, nutritious and enjoyable diet through healthy, natural and minimally processed products;
- the ecological transition for mitigating climate change and its long list of impacts. The Group is committed to reducing the environmental impact of its activities and supporting its production partners in upgrading their agricultural practices;
- the digital transformation, which affects our core businesses and our entire value chain, from the upstream supply activities through to distribution;
- the societal transition, with consumers and employees expecting companies to engage with the issues facing today’s society.

Our CSR approach

1. Governance

1.1. CSR governance

To support the roll-out of its Oxygen strategy, the Group has set up a dedicated governance structure involving the organization's senior executives as well as the corporate teams and subsidiaries.

1.1.1. Group-level governance

- **The Board of Directors of SAVENCIA Fromage & Dairy** determines the strategic directions for the Group's business activities and oversees their implementation. The Board of Directors is assisted by specialized committees. The Board provides those committees with the necessary means and resources to perform their missions, offers them support from the various departments concerned and allows them to seek advice from outside the Group. Each committee holds several meetings a year and whenever its advice and feedback are deemed necessary by the Chair of the Board, the Board or the actual Committee Chair. The Board of Directors has enlisted the Social & Environmental Responsibility Committee (SERC) to examine and oversee the Group's CSR issues.
- **The Social & Environmental Responsibility Committee of SAVENCIA Fromage & Dairy** (SERC) comprises members of the Board of Directors and is chaired by an independent director. The SERC is responsible for assisting the Board of Directors in assessing the Group's CSR issues and anticipating the associated opportunities, challenges and risks. It helps the Board address the company's ethical issues as well as any matters relating to the Group's social and environmental responsibility that could arise for senior management. In 2022, the committee held five meetings and worked on a variety of topics, including changes in legislation.
- The **Group Ethics and Culture Committee** (GECC) comprises the Group's Chief Executive Officer, Chief Administrative Officer, Committee Chair, Chief Financial Officer, Chief Legal Officer, Chief Human Resources Officer and Chief Compliance Officer. This committee is responsible for leading the Group's compliance policies, especially relating to due diligence. It holds at least two meetings a year and whenever warranted by the latest events.
- **The Audit and Risks Committee of SAVENCIA Fromage & Dairy** (ARC) assists the Board with closing the accounts and assessing the process of preparing the Group's financial information and statements. It also ensures that the internal and external control systems are appropriate and effective.
- **The Management and Compensation Committee of SAVENCIA Fromage & Dairy** (MCC) assists the Board of Directors with applying the Group's Human Resources Policy and makes recommendations for appointing or re-appointing directors, non-voting members and corporate officers.
- **The Group's CSR Department** deploys the Oxygen strategy worldwide, develops and implements the Sustainable Development strategy, and assesses and manages the risks relating to environmental and social issues. The Chief CSR Officer is a member of the Executive Committee.
- **The Oxygen Committee** was created in 2019 under the CSR Division's responsibility. This committee brings together supporting expertise from the Human Resources, Dairy Supply, Purchasing, Nutrition, Quality, Compliance and Industrial Departments. It provides its expertise and follows up the action plans.

1.1.2. In the subsidiaries and business units

The CSR Department has set up a network of CSR coordinators whose role within each subsidiary is to act as an interface between the subsidiaries' Management Committees, the CSR action sponsors and the Oxygen Committee. They support the deployment commitments defined in the Oxygen strategy.

In each business unit, operational sponsors implement the CSR actions and monitor the progress achieved in the Group's roadmaps to ensure that planned objectives will be met.

This tight-knit network across every level of the Group is key to ensuring that CSR guides the activities of every Group employee and allowing the Group to achieve the objectives in its Oxygen plan.

1.2. Risk management and compliance

SAVENCIA has a Risk Management and Compliance Department headed by the Chief Compliance Officer. This team is responsible for designing, deploying, coordinating and monitoring compliance actions across the Group with the aim of bringing all identified risks under control.

The Compliance Department is assisted by a network of Subsidiary Compliance Officers, who are tasked with coordinating compliance measures in the local companies. A person who is specifically responsible for due diligence ensures coordination with the CSR Division. Training on these subjects is provided for the Group's employees. Attendance is mandatory.

2. Materiality assessment

SAVENCIA, a socially responsible company, held an initial consultation process in 2018 with more than 185 internal and external stakeholders around the world, including employees, producers, customers, consumers, suppliers, executives, investors and civil society. Their insights were subsequently used to produce a materiality assessment. This exercise was instrumental in identifying and selecting the priority issues for both the Group and all its stakeholders.

In 2021, the materiality assessment was updated to reflect the main social trends and the latest developments in our sector of activity. This process was carried out by the Oxygen Committee and involved internal experts from several of the Group's functional areas, such as the Human Resources, Purchasing, Dairy Supply, Marketing, Nutrition, Quality and Industrial Divisions. Some of the issues were reassessed, namely climate change and net zero, animal welfare and farming practices, and water management. This materiality assessment was presented to the Executive Committee and the Social & Environmental Responsibility Committee.

The issues identified during the materiality assessment have been incorporated into the focus areas underlying our Oxygen strategy:

- Healthy, delicious and responsible eating
- Sustainable agriculture
- Environmental footprint
- Employee well-being

We have also checked that our reporting activities comply with legal requirements by ensuring that they cover the areas stipulated in the regulations (social, societal, environmental, human rights, anti-bribery and anti-tax evasion) and the other expected topics (climate change, circular economy and food waste, poverty, healthy and sustainable food, animal welfare, diversity and disability initiatives, collective bargaining agreements, physical activities and sports activities).

Following SAVENCIA's decision to give certain CSR issues greater priority, relevant KPIs for our sector of activity have been associated with each issue.

The process used by Groupe SAVENCIA to select its main CSR issues is identical to the process used in 2021.

SAVENCIA Fromage & Dairy voluntarily publishes a non-financial performance statement in accordance with the applicable European directive. Data in France's "Grenelle II" format, which are used by rating agencies, are available in a specific document that has been uploaded to our *savencia-fromagedairy.com* website.

Materiality analysis,
CSR priority issues

3. Our key issues

Issues	Risks	Contribution to UN Sustainable Development Goals
Healthy, delicious and responsible eating		
• Improve the nutritional quality and design of our products • Promote responsible consumption	• Potential risk of impact on consumer health • Risk of overconsumption and food waste	2 Zero Hunger 3 Good Health and Well-Being 12 Responsible Consumption and Production 17 Partnerships for the Goals
Sustainable Agriculture		
• Codevelop more sustainable sourcing with our suppliers of agricultural raw materials • Promote responsible purchasing	• Risk of poor animal husbandry or crop farming • Risk of social and environmental rights violations via the supply chain	2 Zero Hunger 8 Decent Work and Economic Growth 13 Climate Action 15 Life on Land 17 Partnerships for the Goals
Environmental footprint		
• Reduce our greenhouse gas emissions • Control our water resources • Optimize waste management • Developing eco-design of our packaging	• Risk of impact of activities on climate change and adaptation to the consequences of climate change • Risk of hydric stress • Pollution risk • Waste overproduction risk	6 Clean Water and Sanitation 12 Responsible Consumption and Production 13 Climate Action 17 Partnerships for the Goals
Employee wellbeing		
• Ensure the safety of our employees • Improve quality of life at work • Develop employee skills • Commit to diversity and inclusion • Encourage employees to engage with solidarity	• 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	2 Zero Hunger 5 Gender Equality 8 Decent Work and Economic Growth 17 Partnerships for the Goals
Ethics and compliance		
• Respect for Human rights • Combating corruption • Combating tax evasion	• Risk of breaching basic Human rights • Risk of unethical practices • Risk of damage to brand reputation	8 Decent Work and Economic Growth 16 Peace, Justice and Strong Institutions

Healthy, delicious and responsible eating

1. Improve the nutritional quality and design of our products

1.1. Issue, risk and policy

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

In response to growing consumer expectations in terms of food and given the potential impact on their health, we are committed to developing high-quality products that go through minimal 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 2022, the Group continued rolling out SAVENCIA's Charter for Responsible Packaging defined in 2019.

The goals of the Charter are to:

- Provide all subsidiaries with guidelines and proactive directions for more sustainable and responsible design and redesign of our products;
- Establish cross-functional goals;
- Facilitate the audit process 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, with 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 targeted media (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 and controversial substances.

1.2. Actions implemented and results

- A global network of internal correspondents has been created with the aim of improving the roll-out of the #PositiveFood approach launched by the Group in 2020. This approach promotes a positive food transition and a diversified food model, with portions and consumption frequencies tailored to each food category. The idea is to encourage a flavorsome flexitarian diet with a positive impact on society and the environment.
- The Group Nutrition Division holds regular meetings with the network of #PositiveFood correspondents and the subsidiaries' R&D and marketing teams. The purpose of the meetings is to support them in formulating proposals and building actionable, targeted plans aimed at continuously improving the nutritional quality and design of our products, and providing consumers with the best support in embracing healthier and more sustainable and responsible eating habits.
- The Clean Label section of SAVENCIA's Charter for Responsible Design has been updated, including further details about the definition of the different Clean Label levels within the Group's approach, as well as an update to the list of additives that must be scaled down to an absolute minimum.
- The indicators underwent an in-depth review to help track the improvement plans with greater efficiency. The glossary was revised to clarify and update certain entries.
- The Oxygen steering committee, in charge of packaging eco-design (see "Developing eco-designed packaging") and tracking achievement of the established goals, met on a regular basis during the year.
- Nutritional improvement plans were implemented by multiple brands in 2022 in a bid to optimize the nutritional profile of their products, including:
  - Reducing salt content:
    - Maroilles Fauquet: 13% reduction

    - Chavroux logs: 7% reduction in the salt content
  - Lowering the sugar content:
    - Molkerei Sôbbeke: 2% sugar reduction in its main products
  - Reducing the fat content:
    - Lactose-free Burgo de Arias: 15% reduction in the fat content
    - Polenghi: 16% reduction for individual slices of cheddar, prato and mozzarella
    - Elle & Vire Professionnel: 10% reduction for cream cheese
    - NaTurek: 24% reduction
    - Gollandsky: 10% reduction
- Clean Label improvement plans were also put into action for the following brands:
  - Milkaut La Cremeria, Biser Proteins 200 g, Elle & Vire Professionnel extra dry organic butter, Medve Yoyo, British cheddar PDO and Montfleuri organic butter
  - Elle & Vire's 12% liquid whipping cream and the entire Toni Delaco Junior brand range are additive-free.

1.3. Key performance indicators

- In 2022, 75.4% of our new branded products adopted a Clean Label approach.

	2020	2021	2022	2025 Target
% of new branded products having adopted a Clean Label approach	65.5 %	58.6 %	75.4 %	100 %

The increase in this KPI in 2022 can be credited to the subsidiaries' greater engagement with the Clean Label approach as a result of the further details provided in the SAVENCIA Charter for Responsible Design.

2. Promote responsible consumption

2.1. Issue, risk and policy

Helping consumers and our employees adopt 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 overweight, 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 fixed-portion products like cheese slices, or products showing a picture of the portion , the actual size of the unit (one or more units) is specified on the label so that consumers can identify the portion and consume in a well-considered and well-informed manner.

For products not in fixed portions, portion size is roughly the recommended portion (30 grams of cheese) or the portion usually consumed 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, especially by adding serving size visuals to the product and/or packaging.

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, resealable packages, etc.).

2.2. Actions implemented and results

2.2.1. Encouraging consumers and employees to adopt smarter eating habits

- In 2022, we continued to roll out our nutrition policy. The Nutrition Department assists all Group brands in their efforts to optimize the nutritional value of our products as part of a healthy, balanced diet.
- In 2022, we continued rolling out the #PositiveFood approach that was launched in 2019 and which embodies our commitment to responsible diets, combining both pleasure and health, with products that are natural or processed as little as possible. Our quiveutdufromage.com, jaime-le-fromage.ch and ich-liebe-kaese.de digital platforms offer flexitarian recipes for balanced and tasty meals. At the end of 2022, we had more than 630 Positive Food recipes around the Group's major brands. Recipes with a Nutri-Score rating of A or B have been proposed by several brands in France and abroad: Caprice des Dieux, Bresse Bleu, St Môret, Fol Epi, Ferrari, Holland Master, Le Coq, Tartare, Saint Agur, Chavroux, Camoscio d'Oro, Apetito, Liptov, Pribinacek, Lucina, NaTurek Kortos, and Balade.
- As part of our determination to move the food transition forward, supporting and guiding consumers towards healthier and more responsible eating habits is high on Groupe SAVENCIA's priority list. That explains why we are implementing solutions to encourage consumers to change their purchasing practices and eating habits in favor of flexitarian diets packed full of flavor. For example, a #PositiveFood campaign is being spearheaded in France with the JOW app to promote balanced and flavorsome dishes featuring lots of seasonal vegetables, where our cheeses can help bring the perfect balance in nutrition and taste to vegetarian recipes. JOW is an app that makes everyday life easier for consumers by giving them access to a wide selection of recipes and allowing them to add all the ingredients to their grocery cart before heading to the checkout. Five of the Group's brands took part in this campaign, namely Tartare, Elle & Vire, Chavroux, Saint Môret and St Agur. This initiative enabled some 53,000 JOW users to increase the number of vegetarian recipes and the percentage of fruits and vegetables in their grocery carts with indulgent cheese recipes.
- In 2022, the Marmissimo operation was carried out in partnership with Marmiton and Doctissimo for the second year running, which involved distributing recipes that promote a varied, healthy and tasty diet, including a reasonable portion of cheese, as well as articles to educate and inform consumers about the natural nutritional benefits of food and our products.
- The Group continued rolling out initiatives as part of its Institute for Positive Food, such as organizing a number of webinars and videos (available on our LinkedIn page and YouTube channel) addressing topics relating to the food transition, especially the fight against food waste.
- The Institute also carried on deploying the ALISA program that it launched in 2021 to promote healthy, sustainable and affordable food in partnership with the Paul Bocuse Institute Research Center, the Vivons en Forme (VIF®) program and the cities of Écully (69) and Meyzieu (69). In conjunction with local authorities, these three partners are pooling their experience and resources to implement the ALISA action campaign among people aged 55 and over. This collaborative project aims to provide solutions adapted to the needs of these populations, thanks to an approach that directly involves the inhabitants as of the design of the content. Ultimately, thanks to the training of the supervisors and facilitators of these cities, tools and experiences will be offered, to promote a pleasant, healthy and sustainable diet, accessible to the greatest number. In 2022, the program was proposed by Écully and Meyzieu. A webinar focusing on the results of the ALISA program was organized with the different stakeholders. Program deployment will continue in 2023 with the ambition of garnering the support of other cities in France.
- Our Serbian subsidiary, Mlekoprodukt, pushed ahead with the development of its CSR project "Biser Nutry Academy" concerning #PositiveFood, which aims to raise awareness of the importance of a healthy and balanced diet for children's development. A program designed to educate consumers about the merits of providing children with an enjoyable and healthy diet reached 2.4 million contacts through three digital campaigns.
- In 2022, tangible in-store initiatives were also conducted with retail chains as part of our engagement with the Consumer Goods Forum (CGF) as well as collaborative actions within Carrefour's Food Transition Pact:
  - SAVENCIA has joined the Steering Committee for the CGF's Collaboration for Healthier Lives coalition in a bid to play a more active role in defining and implementing actions to advocate Better Eating practices.
  - Balanced flavorsome recipes with a Nutri-Score rating of A or B and featuring a high content of seasonal vegetables were proposed during several in-store campaigns (e.g. gourmet food pairings) with the objective of promoting meals that combine the pleasure of eating with the recommendations for a healthier and more sustainable diet.
  - Our Vivre Vert brand participated in a specific initiative that was organized to raise awareness of the benefits in adopting a more plant-based diet alongside CGF and Carrefour. The campaign was led in liaison with other agri-food manufacturers and received the Sirius Sustainable Collaboration Transition award from the French Institute of Commerce. The positive impact on the shopping basket has been demonstrated by measuring sales, particularly of vegetables.
- The e-learning nutrition training module continued to be rolled out to Group employees. It aims to provide them with basic nutritional concepts. This educational course, made up of five modules, was developed by experts and nutritionists while there was input from AgroParis Tech. In 2022, 61% (compared with 61% in 2021)) of employees who were connected to the Learning@Savencia platform

completed at least one module in the nutrition training program.

For all those employees who are not connected to the Group's e-learning platform, our subsidiary Fruisec has developed four training modules that reflect the realities facing the teams out in the field.

2.2.2. 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:

- raising consumer awareness:
  - SAVENCIA Fromage & Dairy has undertaken to reduce food waste by signing the Consumption Dates Pact launched in France by Too Good To Go (TGTG) and backed by the French Ministries for Ecological Transition and Solidarity and Agriculture and Food. The St Môret brand pushed ahead with this commitment by including best-before date pictograms on its packaging;
  - In 2022, the Chavroux brand added TGTG's "Look, Smell, Taste, Don't Waste" messaging to its packaging to educate consumers about date labels and avoid food waste.
  - The DELACO brand in Romania masterminded a 360-degree campaign harnessing digital technologies to provide consumers with anti-waste solutions and recipes.
- encouraging donations to associations to combat food insecurity:
  - Groupe SAVENCIA, which is part of the Entreprises Solidaires des Banques Alimentaires (made up of companies working in solidarity with Food Banks), confirmed its commitment to them and its desire to fight food waste while helping the most disadvantaged access quality products. Several initiatives have been carried out with this aim in mind:
    - Product donations continued and practically doubled *versus* 2021 (49.5% increase).
    - The partnership created in 2021 as part of the Paniers Solidaires operation was renewed. A virtual collection platform, *monpaniersolidaire.org*, set up by food banks at the time of the national collection for those who wish to support their cause without going to the store. The principle is as follows: the donor selects a basket type (student, baby, family, etc.) and gifts it to food bank beneficiaries in the form of a financial donation. SAVENCIA Fromage & Dairy made a commitment during this campaign to double consumer donations.
    - As part of the skills sponsorship system within the company, our employees rallied to the cause and rolled up their sleeves alongside the food banks by taking part in the national collection campaign in November, which was held in 8,000 stores across France.
    - A check for €50,000 was handed over to the food banks. This achievement bears testament to the efforts of our employees from 25 countries who sprang into action when the Occupational Health & Safety Challenge threw down the gauntlet by inviting them to rack up the greatest number of steps, which were subsequently transformed into euros. This donation allowed the food banks to distribute the equivalent of 30,000 meals.
  - Other associations receive regular donations from our subsidiaries, and in 2022, 75.0% of donations made by production sites were product donations.

2.3. Key performance indicators

- In 2022, 59.6% of our branded retail products included per-portion nutrition labelling.

	2020	2021	2022	2025 Target
% of branded retail products including per-portion nutrition labelling	42.9%	47.0%	59.6%	100%

Sustainable Agriculture

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

1.1. 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, 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. It engages in long-term partnerships with its suppliers, with whom it strives to foster and maintain fair and balanced commercial relationships.

To meet the growing societal expectations of our consumers and aware of their responsibility vis-à-vis these issues, the dairy supply teams are committed to developing quality branches that respect animal welfare and the environment while valuing the work of producers to avoid the risk that poor animal husbandry or crop farming practices worsen the impacts of these activities.

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

- Extension of our Charter for Best Farming Practices (or its equivalent by country or sector) to all our milk sourcing worldwide, by 2025.
- Deployment of our "Sustainable Milk Production" approach to 50% of our milk producers by late 2025, and a reduction in the carbon footprint of the upstream dairy sector.

1.2. Actions implemented and results

In 2022, SAVENCIA Fromage & Dairy bought 4.8 billion liters of milk worldwide, from farms producing cow milk, ewe milk and goat milk.

As part of the Oxygen plan, our dairy supply teams are focused on two specific objectives for developing sustainable and responsible sourcing as part of the "Terroirs de lait" approach:

- collaboratively developing responsible dairy supply practices with our stakeholders;
- securing sustainable milk volumes from our dairies and improving the environmental footprint.

Collaborative development of a more sustainable dairy supply process

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

Groupe SAVENCIA supports a responsible milk purchasing policy and encourages producers to join a collective structure, whether a cooperative or an organization of producers.

In 2022, SAVENCIA Fromage & Dairy continued working to enhance the value of France's dairy industry, in accordance with the EGalim law.

SAVENCIA Fromage & Dairy is one of the national cheese groups that applies the highest milk prices and has been doing so for several years. In 2022, we continued to provide our dairy production partners with one of the highest milk remuneration packages in France.

We strive to keep our processing local: 89% of our milk is sourced within a 70-km radius of our dairy plants and 67% within a 30-km radius.

This way we contribute to the creation of value and the dynamism of our collection and processing areas, in particular by maintaining activities and jobs in rural areas that are losing their attractiveness.

In terms of quality and production/farming conditions, compliance with our Charter for Best Farming Practices is contractually required for all our French cow's milk suppliers. This requirement will be progressively extended to all our milk sourcing worldwide. In 2022, 86.8% (compared with 85.8% in 2021) of our global volumes already met this charter or standards recognized as equivalent by country or sector.

This Charter for Best Farming Practices contains seven chapters, i.e. animal traceability, animal health, animal feed, clean milk production, social sustainability, the environment and animal welfare.

The charter was updated in 2022 and allows livestock farms to implement the social responsibility approach championed by the French milk industry's "France Terre de Lait" program. The 2022 version includes a new feature, namely an audit to assess the level of animal welfare in dairy herds followed by an individual progress plan defined with the producer.

Furthermore, 24.9% of our global milk volumes collected in 2022 were sourced from so-called "differentiated" segments:

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

In 2022, SAVENCIA Fromage & Dairy took action to implement a new set of specifications for Charentes Poitou PDO butter and support producers in adopting the new specifications.

Two open days for breeders were organized at the Surgères creamery to encourage them to engage with the process.

Our Dairy Resource Coordinators are in daily contact with producers to support them in changes to their practices.

They visit the farms at least once a year and offer technical support as needed, including assessments into the quality of the milk produced. Numerous initiatives have been taken, including meetings, working groups, a website dedicated to producers, a quarterly bulletin, videos, corporate support for events, etc.

To participate in the future of the sector and share its expertise, SAVENCIA Fromage & Dairy works with all participants in the value chain in France: the National Federation of Dairy Industries, the Association for Dairy Processing, and the National Association of Food Industries. SAVENCIA Fromage & Dairy sits on the board of directors of the CNIEL (the French Dairy Interbranch Organization), the ANICAP (National Umbrella Organization for the French Goat Industry), the FBL (National Interprofessional Sheep's Milk Association) and their regional bodies.

On an international level, SAVENCIA Fromage & Dairy has also signed the "Pathways to Dairy Net Zero" declaration and is an active member of the International Dairy Federation (IDF), the Sustainable Agriculture Initiative (SAI) and the Dairy Sustainability Framework (DSF). SAVENCIA Fromage & Dairy's commitments cover all the criteria and fundamental principles of the DSF, i.e. greenhouse gas emissions, soil nutrients, waste, water, soil quality and retention, biodiversity, animal care, work conditions, market development, rural economies, product quality & safety, respect for local legislation, human rights, and the fight against deforestation.

Securing sustainable milk volumes from our dairies and improving the environmental footprint

The rationale behind the Terroirs de Lait strategy is to secure sustainable milk volumes around our dairies and reduce the environmental footprint by leveraging the Sustainable Milk Production approach.

This strategy features two focus areas:

- ensure the security of local milk supplies;
- halve the number of producers abandoning their milk production activities in our dairies by 2030.

To put this strategy into action, we developed a program for producers in 2022 that includes a specific package of financial and support measures. The program is divided into three sections:

- welcome and onboard new producers: 57 producers chose to join us in 2022;
- help young producers get their farms up and running. Young farmers are provided with a "getting started pack" entitling them to financial aid and a contractual commitment over the long term. This pack also includes technical support: carrying out an individual audit and a 10-day training program (operations management, environmental approach, etc.). 137 young farmers benefited from start-up support this year;
- build loyalty: in addition to ensuring fair prices for their milk and bolstering the investments made in the farms, we have set up a number of investment support programs with various partners. This system supports projects conducted on farms through tangible investments (dairy machinery and livestock) and intangible investments (training).

Promoting animal welfare

In an effort to deliver a better response to our customers' questions on how our milk is produced while implementing a strategy to continually raise the bar on our performance, the Group is rolling out its "Sustainable Milk Production" program for producers. Launched in 2011, the program includes an audit and an action plan that incorporate the following 10 indicators: farm profitability, sustainable management of water resources, carbon footprint, animal welfare, food self-sufficiency for the herd, biodiversity, soil fertility, producer's quality, outdoor access and livestock health.

This audit assesses the producer's economic, social and environmental practices.

Farmers create an action plan to reflect the audit findings, and the Group provides support with suitable training courses covering such topics as cows' health and nutrition, soil fertilization and protein autonomy. In 2022, nearly 400 days of training were provided to our French milk suppliers within this framework.

By late 2022, 23.8% of our global volumes came from farms that have carried out the Sustainable Milk Production audit (compared to 21.6% in 2021).

To strengthen its commitments and communicate them more widely on a global scale, the company drew up an Animal Welfare Charter in 2021 based on the expertise of the international NGO Compassion In World Farming (CIWF), which specializes in farm animal welfare. Four major issues have been defined:

- quality, sustainable and local animal feed: ensure the quantity and quality of animal feed via best practice charters and audits, use special quality animal feed via differentiated supply chains (organic, GMO-free or even locally sourced from the PDO zone);
- guaranteed access to the outdoors: promote pasture grazing for dairy cows, wherever climatic conditions permit, target of 100% for ewes by 2025;
- comfortable housing: guarantee litter bedding for 100% of goat farms in 2025 and a place in a stall or a minimum surface area of 10 m^2 per cow in a fully straw-covered area for 100% of dairy cows by 2030, eliminate the practice of tethering cows by 2030, reduce the time spent by calves in individual pens to no more than eight weeks;
- better consideration of health: communicating for the careful use of antibiotic treatments, treat the pain of young cattle during horn disbudding, and eliminate adult dehorning by 2030 in all our milk sourcing areas.

These indicators are inspired by the Welfare Quality© method and implemented in France by means of the Boviwell system, which assesses the five fundamental freedoms for animals, i.e. freedom from thirst and hunger, freedom from discomfort, freedom from pain, injury and illness, freedom to express normal behavior, and freedom from fear and distress.

In 2022, 61.5% of the Dairy Supply employees at SAVENCIA sites were trained on animal welfare. They will subsequently be required to audit livestock farms worldwide using recognized standards and work alongside the farmers in defining the corresponding action plans. Audits started this year and will continue being phased in over the next three years.

Reducing the carbon footprint from our milk sourcing activities

Improving animal welfare through feeding and living conditions has a positive impact on curbing the environmental footprint of the upstream dairy sector. Groupe SAVENCIA has been committed to reducing greenhouse gas emissions for more than 10 years, which is a core component of its Sustainable Milk Production strategy.

In 2021, we calculated the emissions from the upstream dairy activities in our collection areas in France and abroad. Emissions from the upstream dairy sector represent a significant percentage of the Group's Scope 3 carbon emissions, and this characteristic is common to the entire agri-food sector.

In 2022, we ramped up our actions within the different dairy farms, such as defining relevant action plans and delivering technical and financial support to help producers upgrade their practices and embrace innovation. We actually exceeded our objective by achieving a reduction of 311,000 tons of CO_2 eq in 2022 compared to our target of 300,000 tons of CO_2 eq by 2025.

During the year, SAVENCIA Fromage & Dairy set up a partnership to trial supplements that could help reduce methane emissions from cows. Approximately 20 volunteer farms have been identified in our collection areas in France and Poland, and trials are due to start in 2023.

We are also taking action to minimize the carbon emissions from our milk sourcing activities caused by transportation:

- Our milk tanker fleets are committed to the "CO_2, Carriers Commit" approach certified by Ademe, and our drivers receive regular training on green driving practices. In 2022, we also confirmed our commitment to Ademe's "FRET 21: shippers go green" initiative for our fleet of milk collection vehicles.
- Our Normandie Bretagne Transports inter-plant transport fleet is "Objectif CO_2"-certified in recognition of its superior energy and environmental performance.
- Alternative fuels have been deployed across our fleet, especially BioNGV-powered vehicles. For one of our vehicles, this biogas comes from a partnership established with a local anaerobic digestion facility with the aim of building a circular economy and reducing the environmental impact. Trucks running on synthetic biodiesel and biofuels were trialed during 2022.
- In France, we are actively encouraging our milk transportation providers to switch over to alternative fuels. In 2022, we consulted and listed several suppliers with the aim of building a range of solutions at preferential rates.

1.3. Key performance indicators

	2020	2021	2022	2025 Target
Expand the "Charter for Best Farming Practices" worldwide *(% milk volume sourced)*	83.1%	85.8%	86.8%	100%
Deploy the Sustainable Milk Production diagnosis *(% milk volume sourced *)*	19.2%	21.6%	23.8%	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%).

	2020	2021	2022	2025 Target
% of Dairy Supply employees at SAVENCIA sites trained on animal welfare.	Information not available*	Information not available*	61.5 %	100 %

** Indicator created in 2022*

	2020	2021	2022	2025 Target
Reduction in the carbon footprint associated with our milk collection *(volume of milk collected, in tons of CO_2 eq compared with 2010 in France)*	-252,000	-282,000	-311,000	-300,000

1.4. 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, as well as farmers and our milk suppliers. Their activities play a major role in protecting biodiversity. This is one of the areas for improvement identified in our Sustainable Milk Production audit, 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 defined on the basis of the share of permanent pastures on the farm, areas of ecological interest (trees, hedges, bodies of water and ditches) and also the diversity of animal and plant species on the farm. Once the audit has been performed, solutions are offered to producers to:

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

SAVENCIA is focused on promoting collective actions to combat deforestation caused by soy production in South America. Since July 2022, the Group has been lending its support to the Duralim initiative and thereby helping implement collective actions to achieve the objective of eliminating deforestation (2025).

Multiple initiatives to promote biodiversity were also developed across our sites in 2022:

- a green dispersion zone was commissioned in March 2022 at the Grand'Ouche site in Réparsac, France (16). This landscaped area is located in the grounds of the plant's wastewater treatment facility. 40% of the funding for the dispersion zone was awarded by the Adour-Garonne water agency. It comprises a series of three vegetated basins through which the water flows. Several phenomena occur in each basin, including natural evaporation across the entire water surface, infiltration into the soil, water consumption by the plants for their metabolism and growth, and purification of the water through absorption of the micropollutants by the plants. The plant species were chosen for their major capacity to absorb and purify water, such as reeds, willow and grass. The wetland habitats created represent a conducive environment for developing local biodiversity.
- in Saint-Brice-en-Coglès (35), volunteer employees at Armor Protéines have planted a traditional orchard at the site to preserve the old tree species. Over 20 fruit trees have been planted, obviously including apple trees but also cherry and plum trees.
- the CF&R site in Vigneulles (55) launched a number of initiatives:
  - an eco-grazing agreement has been established between the cheese-making facility and a local sheep farm. A plot of land has been made available to the farmer's sheep. Once the grass is short and no longer nutritious, the sheep will be moved to another plot of land so that the grass can grow. This initiative not only helps develop the local biodiversity, but also reduces the environmental impact with the aim of naturally fertilizing the soil.
  - as part of the green infrastructure project led by the combined district council of Vigneulles, which involves creating or restoring ecological corridors, the hedge around the site was enriched with 312 additional plants. This project was carried out in partnership with the Lorraine national park.
  - a seed library, where users can swap and donate flower, vegetable and fruit seeds. The seed library is filled and emptied according to the seeds taken or deposited by the employees.
- in the United States, the employees at our SAVENCIA Cheese USA and Advanced Food Products subsidiaries planted 30 oak and maple trees at the site during their dedicated "Family Day".
- in Denmark, the teams at our sales subsidiary, BC Nordics, cleaned up the beaches to the north of Zealand.
- in Argentina, our subsidiary has partnered with its milk producers to plant more than 1,400 trees on their farms. Employees volunteered to take part in this initiative.
- the Group is also supporting agroforestry projects, which have a direct impact on protecting biodiversity, through its "Bien Nourrir l'Homme" endowment fund for promoting access to healthy food, for example:
  - the Bayon school in Siem Reap, Cambodia, has developed a vocational training program on agroecology for young people with the objective of turning them into real agroecology practitioners and showing them how to ensure greater sustainability when mobilizing the principles and ecological processes of the ecosystems. After completing the course, students should be proficient in a number of skills, such as managing small productive farms, selling their organic produce on the local market, and knowing how the agricultural and food systems work. In 2022, 16 young people from disadvantaged regions in northern Cambodia received training. After finishing the course, all the students in this class have found a job enabling them to support themselves and their families.
  - in Madagascar, the Naturevolution association is working with local communities as part of its "seeds of change" project to guarantee their food security while protecting biodiversity in the forests across the Makay region. The island of Madagascar is renowned for its exceptional biological wealth, but unfortunately most of its forest cover has disappeared. Today, the country's unique biodiversity can only be found in a handful of unspoiled areas, such as the Makay, which is a spectacular massif of ruiniform sandstone that has become a real safe haven for nature. Groups of villagers are increasingly setting up temporary but enduring settlements in the Makay Massif's forests. In the process, they clear entire plots and remove lemurs, tubers, palm trees and firewood. This phenomenon is currently having the most serious

impact on this region's sensitive natural habitats and unique biodiversity. Naturevolution is pioneering a school allotment project to educate local communities about agroecology, crop cultivation, cooking and new, more resilient vegetables that can be grown and eaten when rice is scarce. They are also trained on a new rice farming technique that boasts higher yields and uses less water. Community granaries are also set up to keep stock levels under control throughout the year and regulate rice prices. The produce from the allotments is used by the school canteens, which help improve schooling.

2. Promote responsible purchasing

2.1. Issue, risk and policy

Following the enactment of France's "Sapin II" and Due Diligence laws, the Group has reinforced its legacy systems to ensure that its purchasing processes comply with its obligations for eliminating undeclared labor, ensuring transparency, tackling bribery, and preventing violations 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 Supportive Purchasing has been submitted to the Group's main suppliers for signing. 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 10, 2012. Since January 1, 2018, the Charter for Sustainable and Supportive Purchasing, supplemented by the Group's recently published Charter for Combating Corruption and Influence Peddling, has been renamed the Responsible Purchasing Charter.

The CSR risks associated with our suppliers have been assessed, since 2010, within the framework of the EcoVadis evaluation process.

The four areas assessed are environment, social, 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 Responsible Purchasing Charter and the EcoVadis evaluations process, and with successive waves of deployment subject to overall coverage monitoring.

By 2025, 80% 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).

2.2. Actions implemented and results

- The Group Purchasing Division conducted three EcoVadis evaluation campaigns in 2022. A reminder as to our deployment goals and a general update are prepared and communicated twice-yearly to our Group purchasers.
- In 2022, three subsidiaries were assessed by EcoVadis and rewarded for their CSR performance. Sodilac received a Platinum medal, Corman a Gold medal and Fruisec a Silver medal.

2.3. Key performance indicators

	2020	2021	2022	2025 Target
% of Group external expenditure overseen by the Purchasing function and carried out with major suppliers* under the Responsible Purchasing Charter	63.2%	68.6%	66.8%	80%
% of Group external expenditure overseen by the Purchasing function and carried out with major suppliers* under EcoVadis evaluations	68.7%	71.5%	75.7%	80%

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

As of December 31, 2022, more than 1,045 Responsible Purchasing Charters had been signed, covering 66.8% of the Group's expenditure 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 775 suppliers. The EcoVadis evaluations cover 75.7% 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 53.9/100 (*versus* 44.8/100 on average for the EcoVadis Food & Beverage Panel).

Environmental footprint

1. Reduce our greenhouse gas emissions

1.1. Issue, risk and policy

Conscious of the global challenges posed by greenhouse gas emissions, and the need to combat climate change and its consequences for society at large, the Group is working to reduce the environmental footprint of its activities to limit the risk of impact on climate change and adapt to its consequences.

The various programs undertaken are continuing as part of our Oxygen plan.

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 stakeholders by the Operations Division.

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.

To adapt to the consequences of climate change for its activities, the Group has had a specialized firm carry out an analysis of climate risks to identify its main areas of vulnerability.

Groupe SAVENCIA undertakes to:

- Lower the environmental impact of its activities with a reduction, per ton produced, of 20% by 2025 (*versus* 2015) when it comes to greenhouse gas emissions from production and transport.
- Increase its use of renewable energies.
- Reduce the carbon footprint of the volume of milk sourced by 300,000 tons of CO_2 eq by 2025 (*versus* 2010).

1.2. Actions implemented and results

1.2.1. Reducing energy use

In 2022, SAVENCIA Fromage & Dairy engaged with the Science Based Targets initiative to align its greenhouse gas reduction targets with the Paris Agreement throughout its value chain and thereby contribute to the collective effort to combat global warming.

Over the past two years, more than ten sites in France have committed to particularly significant investment programs to renovate our energy facilities and so enable us to reduce our carbon footprint.

In the Operations Division, a dedicated team has been set up to implement and monitor these projects.

Most of these modernization projects concerned cold production facilities with the aim of:

- reducing energy consumption through heat recovery;
- optimizing performance;
- replacing certain refrigerants with fluids that have a lower global warming potential (GWP).

The projects launched in 2021 continued into 2022. Thirteen plants have implemented various actions to drive down their energy use by installing energy recovery devices or heat pumps to recover the heat produced by the refrigeration equipment and reduce their power draw.

Our subsidiaries have also carried out a number of other projects:

- Our subsidiary Sofivo, which specializes in producing milk powder, launched a project at its site in Pontmain (53) in 2022 to simultaneously produce the heat and cold required for the site's needs by installing a heat pump. A preliminary analysis has been carried out into all the systems using energy (cooling and heating), and the areas where energy use can potentially be reduced have been identified. Ultimately, over 3,000 tons of CO_2 eq should be saved.
- Several sites belonging to our subsidiary Compagnie des Fromages & RichesMonts also took a number of measures in 2022 to scale down their energy use:
  - The Bénestroff (57) site commissioned a heat pump in March to reduce its energy use by more than 50%.
  - The Besse (63) site's decision to install a new chiller not only improved the facility's energy efficiency, but also enabled the site to replace certain refrigerants with fluids featuring a lower global warming potential.
  - In May 2022, the Vire (14) site obtained ISO 50001 certification, bearing testament to its responsible and efficient energy management practices by implementing an effective energy management system.

- Following a trial in 2021, one of our sites in Brazil installed LED lamps with automatic detection sensors for its outdoor lighting systems in 2022. This initiative has resulted in a saving of 20,160 kWh.
- SAVENCIA's management teams came together during two digital seminars to discuss and accelerate the Group's net zero roadmap. Following an awareness-raising session on climate issues and their impact on the agri-food industry led by experts from consultancy Carbone 4, the second session focused on sharing experiences and best practices, including the dairy industry, purchasing and energy performance at industrial sites. All net zero strategies were addressed with the aim of empowering everyone to take action at their own level to attain the Group's objectives.
- To share proven best practices and the applicable standards, three global Group-wide forums were organized and led by the Group Operations Division. The overriding theme for the workshops was energy efficiency. In addition to sharing best practices, the workshops offered advice from external experts. Each session attracted more than 60 participants.
- Roadmaps incorporating the energy efficiency and net zero strategy developed jointly by Group and subsidiary experts are being deployed across all our sites.
- The Group has decided to deploy the Climate Fresk within its subsidiaries. Senior executives attended a Climate Fresk workshop in October. An initial deployment plan for the Climate Fresk workshops has been put into action (eight subsidiaries took part in 2022) and should continue into 2023.
- In 2023, new programs will be launched at our sites to sustain the Group's efforts to rein in energy use and greenhouse gas emissions.

1.2.2. Development of renewable energies

In 2022, the Group continued to increase its use of renewable energies according to local or national possibilities, allowing it to increase the share of renewable energies in its energy mix.

- We continued the prospective inventory that was launched last year in France to extend, more specifically in our businesses, the potential of the solar and anaerobic digestion sectors, to better guide our choices.
- In 2022, the Group pushed ahead with its plans to roll out electricity from guaranteed renewable sources, and new sites have engaged with the process. Over 8,900 tons of CO_2 eq were saved across the Group during the year.
- Local initiatives are continuing with several sites installing solar panels.
- In an effort to support the switchover to more eco-friendly vehicles, plug-in hybrid and electric vehicles have been incorporated into the Group's vehicle policy. To improve the level of uptake for these models, the Group has asked all its subsidiaries to examine the technical feasibility of installing electric charge points at their sites. To help the sites with this process, the Group Purchasing Division has produced a guide containing the best practices for installing electric charging solutions. In 2022, several charge points were set up at our sites in France.
- 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.

1.2.3. Reduction of greenhouse gas emissions generated by transport

Multiple initiatives have been launched:

- In Spain, Arias has received the Lean & Green award from AECOC, one of Spain's largest multi-sector business associations, which brings together all the professionals across the value chain, from producers and manufacturers through to logistics operators and distributors. This award recognizes Arias's commitment to reduce the CO_2 emissions from its logistics activities by 20% within five years.
- Since 2021, all 23 trucks owned by our logistics hub Les Messageries Laitières now run exclusively on Oleo100, a 100% plant-based and fully biodegradable oil made in France. This initiative will have a major impact on our CO_2 emissions, since a 60% reduction is expected. The decision to switch over to this biofuel dovetails with the continual improvement actions that the Group has already implemented to shrink its environmental footprint, such as training on green driving practices with an in-car IT system, the use of a transport optimization system, and a tire management solution.
- Delivery routes have been improved by implementing a system that groups deliveries together for customers based in the same geographic area. This solution increases the truck fill rate and reduces the distance traveled.
- In France, our subsidiary Les Messageries Laitières is involved in the Normandy Hydrogen Network Club run by the region's Chamber of Commerce and Industry (CCI) and is taking part in working groups on alternative energies and shared logistics services. For example, members are focusing on the role that hydrogen can play in moving Normandy's energy transition strategy forward, while creating a fully-fledged industrial sector.
- Other initiatives were undertaken directly with employees, including:
- Mobility Week was held in the Group for the fourth year running. The objective of this event is to encourage as many people as possible to adopt a sustainable eco-citizen approach by favoring soft modes of transport as an alternative to the private car. As in previous years, several initiatives were proposed to employees at the sites involved in the challenge, such as a loan scheme for various types of electric bicycles, outdoor clean-ups with eco-friendly hiking, promotion of the car-sharing scheme, and bicycle repair workshops. Their collective efforts in 2022 paid off by saving more than 84,400 km.

1.3. Key performance indicators

% change *versus* 2015

Reduction in Scope 1 & 2 GHG emissions	2020	2021	2022	2025 Target
Variation in Scope 1 & 2 GHG emissions *(tons of CO_2 eq/ton produced)*	-4.8%*	-6.1%*	-9.8%	-20%

(*) The 2020 and 2021 values for the Polish subsidiary have been retrospectively corrected to update the emissions factors. The values presented in the table above have therefore been restated (before the correction, 2020: -4.6% and 2021: -5.9%.

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, and online losses.

We began calculating our Scope 3 emissions (other indirect emissions) a few years ago for all activities concerning SAVENCIA Fromage & Dairy. We submitted our emissions reduction pathway to the SBTi in 2022 and we are awaiting their validation.

	2020	2021	2022
CO_2 emissions of the owned fleet *(in tons of CO_2 eq)*	2,712	2,010	1,144

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

This sharp reduction in CO_2 emissions is linked to the switchover of the fleet of trucks owned directly by Messageries Laitières to Oleo 100, a 100% plant-based and fully biodegradable oil made in France.

2. Control our water resources

2.1. Issue, risk and policy

Climate change, population growth and excessive water use contribute to the increasing water 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 impact on water resources and thus reduce the risk of water 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.

In the face of climate change, certain situations of water stress are expected to become more acute. Great attention is paid to such phenomena, to identify and prevent risks and reinforce, if necessary, the means available to limit, where possible, water withdrawals from the natural environment.

The target is to reduce water withdrawals from the natural environment, per ton of production, by 10% by 2025 (in comparison with 2015).

2.2. Actions implemented and results

- The working group for reducing our water use held several meetings in 2022. The group's members include both internal experts and operations staff. Their efforts were mainly directed at lowering our water consumption and investigating the prospect of reusing the condensate of whey ("cow" water) to safeguard resources.
- The site in Saint-Brice-en-Coglès (35) has implemented a reverse osmosis-based milk concentration process combined with a system for recovering the water from milk, as well as a filtering system for the water contained in the milk, which will ultimately reduce the amount of drinking water used at the site. According to estimates, the gains will amount to over 200 m^3 a day.
- Our site in Le Tholy (88) installed a new cooling unit, which has eliminated a large part of the open-circuit cooling systems and thereby reduced the amount of water taken from the natural environment by over 70%.
- The CF&R site in Ducey (50) has installed a new range of equipment, including new washing machines and a more efficient cooling tower, which have resulted in significant savings, i.e. water savings estimated at 50 m^3/day, as well as a reduction in the amount of detergents used, thereby lowering the amount of phosphorus entering the wastewater treatment plant by nearly 20%.
- The Hodonin site in the Czech Republic has installed a system for monitoring its water use and replaced its cooling pumps, which has resulted in significant savings (over 40% *versus* 2021).
- Tests on a method for identifying the potential for reducing water use have also been deployed at one of our major sites in France.
- In addition to the efforts aimed at curbing the amount of water discharged prior to reaching the wastewater treatment plants, action has also been taken to improve performance at several sites:
  - The Beauzac site in France's Haute-Loire region has installed a tertiary treatment process to improve the quality of the treated and discharged wastewater. The Brioude site appointed an external consultancy to analyze the volume and type of effluent produced. In response to the consultancy's findings, a preliminary treatment system has been temporarily installed upstream of the municipal wastewater treatment plant until such time as a permanent treatment system has been defined.
  - The Champdeniers site in France's Deux-Sèvres region has replaced the aeration system for the effluent treatment lagoons.

- Tests have also been launched at some pilot sites:
  - Tests were carried out in Saint Loup (79) to improve the legacy system and increase its performance while avoiding the need to build concrete surfaces with the aim of protecting the environment.
  - Our subsidiary Tessier conducted tests at its site in Cornillé-les-Caves (49) with the objective of reusing its treated wastewater in its facilities, especially its boiler room.
- Due to the soaring temperatures that struck the country during the summer months, many of our sites were faced with a lack of water resources. This situation galvanized the Group's experts into action, and immediate solutions were rolled out to adapt to the scarce resources. Some of the measures have actually become permanent solutions for decreasing water use outside periods of drought.
- Our teams are also looking into the prospect of reusing the water from milk and other dairy products. Just like our trade organization, we are hoping to see a degree of regulatory flexibility on this particular issue.

2.3. Key performance indicators

% change compared to 2015

Reduction of water withdrawals	2020	2021	2022	2025 Target
Variation of water withdrawals (in m^3/ton produced)	2.3%	2.2%	-1.2%	-10%

3. Optimize waste management

3.1. Issue, risk and policy

Processing activities generate waste inherent to manufacturing and packing processes. It mainly comes in the form of non-hazardous industrial waste, most of which, such as cardboard, paper, glass, steel or aluminum, is 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 to limit pollution risks.

3.2. Actions implemented and results

- An "anti-waste" working group, made up of subsidiary representatives and corporate department employees, was created to reduce the quantity of waste generated at the source and to optimize and identify local recycling opportunities. It held regular meetings in 2022. Roadmaps are being drawn up to reduce and better recover biowaste. Adjustments have also been made to comply with regulatory requirements following the implementation of the AGEC law (anti-waste and circular economy law). The area relating to communication with employees and consumers is also addressed through, for example, awareness-raising campaigns on the difference between the use-by date and the best-before date, to limit waste at the time of consumption.
- Our Les Messageries Laitières logistics hub, which was already working with a local vocational rehabilitation center, has developed its partnership further by setting up a system for recycling damaged pallets that are beyond repair. The parts that cannot be repaired are crushed and reconditioned into pellets that are given free of charge to the center as fuel for its biomass boiler. Heating is therefore provided for the center's horticultural greenhouses and part of its storage building by recovering all our damaged pallets. Four tons of wood, representing approximately 300 pallets, have been recycled, which has enabled the center to save significant money. This partnership will accelerate in 2023, since the Les Messageries Laitières hub has agreed with its transportation partners to take back all their broken pallets and increase the recycling rate.

3.3. Key performance indicators

In 2022, 68.2% of our non-hazardous waste was collected for recycling (*).

	2020	2021	2022
% of non-hazardous waste collected for recycling	67.4%	68.3%	68.2%

(*) Waste can be recovered in several forms: material, biological or energy.

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

4. Developing eco-design of our packaging

4.1. Issue, risk and policy

The Group clarified its packaging goals by undertaking to develop the eco-design for packaging to reduce the risk of overproducing waste.

The Charter for Responsible Design drawn up in 2019 thus provides guidelines and focuses for the eco-design of packaging. In particular, it includes elements such as reduction measures at 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.

4.2. Actions implemented and results

- The Oxygen Steering Committee, dedicated to eco-designed packaging and tasked with meeting the established target, held three meetings in 2022. An additional action area was added to the priority list this year, namely reducing the carbon footprint of our packaging, which brings the number of action areas to six:
  - Reduce the use of materials at source;
  - Ban controversial materials;
  - Aim for 100% recyclability or biodegradability;
  - Include as many recycled materials as possible;
  - Prioritize the use of renewable materials;
  - Reduce the carbon footprint of our packaging.
- The buyer/packaging developer pairs that were set up in 2020 have continued working on the selected priorities and disseminating the results of their research over the Group's internal platform.
- A new dedicated forum for eco-designed packaging attracted over 150 Group employees in March from various departments, subsidiaries and categories. The objectives of this event were to allow employees to take ownership of the priority areas, illustrated by concrete examples and to inspire by sharing successful experiences within the Group. Several French and international initiatives were presented during the forum.
- Packaging eco-design projects, based on all the objectives of the Eco-Design Charter, have been initiated by all the subsidiaries. 2022 was rocked by a crisis affecting most of the materials used for packaging, which led to supply shortages, and a further crisis that saw spiraling energy prices. These events have led to delays in implementing the Group's waste improvement projects. However, here are a few examples:
  - St-Morêt: creation of a 500-gram tray whose simplified composition means that it can be fully recycled.
  - Tartar: integration of bio-based plastic representing up to 30% of the packaging's volume, while remaining recyclable.
  - Polenghi: reduced thickness of the pots and trays, resulting in 26 tons of plastic eliminated.
  - Saint Agur: incorporation of at least 20% recycled plastic with a medium-term objective of 40%, i.e. 33 tons of recycled plastic to date.
  - Bresse Bleu: the cheese packaging is now 100% recyclable, representing 10 tons of complex packaging that can be recycled every year.
  - Lucina: elimination of the plastic lid, which not only lowers the amount of plastic used, but also reduces the size of the transport boxes and improves the truck fill rate.

4.3. Key performance indicators

Recyclable or biodegradable packaging made up 84.5% in 2022.

	2020	2021	2022	2025 Target
% of recyclable or biodegradable packaging	86.0%	85.0%	84.5%	Aim for 100 %

The process of implementing the waste improvement plans has run into a few delays due to difficulties affecting the supply of certain packaging materials, which explains why this indicator has fallen.

Employee wellbeing

1. Ensure the safety of our employees

1.1. Issue, risk and policy

Groupe SAVENCIA brings together close-knit entities united by a strong business culture that guides their actions and their employees' behavior. The wellbeing and the preservation of the physical integrity and health of the men and women working in and for the Group are a top priority for everyone, and at every level of the organization.

A range of actions are implemented by Groupe SAVENCIA to prevent any risk of adversely impacting the physical integrity and health of the Group's employees.

Over 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, cosigned by the Group's CEO and Vice-President, underscoring our target of zero work-related accidents.

At Group level, the initiative is jointly supervised by our HR and Operations Divisions. At subsidiary level, oversight is assumed by a local body headed by the General Management and generally supported by a safety officer designated for each site.

This approach relies on a network of safety officers in subsidiaries around the world, as well as various bodies for sharing practices and taking decisions, with the aim of adjusting priorities accordingly. Face-to-face and remote meetings are regularly organized to reinforce the approach and share the best practices implemented at the sites.

A set of guidelines, tools and methods is provided to all the subsidiaries, especially a number of digital tools that are regularly expanded and updated.

Health and safety results are consolidated each month and disseminated to all the subsidiaries. They are illustrated with the month's main news, such as best practices and records, as well as incidents or accidents that can teach the Group valuable lessons.

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. Work-related lost time accidents for temporary employees are thus included in the Group's accident frequency rate, with those of permanent employees.

The Group is focused on its ambition of attaining zero work-related accidents, whether affecting our permanent or temporary employees.

1.2. Actions implemented and results

Actions are adjusted to reflect the general policy, the results and the decisions taken by the various information sharing and steering bodies. A number of important and empowering actions are worth mentioning for 2022:

- The Group's safety culture has been enshrined in the Safety Policy, and training sessions are provided when new employees join the Group as part of the onboarding process.
- To support the deployment of the safety culture and help the sites improve their safety maturity level, SAVENCIA uses the Dupont methodology and especially the Bradley Curve, which associates the level of safety maturity with one of four stages (reactive, dependent, independent and interdependent). In 2022, a new safety survey was carried out among part of SAVENCIA's sites, especially the industrial sites in France (with the highest accident rates). Most sites have made progress, but the majority are still in the "dependent" stage. In this stage, employees obey the instructions and procedures, but they only take partial responsibility for safety. They apply the rules to avoid any disciplinary action, but not out of conviction. There is still a lack of active participation and engagement. To cross the cultural bridge and move towards stage 3, known as the "independent" stage, all employees need to play an active role in the process. In an effort to improve performance and achieve progress, the subsidiary is defining an action plan, and a new survey will be conducted in 2025. Safety leadership training is being offered across the Group to support the transformation and involve everyone.
- Since 2021, the Group has gradually been deploying a set of operational rules known as "The 10 SAVENCIA Safety Essentials". These Essential rules are designed to prevent accidents and injuries, especially the most serious incidents or high potential incidents. Each Safety Essential focuses on a specific risk and contains four rules that everyone must follow under all circumstances. A complete digital toolkit has been translated into all the Group's languages and provides all SAVENCIA subsidiaries with the tools and methods for rolling out the Safety Essential rules. In addition to the global deployment plan, targeted actions are also being rolled out, such as a project to ensure safety when working on equipment and power systems, using on-the-ground feedback from a few pilot sites.
- In a bid to prevent musculoskeletal disorders (MSDs), a survey was carried out among the subsidiaries in anticipation of launching a vast Group-wide program aimed at progressively adapting and automating the most exposed workstations. This program builds on the underlying policies already implemented in many subsidiaries.
- Since 2021, an e-learning course on health and safety at work has been added to the onboarding process for new employees. This specific procedure on the risk of accidents in the Group is available in several languages. It consists of a

module common to all Group employees entitled "zero accident objective", and a second module dedicated to managers. A SAVENCIA Safety passport is issued once the training course is completed and the employee achieves 100% correct answers in the quiz.

- Since 2015, an international health and safety week has been organized in all the subsidiaries. This year's event was held in June on the overriding theme of Health and the 10 Safety Essentials. To coincide with the event, a connected challenge was organized throughout the month of June, which ended on the last day of the Occupational Health and Safety Week. With 615 teams from 26 countries participating in the event, each team took on the challenges relating to physical health, nutrition, mental health and knowledge of the 10 Safety Essentials. A SAVENCIA supportive sports challenge was held during the month with participants notching up some 325,000 km, which allowed the Group to present the food banks with a check for €50,000.
- Several forums bringing together the entire global network of Group safety officers were organized remotely. Every time, a specific theme is chosen for sharing best safety and accident prevention practices using feedback and experiences from participants.
- The Safety e-platform, which contains a wealth of reference documents, best practices and safety-related content, was updated and amended to reflect feedback from the subsidiaries.
- A plan aimed at reducing the risk of work-related lost time accidents for temporary workers has been launched in France. This plan consists of implementing a set of campaigns before, during and after the intervention of temporary workers on the industrial sites. Each quarter, a review of the system is carried out with the three partner temping agencies to continuously improve it.
- Occupational health and safety training was carried out in the subsidiaries during the financial year and represents 32.6% of training campaigns in the Group.
- Behavioral Safety Visits (BSV) are also regularly conducted on-site or remotely. In 2022, their number rose to 17,523. Their number is up by 13.4% compared with 2021.
- The frequency rate for permanent and temporary employees[1] amounted to 11.1 in 2022 *versus* 10.7 in 2021. During the year, 423 work-related lost time accidents were recorded, compared with 491 in 2021.

1.3. Key performance indicators

	2020	2021	2022
% of subsidiaries with no workplace accidents resulting in time off (permanent and temporary employees) during the year	42.9%	48.4%	46.9%

2. Improve quality of life at work

2.1. Issue, risk and policy

Quality of working life 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 working life and employee relations, as a source of personal fulfilment and lasting performance.

To that end, and to prevent the risk of deterioration in working conditions and impact on employee well-being, 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 working life and regularly measures their effectiveness with a view to continuous improvement.

Social dialog 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 undertakes to perform opinion surveys and develop plans for progress at all its subsidiaries to improve the quality of working life.

2.2. Actions implemented and results

- In June, an internal opinion survey was conducted in almost all SAVENCIA subsidiaries with over 50 employees based on the Great Place To Work (GPTW) methodology and using the Trust Index questionnaire, featuring 60 questions and investigating 5 key themes, namely credibility, respect, fairness, pride and camaraderie.
- The last group survey dated back to 2019, and results have clearly improved with an average Trust Index score of 65%, i.e. up 7 points, and an overall positive perception of 70% on the question of "a great place to work" (GPTW). Subsidiaries with a Trust Index score greater than or equal to 65% are GPTW-certified.
- 14 French subsidiaries and 9 international subsidiaries have obtained certification, representing 24.2% of the workforce. This survey is in keeping with the Group's continual improvement process. The results have been shared and action plans are being developed. At the same time, the Group intends to carry out flash surveys in addition to the Group survey scheduled every three years.
- To improve quality of working life, the Group also wanted to step up its actions focusing on occupational health. As a result, the SAVENCIA health sessions were launched in June in line with its Caring@SAVENCIA program. Every month, two dates are proposed for a connected meeting addressing the topic of physical health and nutrition. This concept will continue in 2023 with a series of nutrition and mental health workshops.
- The Group has signed an agreement with Stimulus to offers a variety of services:

[1] *Number of workplace accidents for staff on pay-roll and temporary employees * 1,000,000/number of hours worked by staff on pay-roll and temporary employees*

  - A 24/7 anonymous helpline for anyone experiencing difficulties
  - A Stimulus "Caring" application for employees to take care of their mental well-being and physical health
  - Conferences on the theme of "wellness in the workplace"
- Since 2019, office-based employees have had the option of working from home two days a week, provided that homeworking is compatible with their job. As such, employees are equipped with the necessary tools for this type of hybrid work model, and various kits are available to employees for adapting their home environment to homeworking, such as the "IT Kit" with a double screen, the "Comfort Kit" to cover the cost of purchasing the appropriate equipment, and the "Ergonomic Kit" for employees who require specific arrangements on account of their health. E-learning modules are also available to help managers and employees adapt to homeworking.
- Each subsidiary sets up specific activities according to its employees' needs and suggestions, such as inter-company nurseries.
- In 2022, several subsidiaries promoted various types of sports activities, including bike rides and hikes, weekly fitness breaks, sponsorship of sports events and associations, access to gyms, warm-up sessions, and entry in races.
- To provide the Group's employees in France with a clearer insight into its labor policy and the various schemes available, including pensions, savings and employee benefits, individual total rewards statements were distributed to all employees across France in June (excluding Compagnie des fromages & RicheMonts), i.e. 6,071 employees.
- Average Group-wide length of service remained stable in 2022 at 13.0 years.

2.3. Key performance indicators

	2018 - 2020	2019 - 2021	2020 - 2022	2025 Target
% of subsidiaries having performed an internal employee survey in the last three years	99.0%	99.0%	90.5%	100%

** The fall in this indicator over the 2020-2022 period can be attributed to the larger number of subsidiaries exceeding the 20-employee eligibility threshold and which have not yet organized a survey*

3. Develop employee skills

3.1. Issue, risk and policy

Maintaining and developing know-how are at the heart of SAVENCIA's priorities.

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 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 their skills to achieve personal development, contribute to collective success and maintain employability. These elements help reduce the risk of a mismatch between the skill level of 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 with 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. These methods are the most suitable for accompanying future young graduates in their first steps within the company to offer them subsequent lasting employment within SAVENCIA.

The Group plans to continue developing employee skills and has undertaken to double the number of apprentices by 2025 compared to 2015.

3.2. Actions implemented and results

- Since our subsidiaries in several European countries are Top Employer-certified, our Group was awarded the Top Employer Europe label for the ninth year running. These are: Germany, Belgium, Spain, France, Poland, the Czech Republic and Slovakia. China obtained Top Employer certification for the fourth year running, as well as Brazil, South Korea and India for the second time. Argentina, Japan and the United States obtained Top Employer certification for the first time.
- Face-to-face training resumed in 2022, and all appropriate social distancing measures were taken in response to the health situation. Some of the programs have been decentralized to cut down on the amount of travel, including the Sales Excellence programs held in various European countries, Asia and Latin America, as well as the New Executive Training program in Asia. In addition, the Group has continued implementing the multimodal training delivery method, and nearly a quarter of the courses are now available in distance learning format.
- To promote the Group's employer brand, an editorial timetable and guidelines for social media were implemented in 2022. At the same time, the

"#WeAreSAVENCIA" ambassador program has been relaunched. This program is designed to step up communication over social media via the network of ambassadors selected from within the Group.

- In line with its efforts in previous years, SAVENCIA is committed to working with young people by continuing the Group's "500 Apprentices" campaign aimed at recruiting 500 apprentices. All the subsidiaries have rallied to the cause and are offering a wide range of positions for candidates with anything from A-levels to a postgraduate degree.
- To attract new talent, the number of quality partnerships with general and specialized schools (business, engineering and agri-food schools) has risen sharply.
- In light of the increasingly globalized marketplace and the ever larger number of subsidiaries participating in the scheme, Graduate Programs are growing in popularity. To support young employees with their professional development, the first class has already completed a rotation, and a second class has begun its program, especially in Belgium and Switzerland.
- As part of our roadmap called "Promoting the social protection floor", an agreement on voluntary internal mobility was signed in France with the unanimous approval of the trade unions. This agreement aims to safeguard skills, knowledge and culture within the Group by supporting employees wishing to transfer to another subsidiary. If employees transfer to a different subsidiary within the Group, specific organizational and financial measures are provided, including support for their spouse/partner.

3.3. Key performance indicators

	2020	2021	2022
% of employees trained during the year (permanent employees)	63.2%	74.0%	76.5%

	2020	2021	2022	2025 Target
Number of ongoing apprenticeship contracts	439	491	471	458

4. Commit to diversity and inclusion

4.1. 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 have been signed and initiatives taken to facilitate the integration of young people (see Chapter 3 - the "Develop employee skills" chapter), the employment and employability of people with disabilities, and gender equality.

The Group strives to promote gender equality in terms of qualification, training, remuneration and career development. As part of its Oxygen plan, Groupe SAVENCIA is committed to achieving gender-balanced leadership by 2025.

To change the view of employees on disability, to keep people with disabilities in employment and to promote their recruitment, the Group is implementing a Disability Action policy. The commitment is based on four areas of action:

- Awareness-raising to combat stereotypes
- Continued employment
- Recruitment of people with disabilities
- development of partnerships with the sheltered/disability-friendly sector.

4.2. Actions implemented and results

- Promoting gender equality:
  - Based on an idea by the HR teams, a working group has been created to accelerate female leadership. The group will concentrate on defining an action plan after analyzing a wealth of internal and external quantitative data, carrying out interviews with employees (men and women), and liaising with the Group's Management Committee.
  - A specific budget envelope is planned to mitigate any pay gaps observed between men and women in equivalent positions.
  - The gender equality index for France in 2022 is 90/100, and opportunities for improvement have been identified.
  - On average, 72.0% of women (all socioprofessional categories combined) took at least one training course in 2022.
  - A working group made up of volunteers was set up at headquarters to identify concrete actions to be implemented to promote equality between men and women.
  - Last year, Mlekoprodukt (Serbia) received an award paying tribute to those companies that are most attentive and involved in lobbying for gender equality. Mlekoprodukt is continuing to build on the initiatives already in place and maintaining its high standards in this particular area.
- Commitment to people with disabilities:
  - Our Spanish subsidiary Arias was awarded national Equality in Business certification in 2021. Follow-up audits are carried out every year to ensure that certification is maintained.
  - Through its Disability Action policy and its network of Disability officers, the Group promotes various initiatives throughout the year to raise awareness and dispel stereotypes. In 2022, a monthly information campaign was launched across France with a specific theme every

month. A meeting is therefore organized each month with the officers to present the communication kit.

- To coincide with the European Disability Employment Week in November, the Group is spurring its subsidiaries into action in an effort to educate their employees and combat stereotypes about disabilities through conferences, digital games, briefing sessions and awareness-raising workshops. During the week, the subsidiaries also take part in the DuoDay program. In 2022, 38 people with disabilities were invited to pair up with an employee and discover the core businesses and the industrial and administrative activities of the Group's subsidiaries.
- A ceremony has been scheduled for January 2023 to unveil SAVENCIA's disability film and shine the spotlight on the work carried out by the network of Disability officers. "Disability Action" Inclusion Awards 2022 will be presented to the best contributors.
- In 2022, 10 subsidiaries had an employment rate of more than 6% for people with disabilities. Within the Group, this rate is 3.3% and concerns 688 employees.

4.3. Key performance indicators

	2020	2021	2022	2025 Target
% of women managers	42.4%	42.6%	43.0%	50%

5. Encourage employees to engage with solidarity

5.1. Issue, risk and policy

Conscious of its economic and social impact in the territories in which it is established, and as a responsible and committed 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 weak regional roots.

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

- Partnership with national employment agencies, integration of apprentices and other trainees, communication of job offers to schools
- Cooperation with schools and universities, payment of training taxes, sponsorships, employee presentations at schools

The Group is committed to ensuring that each subsidiary supports at least one solidarity campaign.

5.2. Actions implemented and results

- The Group renewed its sponsorship agreement with Planète Urgence, which allows volunteer employees the opportunity to spend two weeks on a humanitarian mission as part of a socially inclusive vacation providing their skills to a local NGO in Africa, Asia or South America.
- Since 2011, the "Arrondi sur salaire" program enables volunteer employees to donate the cents portion of their net monthly pay. Groupe SAVENCIA matches their donation amount. In 2022, 766 employees who joined the programme made it possible to collect and donate more than 15,850 euros to the four partner associations.
- The Group-wide "Bien Nourrir l'Homme" endowment fund for promoting access to healthy food supports employees who are actively involved in associations, and finances initiatives throughout the world that provide actionable solutions to ensure sustainable access to sufficient, quality food that respects people and the planet (school canteens, community grocery stores, market gardening, animal husbandry, food education, etc.).
- In partnership with the country's network of food banks, the Group launched its skills sponsorship scheme during the national collection campaign in France in November. This was the ideal opportunity for many employees to take part in their first sponsorship operation by collecting food products for the association in various stores.
- For several years, the Group has nurtured relations with the "SAPERE Les Classes du Goût" association, which teaches young children about food. The Group's employees can volunteer to lead workshops in local primary schools and/or leisure centers during their working hours. After receiving training on the method for developing children's senses, the workshop leaders (working in pairs) organize six sessions with a dozen children on discovering taste and the other five senses (games, tasting sessions, discussions, etc.). The goal is to help children and the younger generations become consumers who are capable of making balanced food choices through simple and fun educational activities.
- Several subsidiaries carried out supportive "Christmas Box" campaigns featuring various types of products, such as warm clothing, beauty products, toys, books and plush toys. The boxes were made by employees and their families, and then offered to those in need.
- In Spain, 90 people signed up for the sports-based "e-Health Challenge" to promote solidarity.
- Several subsidiaries invited their employees to take part in Pink October by organizing workshops and solidarity walks. The money raised was donated to the François Baclesse Center and other organizations involved in the fight against cancer.
- The teams in the Asia-Pacific region lent their support to a number of community outreach activities, such as preparing meals for the most impoverished populations (Willing Hearts association in Singapore and Food Angel by Bo Charity Foundation in Hong Kong) and cleaning up beaches in Taiwan and the Philippines.

- In 2022, 33.7% of subsidiaries supported employees in carrying out solidarity campaigns in connection with our “Leading the way to better food” mission compared with 24.7% in 2021.
- In 2022, 38.8% of subsidiaries made employees available to carry out solidarity campaigns or events compared with 31.2% in 2021.

5.3. Key performance indicators

	2020	2021	2022	2025 Target
% of subsidiaries supporting at least one solidarity campaign	35.2%	52.7%	63.3%	100%

Many solidarity campaigns were carried out by the subsidiaries in 2022, resulting in a sharp increase in the key performance indicator.

Ethics and compliance

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 voluntary Oxygen approach.

1. Respect for Human rights

1.1. Issue, risk and policy

The Group is attentive to compliance with Human rights and fundamental liberties and to respecting the conventions of the International Labour Organization (ILO).

All the policies implemented by the Group's Human Resources Department, in accordance with the Group's culture and values, are designed to promote respect for fundamental human rights, as well as occupational health and safety, social dialog and the free expression of its employees. These aims are achieved through individual employee development initiatives and collective cohesion, as well as by phasing in annual performance reviews in every country across the world and promoting social dialog through employee representation.

Since 2003, SAVENCIA Fromage & Dairy has been a member of the United Nations Global Compact which proposes a framework of voluntary commitments based on 10 principles relating to respect for human rights, international labor standards, the environment and the fight against corruption.

For 20 years, SAVENCIA Fromage & Dairy has been renewing its membership and so reaffirming its commitments, particularly in terms of social requirements and fundamental human rights, in all the countries where it operates.

The Group's Code of Ethics "The Group and its culture", which expresses its values and its identity, also recalls the principles of the United Nations pact.

The Group's Responsible Purchasing Charter also includes issues associated with promoting and respecting human rights and labor law. By deploying this charter among its suppliers, the Group undertakes to promote its human rights commitments to avoid any risk of violating basic human rights (see "Promote responsible purchasing").

1.2. Actions implemented and results

- In accordance with the law relating to the due diligence of parent companies and contracting companies, a due diligence plan is established annually to assess and thus prevent serious harm related to the activities of the company and those of its subcontractors. and suppliers, whether with regard to human rights, fundamental freedoms, health, personal safety or the environment. This plan is available online on the Group's website.
- The Group Ethics and Culture Committee (GECC) is tasked with ensuring respect and sustainability of the Group's culture and in particular ensures compliance with ethical behavior in all activities within the subsidiaries. This committee's members include the Group's Chief Executive Officer, Chief Administrative Officer, Chief Compliance Officer, Chief Human Resources Officer, Chief Legal Officer and Chief Financial Officer. The committee held four meetings in 2022. 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.
- The Group is committed to developing social dialog, especially by setting up and leading collective employee representative bodies in its subsidiaries throughout the world. In keeping with the Group's values, it is important to foster direct dialog with employees with the aim of respecting fundamental rights. An indicator has been set up to measure the rate of employees represented in these bodies.
- In 2022, an in-depth and extended due diligence risk assessment was carried out with assistance from an external consultancy. All the internal stakeholders concerned, including the HR teams, employee representatives, members of the French Group Works Council and the Savencia European Works Council (CEES), were consulted as part of the assessment. Work will focus on identifying the significant risks that the Group's activities could present to the human rights of third parties and the environment, and defining the preventive and corrective actions implemented or to be implemented.
- In addition, the due diligence obligations, risk mapping process and due diligence plan were presented to the trade unions and employee representatives during the annual meeting of the SAVENCIA European Works Council in October 2022.
- A mandatory e-learning course on due diligence was launched at the end of 2022 for all Group employees. The module has been translated into 17 languages and is gradually being rolled out across the Group. The aim is to alert employees to the risks of serious human rights, health, safety and environmental violations caused by the Group's subsidiaries, suppliers or subcontractors in France and elsewhere in the world. The course also aims to explain the range of regulatory obligations relating to due diligence, raise awareness of the measures within the due diligence plan, and provide a clearer understanding of the platform for reporting actual or suspected risks.
- A mechanism for submitting and collecting reports on due diligence-related issues is available to both employees and stakeholders outside the Group by means of a single technical system for reporting "Compliance" concerns,

together with the Corruption reporting system (refer to the chapter entitled "Combat corruption").

- Additional information is provided in the chapter on "Vigilance plan".

1.3. Key performance indicators

	2020	2021	2022	2025 Target
% of employees with access to collective employee representative bodies **	Information not available*	Information not available*	80.0 %	85%

**Indicator created in 2022*
**for subsidiaries with over 10 employees*

In subsidiaries with over 10 employees (the French threshold for setting up a Social & Economic Committee), the objective is to ensure that 85% of employees have access to a collective employee representative body by 2025, such as a work committee, works council or Social & Economic Committee.

Other indicators are available in the vigilance plan.

2. Combating corruption

2.1. Issue, risk and policy

To avoid the risks of unethical practices, the fight against all forms of fraud and corruption is not only a regulatory requirement but a priority, rooted in our corporate 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 system help prevent and detect all forms of corruption. Certain countries are subject to special scrutiny on these essential points.

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 map detailing the risks of corruption and influence peddling incurred by the Company.

The objective is to identify, assess and prioritize corruption risks to ensure an effective and appropriate compliance program. The mapping is designed 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.

2.2. Actions implemented and results

- An Anti-Corruption Code of Conduct has been translated into 19 languages and applies to all Group employees.
- The e-learning course on anti-corruption awareness continued in 2022 for the employees concerned. It is part of the mandatory onboarding program for all targeted new hires.
- 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 purchasing.
- The internal compliance whistleblowing system is operational with a special telephone number and email address. To guarantee the confidentiality and security of information shared, only four members of the Compliance Division, including the Chief Compliance Officer, are authorized to receive calls and view emails from these systems. If necessary, reports are then handled to guarantee a prompt and 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.
- As part of the fight against bribery and corruption, compliance officers are responsible for overseeing implementation of the compliance mechanisms in all the subsidiaries
- In accordance with applicable laws and regulations, the Data Protection Officer (DPO) is responsible for implementing the General Data Protection Regulation (GDPR) and overseeing its application within the Group. Each of the European Union subsidiaries has appointed a GDPR correspondent who has been trained over the past two years by the DPO, as have the general managers. In addition, employees likely to be involved in data processing follow training in digital format. In 2022, 91.0% of these employees concerned were trained.

2.3. Key performance indicators

	2020	2021	2022	2025 Target
% of employees concerned (*), trained on the concept of ethics and fraud	84.9%	96.7%	96.0%	100%

(*) Under the so-called "Sapin II" law.

3. Combating tax evasion

3.1. 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 substracting 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 loyalty, 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" countries) [1]. All tax, legal and cash management departments are responsible for complying with any and all applicable regulations.

3.2. 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. [2] [3]
- 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 deliberately does not have a taxable base in countries charging little tax and not party to the OECD Convention on Mutual Administrative Assistance in Tax Matters [4]
- The Group's effective tax rate is higher than the weighted average of local tax rates incurred. In 2022, it stood at 40.1%.

3.3. Key performance indicators

	2020	2021	2022
Number of non-cooperative states and territories (1) in which the Group operates	0	0	0

(1) List published in the Official Journal of the European Union (C 413 I/3 of 12/10/2021)

In 2022, and as has been the case for many years, the Group was not established in any non-cooperative states or territories[5].

([1]) List published in the Official Journal of the European Union (C 413 I/3 of 12/10/2021)
https://www.oecd.org/fr/ctp/echange-de-renseignements-fiscaux/convention-concernant-l-assistance-administrative- mutuelle-en-matiere-fiscale.htm
https://www.oecd.org/ctp/exchange-of-tax-information/Status_of_convention.pdf

([2]) https://www.consilium.europa.eu/fr/policies/eu-list-of-non-cooperative-jurisdictions/
([3]) List published in the Official Journal of the European Union (C 413 I/3 of 12/10/2021)
([4]) https://www.oecd.org/fr/ctp/echange-de-renseignements-fiscaux/convention-concernant-l-assistance-administrative-mutuelle-en-matiere-fiscale.htm
([5]) List published in the Official Journal of the European Union (C 413 I/3 of 12/10/2021)

Application of the European taxonomy

Application of the European taxonomy to the activities of SAVENCIA Fromage & Dairy

1. Background

1.1. Review of the regulatory context

Regulation (EU) 2020/852 of June 18, 2020, known as the "European Taxonomy Regulation", establishes a framework to facilitate sustainable investment by requiring companies to publish the proportions of their turnover, capital expenditure and operating expenditure that contribute substantially to any one of the following six environmental objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

The European Commission has defined a set of technical criteria for establishing a common language on the concept of sustainability and, consequently, channeling capital towards activities that contribute substantially to achieving one of these six objectives. Only the first two objectives are currently in force.

Starting in 2022, companies must therefore disclose, for the 2021 financial year, the proportion of their turnover, capital expenditure and operating expenditure associated with "eligible" economic activities, i.e. those classified in the European Taxonomy. Since the 2022 financial year, companies are required to publish their eligibility KPIs, as well as the aligned proportion, i.e. meeting the sustainability criteria defined in the Taxonomy for the first two objectives of climate change mitigation and adaptation.

To satisfy its reporting obligations, a detailed analysis of all SAVENCIA Fromage & Dairy activities within the various consolidated entities was carried out collectively by the Financial, CSR, Industrial, Legal, Compliance, Insurance and Tax Divisions. The process of identifying the eligible activities and qualifying their level of alignment with the Taxonomy was conducted in accordance with the instructions and criteria detailed in the delegated acts.

An eligible activity will be considered to be aligned if it fulfils the technical criterion or criteria for a substantial contribution, if it does not cause significant harm to the other environmental objectives (the so-called Do Not Significantly Harm criteria - DNSH), and if it meets the minimum safeguards for human rights, corruption, taxation and competition.

2. Results

2.1. Eligibility and alignment results for the 2022 financial year

Only the first two environmental objectives have been applicable since the 2021 financial year. The European Commission has prioritized the business sectors with a major contribution to greenhouse gas emissions in the EU. Since the agri-food sector is currently not concerned by the Taxonomy Regulation for the first two objectives, SAVENCIA Fromage & Dairy has a relatively low level of taxonomy eligibility.

SAVENCIA Fromage & Dairy is determined to minimize the environmental footprint of its activities and has made a number of investments with this aim in mind. The Group is committed to reducing its Scope 1 and 2 GHG emissions by 20% by 2025. Several initiatives have been taken to achieve these ambitions (refer to the chapter entitled "Reduce our greenhouse gas emissions").

Therefore, the data provided below in pursuance of the Taxonomy Regulation are not fully representative of the efforts made by the Group. At the present time, not all the investments are covered by the Taxonomy (two applicable objectives out of the six). For those investments that have already been captured, the level of precision required by the regulatory texts is very high, and the reporting tools are not yet entirely fit for purpose.

Note that the eligible and/or aligned activities of SAVENCIA Fromage & Dairy only meet the climate change mitigation objective.

Examining the eligible activities for the 2022 financial year ensured that there were no changes in the baseline.

A review of the indicators and details about the assessment methodology and definitions are provided in the methodological note on the taxonomy (in the appendix).

Turnover KPI:

Just like 2021, SAVENCIA Fromage & Dairy has not identified any eligible turnover, because its activities are not targeted by the first two objectives of the Taxonomy Regulation.

The Taxonomy does not consider the agri-food sector to make a substantial contribution to climate change mitigation and adaptation.

As a result, SAVENCIA Fromage & Dairy's turnover is not eligible.

The regulatory table is appended to this document (refer to the Standard tables required under the Taxonomy Regulation).

Total turnover can be reconciled with the financial statements included in the 2022 annual financial report (see statement 1.1 of the consolidated financial statements).

CapEx KPI:

Within the Group, investments that are eligible under "individual measures", such as defined by the Taxonomy Regulation, are related to real-estate activities, vehicle fleets, energy efficiency and renewable energy projects. In accordance with the provisions of the Taxonomy, these investments correspond to the following categories:

- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles (including IFRS 16)
- 7.1. Construction of new buildings
- 7.3 Installation, maintenance and repair of energy efficiency equipment
- 7.6. Installation, maintenance and repair of renewable energy technologies
- 7.7. Acquisition and ownership of buildings (including IFRS 16)

The proportion of SAVENCIA Fromage & Dairy's eligible investments for 2022 amount to **7.4%** out of a total of €210 million (increase in gross CapEx without restatement of subsidies - see Note 3 to the consolidated financial statements). The Group's eligibility level remained stable in 2022.

These amounts mainly refer to the fleet of vehicles, as well as the installation of equipment promoting energy efficiency and renewable energy, and the aligned proportion of the capital expenditure amounts to **1.0%**.

The regulatory table is appended to this document (refer to the Standard tables required under the Taxonomy Regulation).

Total capital expenditure can be reconciled with the financial statements included in the 2022 annual financial report (see statement 3 of the consolidated financial statements).

For the 2022 financial year, Groupe SAVENCIA takes account of all its capital expenditure, irrespective of the source of their financing, i.e. the value of its gross fixed assets. In an effort to counter the turbulence and high levels of inflation sweeping the macroeconomic environment, the Group prioritized the most strategic investments in 2022, which explains the fall in the total CapEx amount compared to 2021.

OpEx indicator:

According to the Regulation, companies are exempt from their publishing obligation if the OpEx covered by the Taxonomy is not material to their business model. As a result, the decision was taken to set a reasonable materiality threshold of 5% in light of market practices and SAVENCIA's understanding of the Regulation.

The substantiation of non-materiality was calculated by comparing the OpEx targeted by the Taxonomy to the total Opex:

	2022
Total OpEx in the sense of the Taxonomy	€134,521,722
Total Group OpEx	€6,316,913,000
OpEx materiality	2.1 %

During the 2022 financial year, the amount of SAVENCIA Fromage & Dairy's OpEx within the meaning of the Taxonomy Regulations did not reach this threshold. Therefore, it is considered to be insignificant.

The regulatory table is appended to this document (refer to the Standard tables required under the Taxonomy Regulation).

Total capital expenditure can be reconciled with the financial statements included in the 2022 annual financial report (see statement 3 of the consolidated financial statements).

2.2. Methodology for assessing activities against the criteria

To assess the current level of alignment of the activities that have been identified as eligible, SAVENCIA Fromage & Dairy has carried out a verification of compliance with the technical screening criteria for those activities and the minimum safeguards.

2.2.1. Substantial contribution

For this first reporting period, SAVENCIA Fromage & Dairy has targeted the CapEx with the highest eligibility and alignment potential, while taking account of the materiality of the amounts.

With respect to the methodology applied to activity 6.5, SAVENCIA Fromage & Dairy only analyzed its passenger cars and light commercial vehicles in France whose specific CO_2 emissions are less than 50 g of CO_2/km (light commercial vehicles with low or zero emissions).

Circular economy and pollution criteria were also checked with the manufacturers.

Due to the late publication of the Complementary Climate Delegated Act, SAVENCIA Fromage & Dairy chose to apply legislation to the letter and identified, for the 2022 financial year, cars with an energy performance rating of A or B for external rolling noise and A or B for fuel efficiency.

To meet the alignment criterion for activity 7.5, SAVENCIA Fromage & Dairy has ensured that its eligible CapEx is properly described in the equipment installation list mentioned in the substantial contribution of activity 7.6 (refer to the methodological note on the taxonomy appended to this document).

2.2.2. Generic DNSH - Climate change adaptation

To meet the DNSH criterion relating to the climate change adaptation objective stipulated in the Taxonomy, SAVENCIA Fromage & Dairy asked its insurer to carry out a physical climate risk analysis. This analysis covers all the entities and geographical locations, and develops the main physical climate risks impacting the subsidiaries' assets over a three-year time horizon.

The report describes the different risks for each site and region, and provides recommended adaptations to mitigate the risks. SAVENCIA Fromage & Dairy has launched a series of adaptation activities to address the identified risks.

Based on the findings of the analysis, SAVENCIA Fromage & Dairy considered that it complied with the adaptation DNSH criterion for this reporting period, but the Group is planning to improve the analysis for the coming years with the aim of gaining a long-term insight into these risks and integrating climate scenarios.

2.2.3. Minimum safeguards

SAVENCIA Fromage & Dairy carried out a central review of the minimum safeguards by means of workshops with the relevant divisions and concluded that the minimum safeguards are respected, especially through compliance with the non-alignment criteria and implementation of reasonable procedures and due diligence.

Furthermore, SAVENCIA Fromage & Dairy is implementing the necessary processes to validate the rest of the non-alignment criteria. These processes are summarized below:

- To meet the minimum safeguards in terms of **human rights**, SAVENCIA Fromage & Dairy uses a set of human rights policies presented in this document (refer to the chapter on "Respect for human rights") and in its due diligence plan.
- In terms of **corruption**, SAVENCIA Fromage & Dairy uses a complete system in pursuance of the requirements of France's anti-bribery law ("Sapin II") for identifying corruption risks, prevention policies and whistleblowing processes. That system is deployed for all its activities in France and abroad, and is described in the chapter entitled "Combat corruption" in this document.
- In terms of **taxation**, SAVENCIA Fromage & Dairy is committed to complying with local legislation in all the countries where it does business. The Group has chosen not to invest in all the "non-cooperative" countries (refer to the chapter on combating tax evasion).
- In terms of **competition law**, SAVENCIA Fromage & Dairy is rolling out several initiatives, such as providing training on competition law issues and producing an Ethics Policy for its employees (refer to the chapter entitled "Combat corruption").

3. Outlook

3.1. Opportunities for improvement

For the 2022 financial year, the analysis relating to eligibility and alignment with the European Taxonomy revealed a number of opportunities for improvement for future Taxonomy reporting periods. Therefore, SAVENCIA Fromage & Dairy has identified several actions that will be implemented in the coming years:

- incorporation of a long-term vision into the climate change risk analysis, with the objective of taking into account the different IPCC emissions scenarios;
- improvement in the technical information feedback process to streamline the collection of data specifically relating to the Taxonomy;
- valuation of the investments made as part of the adaptation plans.

The Group will adapt its methodology and analysis to reflect changes in regulations, the listed activities and the technical screening criteria.

KPIs Overview

SAVENCIA KEY ISSUES	KPI	2021	2022	2025 Target	Progress
Healthy, delicious and responsible eating					
Deploy a Clean Label approach on 100% of new branded products	% of new branded products having adopted a Clean Label approach	58.6%	75.4%	100%	↗
Implement clear nutritional information for 100% of our branded products	% of branded retail products including per-portion nutrition labelling	47.0%	59.6%	100%	↗
Sustainable Agriculture					
Expand the Charter for Best Farming Practices to all our milk sourcing worldwide	Expand the "Charter for Best Farming Practices" worldwide *(% milk volume sourced)*	85.8%	86.8%	100%	↘
Deploy the "Sustainable Milk Production" audit	Deploy the Sustainable Milk Production diagnosis *(% milk volume sourced *)*	21.6%	23.8%	50%	↘
Deploy our Charter for Animal Welfare	% of Dairy Supply employees at SAVENCIA sites trained on animal welfare.	Information not available*	61.5%	100%	↗
Develop responsible purchasing with all our suppliers, excluding agricultural raw materials	% of Group external expenditure overseen by the Purchasing function and carried out with major suppliers* under the Responsible Purchasing Charter	68.6%	66.8%	80%	↘
	% of Group external expenditure overseen by the Purchasing function and carried out with major suppliers* under EcoVadis evaluations	71.5%	75.7%	80%	↗
Environmental footprint					
Reduce greenhouse gas emissions from production and transport	Variation in Scope 1 & 2 GHG emissions *(tons of CO_2 eq/ton produced)*	-6.1%*	-9.8%	-20%	↗
Reduction in the carbon footprint associated with our milk sourcing	CO_2 emissions of the owned fleet *(in tons of CO_2 eq)*	-282,000	-311,000	-300,000	↗
Reduce water withdrawals	Variation of water withdrawals *(in m^3/ton produced)*	2.2%	-1.2%	-10%	↗
Strengthen the sorting and recovery of industrial waste by contributing to circular solutions	% of non-hazardous waste collected for recycling	68.3%	68.2%	-	↘
Develop eco-design of our packaging	% of recyclable or biodegradable packaging	85.0%	84.5%	Aim for 100%	↘

(*) see corresponding chapter

SAVENCIA KEY ISSUES	KPI	2021	2022	2025 Target	Progress
Employee wellbeing					
Ensure the safety of our employees	% of subsidiaries with no workplace accidents resulting in time off (permanent and temporary employees) during the year	48.4%	46.9%	Aim for zero accident in the workplace	↘
Improve quality of working life	% of subsidiaries having performed an internal employee survey in the last three years	99.0%	90.5%	100%	↘
Develop employee skills	% of employees trained during the year (permanent employees)	74.0%	76.5%	-	↗
	Number of ongoing apprenticeship contracts	491	471	458	↘
Commit to diversity and inclusion	% of women managers	42.6%	43.0%	50%	↗
Encourage employees to engage with solidarity	% of subsidiaries supporting at least one solidarity campaign	52.7%	63.3%	100%	↗
Ethics and compliance					
Respect for human rights	% of employees with access to collective employee representative bodies **	Information not available*	80.0%	85%	↗
Combat corruption	% of employees concerned (*), trained on the concept of ethics and fraud	96.7%	96.0%	100%	↘
Combat tax evasion	Number of non-cooperative states and territories (1) in which the Group operates	0	0	0	=

(*) (**) see corresponding chapter

Reporting procedures

Reporting procedures have been defined in accordance with applicable standards and practices. The methodological assumptions used to define the social, environmental and societal KPIs may be reviewed and adjusted to reflect changes in scope, regulations and market interpretations.

Organization of reporting

The Corporate Social Responsibility (CSR) indicators are collected 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 Division is the preferred contact for the Group's external auditors.

Scope

The data presented in this report are consolidated for 2022, from January 1 to December 31, 2022.

- "Healthy, delicious and responsible eating" aspect: 100% of the subsidiaries.
- "Employee well-being" aspect: 100% of the workforce registered at the end of the period.
- "Environmental footprint" aspect: 100% of production sites.

Reporting procedure 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.

These documents serve as repositories for the external verification of data, in accordance with the implementing decree of Article L. 225-102-1 of the French Commercial Code.

Reporting tool

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

An annual questionnaire is sent and completed by all the subsidiaries within the CSR scope, all types of sites combined: production, logistics and sales. It collects all the required information.

Consolidation and internal control

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

They also ensure internal control over the data by checking for consistency and coherence. To this end, consistency tests are carried out on the indicators, variations are highlighted and justified.

The significant discrepancies identified are analyzed with the data contributor.

External verification

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

Appendices

1. Standard tables required under the Taxonomy Regulation

Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)
		(€k)	%
A. Taxonomy-eligible activities			
A.1. Environmentally sustainable activities (Taxonomy-aligned)			
Turnover from environmentally sustainable activities (Taxonomy-aligned) (A.1)	N/A	0	0.0%
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)			
Turnover from Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)	N/A	0	0.0%
Total (A.1 + A.2)	N/A	0	0.0%
B. Taxonomy-non-eligible activities			
Turnover from taxonomy-non-eligible activities (B)		6,551,216	100.0%
Total (A + B)		6,551,216	100.0%

Economic activities	Code(s)	CapEx (3)	Proportion of CapEx (4)
		(€k)	%
A. Taxonomy-eligible activities			
A.1. Environmentally sustainable activities (Taxonomy-aligned)			
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	36	0.0%
Installation, maintenance and repair of renewable energy technologies		2,047	1.0%
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		2,083	1.0%
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)			
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	5,666	2.7%
Installation, maintenance and repair of energy efficiency equipment	7.3	2,116	1.0%
Installation, maintenance and repair of renewable energy technologies	7.6	2,695	1.3%
Construction of new buildings	7.1	400	0.2%
Acquisition and ownership of buildings	7.7	2,497	1.2%
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		13,373	6.4%
Total (A.1 + A.2)		15,457	7.4%
B. Taxonomy-non-eligible activities			
Taxonomy-non-eligible CapEx (B)		194,561	92.6%
Total (A + B)		210,017	100.0%

Economic activities	Code(s)	OpEx (3)	Proportion of OpEx (4)
		(€k)	%
A. Taxonomy-eligible activities			
A.1.Environmentally sustainable activities (Taxonomy-aligned)			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	N/A	0	0.0%
A.2 Taxonomy-eligible but not environmentally sustainable activities(not Taxonomy-aligned)			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)	N/A	0	0.0%
Total (A.1 + A.2)		0	0.0%
B. Taxonomy-non-eligible activities			
Taxonomy-non-eligible CapEx (B)*		134,522	100.0%
Total (A + B)		134,522	100.0%

** OpEx targeted by the Taxonomy*

Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water andmarine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover FY2022 (18)	Taxonomy-aligned proportion of turnover FY2021 (19)	Category (enabling activity)) (20)	Category (transitional activity) (21)
%	%	%	%	%	%	O/N	O/N	O/N	O/N	O/N	O/N	O/N	%	%	H	T
%	%	%	%	%	%	O/N	O/N	O/N	O/N	O/N	O/N	O/N	%	%	H	T
100.0%	–%						O		O	O		O	0.0%	N/A		
100.0%	–%						O					O	1.0%	N/A		
100.0%	–%												1.0%	N/A		
%	%	%	%	%	%	O/N	O/N	O/N	O/N	O/N	O/N	O/N	%	%	H	T

2. Methodological note - European taxonomy

2.1. Review of the KPIs and reconciliation with the financial statements

2.1.1 Turnover

As part of the update to the 2021 eligibility reference framework, the following should be noted:

- In accordance with European Regulation 2020/852 of June 18, 2020, on the establishment of a framework to facilitate sustainable investment within the European Union (EU), SAVENCIA Fromage & Dairy, due to its status as a public interest entity, is required to publish, for the 2021 financial year, the proportion of its turnover, capital expenditure and operating expenditure resulting from products and/or services associated with economic activities that qualify as sustainable pursuant to the classification and criteria defined in the Taxonomy for the first two climate objectives. SAVENCIA Holding does not, to date, fall within the scope of this Regulation. The analysis and figures presented therefore concern the activities within SAVENCIA Fromage & Dairy (hereinafter the Group).
- The financial data are derived from the consolidated financial statements as of December 31, 2022; the Taxonomy denominators for the turnover and capital expenditure KPIs can therefore be reconciled with the financial statements as required by the Regulation.

Definition

The proportion of turnover referred to in Article 8 of Regulation (EU) 2020/852 is obtained by dividing the proportion of net turnover derived from products or services, including intangible assets, associated with Taxonomy-eligible and Taxonomy-aligned economic activities (numerator) by the net turnover (denominator) as defined in Article 2(5) of Directive 2013/34/EU. Turnover includes income recognized in accordance with International Accounting Standard 1, paragraph 82A, as adopted by Commission Regulation (EC) No. 1126/2008.

2.1.2. CapEx

Definition

Note that the FAQ published by the European Commission on December 19, 2022, on Article 8 clarified that the source of funding of the CapEx has no relevance for the purpose of assessing the Taxonomy-alignment of that CapEx.

Eligible and aligned capital expenditure meets one of the following conditions:

- Expenditure is related to assets or processes associated with Taxonomy-eligible and Taxonomy-aligned economic activities.
- This expenditure is part of a plan to expand Taxonomy-aligned economic activities or upgrade a Taxonomy-eligible economic activity into a Taxonomy-aligned economic activity (“CapEx plan”).
- This expenditure is related to the purchase of output from Taxonomy-eligible and Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or lead to greenhouse gas reductions, notably activities listed in points 7.3 to 7.6 of Annex 1 to the Climate Delegated Act, and other economic activities listed in the delegated acts.

The amounts concerned include additions to tangible and intangible assets during the financial year before depreciation and before any remeasurements (including revaluations and impairments) for the year, excluding fair value changes. It also includes additions resulting from acquisitions through business combinations.

2.1.3. OpEx

Definition

The OpEx retained by SAVENCIA Fromage & Dairy according to the provisions of the Taxonomy, such as specified in 2022, concerns the following categories:

- Non-capitalized costs relating to research and development, including the associated personnel costs, restated for tax credits received during the period.
- Short-term leases, such as determined in accordance with IFRS 16, and including expenses relating to short-term leases and low-value leases.

Maintenance, repair and other direct expenses relating to the day-to-day servicing of items of property plant and equipment.

Limited report of one of the Statutory Auditors on the verification of selected social and environmental information

Year ended 31 December 2022

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Executive Management of Savencia S.A.,

In our capacity as Statutory Auditor of your company (hereinafter the "Company") and pursuant to your request, we performed a review with the aim of providing limited assurance on the environmental and social information taken from the Non-Financial Performance Statement (hereinafter "the Information[1]") for the year ended 31 December 2022.

Conclusion

Based on our procedures as described in the section "Nature and scope of procedures" and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the Information has not been prepared in accordance with the procedures used by the Company (hereinafter the "Guidelines").

Preparation of the Information

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Non-Financial Performance Statement and available on request from the Company's headquarters.

Limits inherent in the preparation of the Information

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some data is sensitive to the choice of methodology and the assumptions and/or estimates used for its preparation and presented in the Non-Financial Performance Statement.

Responsibility of the Company

The Company is responsible for:

- selecting or determining the appropriate criteria and procedures for the drafting of the Guidelines;
- preparing Information in accordance with the Guidelines;
- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

Responsibility of the statutory auditor

The conclusion presented in this report relates solely to the Information and not to the whole Non-Financial Performance Statement.

Based on our work, it is our responsibility to:

- express limited assurance on the fact that the Information has been prepared in accordance with the Guidelines and is free from material misstatement, whether due to fraud or error;
- issue an independent conclusion based on evidence we obtained; and
- share our conclusion with Company management.

As it is our responsibility to issue an independent conclusion on the Information prepared by the Company, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.

Applicable regulatory provisions and professional guidance

The work described below was performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) and ISAE 3000 (revised), "Assurance Engagements

[1] *See the Appendix.*

other than Audits and Reviews of Historical Financial Information", issued by the IAASB (International Auditing and Assurance Standards Board).

Independence and quality control

Our independence is defined by Article L. 822-11 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (Code de déontologie). In addition, we have implemented a system of quality control including documented policies and procedures ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement.

Nature and scope of work

We planned and performed our work to enable us to express a limited assurance conclusion on the Information.

The nature, timing and scope of procedures implemented on the Information is based on our professional judgment, including the assessment of the risk of material misstatement, whether due to fraud or error.

We:

- assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity;
- verified the set-up of a process to collect, compile, process, and check the completeness and consistency of the Information;
- interviewed staff of the relevant departments at the Company's headquarters and a selection of contributing entities to analyse the deployment and application of the Guidelines.
- implemented analytical procedures that consisted in verifying the correct consolidation of collected data and the consistency of changes therein;
- conducted substantive tests, on a sample basis, within a selection of representative entities[2] selected by us, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. The scope selected covers between 8% and 45% of consolidated data relating to the Information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes, CNCC); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, 30 March 2023

One of the Statutory Auditors,

Deloitte & Associés

Emmanuel Gadret **Partner**	**Catherine Saire** **Partner, Sustainable Development**

[2] *Compagnie des fromages & RichesMonts –Brioude plant (France); Elvir –Condé-sur-vire plant (France); Bressor SA –Servas plant (France); Tessier –Cornillé-les-Caves plant (France); Armor –Saint-Brice plant (France); Milkaut –Franck plant (Argentina); Edelweiss GMBH –Kempten plant (Germany).*

Appendix

Qualitative information (measures and outcomes)
Appraisal questionnaire and charter for animal wellbeing
Measures implemented to improve the carbon footprint of milk collection transport
Continuous improvement approach to the composition of products through the removal of certain additives
Measures implemented to promote smarter eating habits
Measures to raise employee awareness of the Duty of vigilance
Role of the Group Ethics and Culture Committee (CECG)
Implementation of packaging eco-design projects

Key performance indicators and other quantitative outcomes
Number of permanent employees as of 31 December
Percentage of employees trained during the year (permanent employees)
% of subsidiaries with no workplace accidents resulting in time off (permanent and temporary employees) during the year
Reduction in GHG Scopes 1 & 2 (tonnes of CO_2 equiv./tonne produced) - % change vs. 2015
Reduction in water withdrawals (in m^3/tonne produced) - % change vs. 2015
% of non-hazardous waste collected for recycling
% of recyclable or biodegradable packaging
% of new branded products having adopted a Clean Label approach
% of branded retail products including per-portion nutrition labelling

Correspondence table: GRI - GRENELLE II - Non-Financial Performance Statement

GRI G4	Grenelle II – Decree of April 2012 Data available on savencia-fromagedairy.com		Non-Financial Performance statement	Pages
I. SOCIAL INFORMATION				
	I.A)	**EMPLOYMENT**		
G4-9	I.a) 1.1	Total headcount	Grenelle II data available at savencia-fromagedairy.com	
G4-10 LA1 LA12	I.a) 1.2	Breakdown in workforce by gender		
LA1 LA12	I.a) 1.3	Breakdown in workforce by age		
G4-10 LA1 LA12	I.a) 1.4	Breakdown in workforce by geographic area		
EC6 LA1 (*)	I.a) 2.1	New Hires		
LA1 (*)	I.a) 2.2	Redundancies		
G4-51 (*) G4-52* G4-53* G4-54 (*) EC1 EC5	I.a) 3.1	Remuneration		
G4-55 (*)	I.a) 3.2	Trend in remuneration		
	I.B)	**ORGANIZATION OF WORK**		
-	I.b) 1	Working time organization		
G4-LA6	I.b) 2	absenteeism		
	I.C)	**LABOR RELATIONS**		
LA4	I.c) 1	Organization of social dialog, procedures for informing, consulting and negotiating with personnel	SOCIAL / Collective bargaining agreements and diversity actions	37
-	I.c) 2	Review of collective bargaining agreements		
	I.D)	**HEALTH AND SAFETY**		
LA5	I.d) 1	Occupational health and safety conditions	SOCIAL / Collective bargaining agreements and diversity actions	37
LA8	I.d) 2	Review of formal agreements signed with trade unions or employee representatives on occupational health and safety		
LA6 LA7	I.d) 3	Frequency and severity of work-related accidents		
LA6	I.d) 4	Occupational diseases		
	I.E)	**TRAINING**		
LA10 LA11	I.e) 1	Training policies implemented	SOCIAL	38
LA9 HR2	I.e) 2	Total number of training hours		
	I.F)	**EQUAL TREATMENT**		
LA3 LA12 LA13	I.f) 1	Measures taken to promote gender equality	SOCIAL/Collective agreements and diversity actions/Disability	39
LA 12 (*)	I.f) 2	Measures taken to promote the employment and inclusion of people with disabilities		
LA12 HR3	I.f) 3	Anti-discrimination policy		
	I.G)	**PROMOTION AND COMPLIANCE WITH THE PROVISIONS OF THE FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOR ORGANIZATION (ILO)**		
HR3 HR4 HR5 HR6	I.g) 1	Respect for freedom of association and the right to collective bargaining	SOCIAL / Collective bargaining agreements and diversity actions	42
	I.g) 2	Elimination of discrimination in respect of employment and occupation		
	I.g) 3	Elimination of all forms of forced or compulsory labor		
	I.g) 4	Effective abolition of child labor		

GRI G4	Grenelle II – Decree of April 2012 Data available on savencia-fromagedairy.com		Non-Financial Performance statement	Pages
II. ENVIRONMENTAL INFORMATION				
	II.A)	**GENERAL ENVIRONMENTAL POLICY**		
G4-1	II.a) 1.1	Organizational structure of the company to take account of environmental issues	ENVIRONMENT	31
G4-EN32	II.a) 1.2	Environmental assessment or certification procedures		
G4-43 (*) G4-37 G4-51 G4-55	II.a) 2	Training and information for employees on environmental protection		
EN30 EN31	II.a) 3	Resources allocated to the prevention of environmental risks and pollution		
EC2	II.a) 4	Amount of provisions and guarantees for environmental risks		
	II.B)	**POLLUTION**		
EN 10 EN20 EN21 EN 22 EN24 EN 26	II.b) 1	Measures to prevent, reduce or remedy discharges into the air, water and soil which affect the environment	Grenelle II data available at savencia-fromagedairy.com	
EN24	II.b) 3	Consideration of any form of pollution specific to an activity, including noise pollution		
	II.C)	**CIRCULAR ECONOMY**		
		Waste prevention and management		
EN23 EN24 EN25 EN28	II.c) 1.1	Measures for preventing, recycling and eliminating waste	ENVIRONMENT/Circular economy and food waste	25-34
	II.c) 1.2	Actions to combat food waste		
		Sustainable resource use		
EN8 EN9	II.c) 2.1	Water consumption and water supply in relation to local constraints	ENVIRONMENT	31 - 33
EN1 EN2	II.c) 2.2	Raw material consumption and improvement of efficiency/use of renewable energies		
EN3 EN4 EN6 EN7 (*)	II.c) 2.3	Consumption of raw materials and measures taken to improve efficiency in their use		
EN11	II.c) 2.4	Land use		
	II.D)	**CLIMATE CHANGE**		
EN15 EN16 EN17 EN18 EN19	II.d) 1	Significant greenhouse gas emissions generated by the organization's activities, including by the use of the goods and services it produces	ENVIRONMENT / Consequences on climate change	31
-	II.d) 2	Measures taken to adapt to the consequences of climate change		
	II.E)	**PROTECTING BIODIVERSITY**		
EN11 EN12 EN13 EN14 EN26	II.e) 1	Measures taken to protect or develop biodiversity		29
III. SUSTAINABLE DEVELOPMENT				
	III.A)	**TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY'S ACTIVITY**		
EC6 EC7 EC8 EC9 SO1	III.a) 1	In terms of employment and regional development	SOCIETAL	26
EC6 EC7 EC8 EC9 HR8 SO1 SO2	III.a) 2	On local or neighboring populations		

GRI G4	Grenelle II – Decree of April 2012 Data available on savencia-fromagedairy.com		Non-Financial Performance statement	Pages
	III.B)	**RELATIONSHIPS WITH STAKEHOLDERS**		
G4 26 G4-37	III.b) 1	Conditions for engaging these individuals or organizations	SOCIETAL	40
EC 7	III.b) 2	Partnership and sponsorship actions		
	III.C)	**SUBCONTRACTING AND SUPPLIERS**		
LA14 LA15 EN33 HR5 HR9 HR11 HR6	III.c) 1	Consideration of social and environmental issues in the purchasing policy	SOCIETAL/Combating corruption	30
LA14 LA15 G4-12 EN32 EN33 HR5 HR 6 HR9 HR10 HR11 S09 S010	III.c) 2	Importance of subcontracting and consideration of social and environmental responsibility in relations with suppliers and subcontractors		
	III.D)	**FAIR OPERATING PRACTICES**		
G4-56 – G4-58 SO3 SO4 SO5	III.d) 1	Measures taken to prevent corruption	SOCIETAL/Combating corruption	43
EN27 PR1 PR2 PR3 PR4 PR6 PR7 PR8 PR9	III.d) 2	Measures taken to promote consumer health and safety	SOCIETAL / Healthy and sustainable food / Food waste	22 - 25
			SOCIETAL / Combat tax evasion	44
HR1 HR2 HR7 HR8 HR9 HR10 HR11 HR 12	**III.e)**	**Actions promoting human rights**		42

(*)Indicators providing a partial response to the issue.

3

CONSOLIDATED FINANCIAL STATEMENTS

AT DECEMBER 31, 2022

1. Consolidated financial statements at December 31, 2022

1.1. Consolidated income statement

In thousands of euro	Notes	12 months 2022	2021
NET SALES	3	6,551,216	5,610,418
Purchases adjusted for changes in inventories	4.1	-4,364,581	-3,534,494
Personnel costs	7.1	-1,156,275	-1,075,664
Depreciation and amortization	4.2	-199,509	-195,414
Other current operating income and expenses	4.3	-596,549	-558,704
CURRENT OPERATING PROFIT	3	234,302	246,142
Other operating income and expense	5	-71,426	-73,104
OPERATING PROFIT		162,876	173,038
Financial expenses	11.1	-38,208	-27,513
Financial income	11.1	13,766	6,607
Result on net monetary position	13	2,725	2,745
Group share of associates' net income	6	1,537	1,712
EARNINGS BEFORE TAX		142,696	156,589
Income tax expense	8.1	-57,267	-63,565
Net income from continuing operations		**85,429**	**93,024**
NET INCOME FOR THE YEAR		**85,429**	**93,024**
Net income attributable to equity holders of the parent company		68,046	82,939
Non-controlling interests	14.4	17,383	10,085
EARNINGS PER SHARE (in euro)			
Group share			
• basic	14.3	5.01	6.05
• diluted	14.3	5.01	6.03
From continuing operations:			
• basic		5.01	6.05
• diluted		5.01	6.03

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

		12 months	
In thousands of euro	**Notes**	**2022**	**2021**
NET INCOME FOR THE YEAR		**85,429**	**93,024**
Other comprehensive income:			
Foreign exchange differences[(1)]		18,120	47,742
Change in fair value of financial assets		-	-
Change in fair value of cash-flow hedges[(2)]		9,894	2,461
Currency basis spread[(3)]		550	215
Hyperinflation[(4)]		25,517	14,362
Other changes		-	1,931
Share of associates and joint-ventures in recyclable components		38	148
Total recyclable components of other comprehensive income		**54,119**	**66,859**
Actuarial gains and losses relating to employment benefit plans		23,337	13,612
Share of associates and joint-ventures in non-recyclable components		-	-
Total non-recyclable components of other comprehensive income		**23,337**	**13,612**
Total other comprehensive income net of tax	14.2	**77,456**	**80,471**
TOTAL COMPREHENSIVE INCOME NET OF TAX		**162,885**	**173,495**
Group share		143,685	161,322
Non-controlling interests	14.4	19,200	12,173

(1) Mainly relating to the following currencies: USD, BRL, RUB, ARS.
(2) Mainly relating to hedging of interest rate and raw materials.
(3) IFRS 9 excludes the currency basis spread from the hedging relationship (see note 14.2).
(4) Impact of hyperinflation in Argentina.

The accompanying notes are an integral part of these consolidated financial statements.

1.2. Consolidated balance sheet

ASSETS

In thousands of euro	Notes	At December 31, 2022	At December 31, 2021
Intangible assets	9.1	511,779	543,868
Property, plant and equipment	9.2	1,299,629	1,277,077
Rights of use assets for leases	9.3	60,702	65,809
Other non- current financial assets	11.2	28,077	26,472
Investments in associates	6	23,838	27,694
Non-current derivative financial instruments	11.6.1	31,225	19,199
Deferred tax assets	8.2	29,458	42,450
TOTAL NON-CURRENT ASSETS		1,984,708	2,002,569
Inventories and work in progress	4.4	865,591	676,403
Trade and other receivables	4.5	1,112,826	1,034,375
Tax receivables		33,494	32,087
Current derivative financial instruments	11.6.1	9,043	6,242
Other current financial assets	11.3	24,019	12,380
Cash and cash equivalents	11.4	548,616	560,240
Assets held for sale or relating to discontinued operations	9.2	3,952	-
TOTAL CURRENT ASSETS		2,597,541	2,321,727
ASSETS		**4,582,249**	**4,324,296**

EQUITY AND LIABILITIES

In thousands of euro	Notes	At December 31, 2022	At December 31, 2021
Paid-in capital	14.1.1	**55,780**	**75,306**
Other reserves	14.1.2	-85,977	-136,103
Retained earnings		1,623,759	1,544,339
GROUP SHARE OF EQUITY		1,593,562	1,483,542
Non-controlling interests	14.4	233,660	219,493
TOTAL EQUITY		1,827,222	1,703,035
Provisions for pensions	7.2	69,984	98,922
Other provisions	10	22,612	23,003
Non-current financial borrowings	11.5	294,922	298,633
Non-current lease liabilities	9.3	40,716	43,467
Other non-current liabilities	12	17,402	31,167
Non-current derivative financial instruments	11.6.2	6,768	14,681
Deferred tax liabilities	8.2	72,871	65,251
TOTAL NON-CURRENT LIABILITIES		525,275	575,124
Trade and other payables	4.6	1,461,032	1,272,443
Tax payable		21,146	21,955
Current derivative financial instruments	11.6.2	4,926	5,906
Current bank borrowings	11.5	721,836	722,454
Current lease liabilities	9.3	20,812	23,379
TOTAL CURRENT LIABILITIES		2,229,752	2,046,137
LIABILITIES		**2,755,027**	**2,621,261**
EQUITY AND LIABILITIES		**4,582,249**	**4,324,296**

The accompanying notes are an integral part of these consolidated financial statements.

1.3. Consolidated cash flow statement

		12 months	
In thousands of euro	**Notes**	**2022**	**2021**
Net income from continuing operations		**85,429**	**93,024**
Income tax expense	8.1	57,267	63,565
Amortization and provisions	4.2	199,509	195,414
Gains and losses on disposal of assets		-7,758	3,718
Group share of results of associates	6	-1,537	-1,712
Net financial expense		7,539	7,751
Other non-cash expenses and income [(1)]		63,482	44,033
Gross operating margin		**403,931**	**405,793**
Interest paid [(2)]		-23,181	-14,521
Interest received		13,532	6,289
Income tax paid		-51,958	-53,043
Change in working capital	4.7	-87,274	-42,929
NET CASH FLOW FROM OPERATING ACTIVITIES		**255,050**	**301,589**
Acquisition of subsidiaries, operating units [(3)]	2	-3,541	-
Disposal of activities net of transferred cash		-	-
Purchase of tangible and intangible assets	3	-188,397	-229,423
Disposal of tangible and intangible assets		6,263	2,005
Acquisition of long-term financial assets		-1,587	-1,723
Disposal of long-term financial assets		1,667	944
Changes in other current financial assets		-15,226	3,532
Dividends received (including dividends received from associates)		1	199
NET CASH USED IN INVESTING ACTIVITIES		**-200,820**	**-224,466**
Purchase and sale of own shares		-13,271	-1,757
Capital increase received from minority shareholders		3,871	-761
Changes in interests in controlled entities [(4)]		-	-5,159
New borrowings	11.5	26,235	10,787
Repayments of borrowings	11.5	-16,506	-74,537
Repayment of lease obligations	9.3	-28,592	-27,567
Dividends paid		-26,880	-26,995
NET CASH FLOW FROM FINANCING ACTIVITIES		**-55,143**	**-125,989**
Impact of foreign exchange differences		8,502	13,574
Net change in cash and cash equivalents		**7,589**	**-35,292**
OPENING CASH BALANCE	**11.4**	**489,313**	**524,605**
CLOSING CASH BALANCE	**11.4**	**496,902**	**489,313**

(1) Including the impact of non-current provisions for contingencies and charges (61.5 million in 2022, of which 47.6 million on the Russia CGU (see note 9.1) compared with 32.2 million in 2021 of which 24.5 million on the Russia CGU and 14.6 million on the Sodilac CGU) and the impact of the restatement for Argentina's hyperinflation (5.7 million in 2022 against 3.7 million in 2021).
(2) Including interest paid on lease obligations (see note 9.3).
(3) In 2022, the acquisition of 51.4% of Poitou Chèvre SAS.
(4) In 2021, amount paid for the exercise of the option to purchase 4% of the capital of B.M.K..

The accompanying notes are an integral part of these consolidated financial statements.

1.4. Consolidated statement of changes in equity

In thousands of euro	Paid-in capital	Other reserves	Retained earnings	Group share of equity	Non-controlling interests	Total consolidated equity
	Equity attributable to shareholders of the parent company					
	(note 14.1.1)	(note 14.1.2)			(note 14.4)	
EQUITY AT 01/01/2021	**77,051**	**-199,505**	**1,469,955**	**1,347,501**	**213,567**	**1,561,068**
Dividends distributed			-20,560	-20,560	-6,435	-26,995
Total comprehensive income at 12/31/2021		**63,402**	**97,920**	**161,322**	**12,173**	**173,495**
Purchase / sale of treasury shares	-1,745			-1,745	-12	-1,757
Change in share capital	-	-	-	-	-	-
Changes in consolidation scope :						
• Put options granted to non-controlling interests			-2,977	-2,977	201	-2,776
• Increase further to business combinations			-	-	-	-
• Change in percentages of interest			1	1	-1	-
EQUITY AT 12/31/2021	**75,306**	**-136,103**	**1,544,339**	**1,483,542**	**219,493**	**1,703,035**
Dividends distributed			-20,499	-20,499	-6,381	-26,880
Total comprehensive income at 12/31/2022		**50,126**	**93,559**	**143,685**	**19,200**	**162,885**
Purchase / sale of treasury shares	-19,526		6,255	-13,271	-	-13,271
Change in share capital	-	-	-	-	3,871	3,871
Changes in consolidation scope :						
• Put options granted to non-controlling interests			105	105	-2,523	-2,418
• Increase further to business combinations			-	-	-	-
• Change in percentages of interest			-	-	-	-
EQUITY AT 12/31/2022	**55,780**	**-85,977**	**1,623,759**	**1,593,562**	**233,660**	**1,827,222**

The accompanying notes are an integral part of these consolidated financial statements.

1.5. Notes to the consolidated financial statements

NOTE 1. BASIS OF PREPARATION AND GENERAL ACCOUNTING PRINCIPLES

1.1. Methods used in the preparation of the consolidated financial statements

Pursuant to European Regulation (EC) No. 1,606/2002 of July 19, 2002, on the application of international accounting standards, the Group's consolidated financial statements at December 31, 2022 have been prepared in accordance with the IFRS Framework as published by the IASB and adopted in the European Union as at the same date.

In addition, these financial statements have also been prepared in accordance with the IFRS issued by the IASB (International Accounting Standards Board). They reflect the individual financial statements of each Group entity which have been restated as necessary in accordance with the Group's accounting policies. They have been prepared using the historical cost accounting convention with the exception of financial assets and financial liabilities at fair value through profit or loss (including derivative financial instruments), biological assets and assets and liabilities subject to fair value hedges. Unless otherwise stated, accounting policies have been consistently applied to all the periods presented.

The preparation of the financial statements in accordance with IFRS requires the application certain critical accounting estimates. Management is also required to exercise its judgment when applying accounting methods.

The Group has applied the new standards and interpretations mandatory for accounting periods beginning on or after January 1, 2022 in particular the amendments to IFRS 3 "Business Combinations - References to the Conceptual Framework", the amendments to IAS 37 "Provisions - Onerous contracts - Contract costs," the amendments to IAS 16 "Pre-use Revenue from property, plant and equipment" and the annual improvements of the 2018-2020 cycle. These amendments had no impact on the statements for the period ended December 31, 2022.

The Group did not apply the other standards and interpretations that were not mandatory in 2022 but were open to early adoption, specifically the amendments to IAS 12 "Taxes on assets and liabilities arising from a single transaction", IFRS 17 "Insurance contracts" and changes to IFRS 17, the amendments to IAS 1 and Practice Statement 2 on disclosures about accounting policies and the amendments to IAS 8 on the definition of accounting estimates.

As stated elsewhere, the Group applied the final decisions of IFRS IC in 2021 to the financial statements for the period ended December 31, 2021:

- IAS 19 - Attributing benefit to periods of service. The decision regarding the allocation over time of expense for post-employment benefit plans with certain characteristics resulted in a reduction of €10.9 million in the provision for pensions at the beginning of the comparative period, i.e. as of January 1, 2020.
- IAS 38 - Accounting for configuration and customization costs in a cloud computing arrangement (SaaS - Software as a Service)

This decision has only a small impact on the 2021 consolidated statements. However, it could have an impact on the Group's financial statements depending on the IT projects carried out over the coming years.

Assessment of the effects of climate change

Taking into account:

- the Group's business activities and its geographic locations,
- the nature and magnitude of current and potential impacts of climate change risks and opportunities as identified and assessed under "risk factors" and the Non-financial performance statement, and
- the commitments made by the Group in this area, particularly in terms of reducing greenhouse gases from production and transportation and reducing the carbon footprint of our milk collection by 2025,

The Group has identified no significant effects regarding the financial year 2022. Specifically, no significant provisions for environmental risks and expenses are included in the consolidated balance sheet at December 31, 2022. The Group has not identified any significant effects of the commitments made in this area on the value of its property, plant and equipment. In particular, executing the plans necessary to upgrade production machinery does not adversely affect their useful life.

1.2. General accounting principles

The accounting principles are included in the corresponding notes to the consolidated financial statements. They are presented as text on a blue background. The following accounting principles apply to all financial statements.

1.2.1. Consolidation methods

The financial statements of controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. Subsidiaries are fully consolidated and joint ventures and investments in associates are accounted for using the equity method.

1.2.1.1. Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Control may exist de facto. In assessing control, potential voting rights that are exercisable or convertible are taken into account. Subsidiaries are fully consolidated and minority interests are disclosed in the statement of financial position as a separate equity line item. Non-controlling interests in profit or loss are also presented distinctly in the income statement.

The acquisition of subsidiaries by SAVENCIA Fromage & Dairy is accounted for using the purchase method as described in IFRS 3 (revised). The consideration transferred is measured on the basis of the fair value, at the date of acquisition, of the elements of remuneration conferred on the seller by the Group in exchange for the acquired control, excluding any element remunerating transactions distinct from the acquisition of control. The consideration transferred (acquisition price) includes:

- assets transferred ;
- liabilities assumed ;
- equity instruments issued by SAVENCIA Fromage & Dairy; and
- any price adjustments applicable to the business combination.

Costs directly attributable to business combinations are accounted for as incurred (in other operating expense) with the exception of :

- issue costs for any equity instruments issued as consideration for the acquisition, which are deducted from equity; and
- costs pertaining to any financial liabilities contracted for the purposes of the business combination, which are deducted from the applicable financial liabilities.

The acquiree’s identifiable assets, liabilities and contingent liabilities are initially recognized at their fair values at the acquisition date.

For each business combination, the SAVENCIA Fromage & Dairy Group values non-controlling interests on the basis of:

- their share of the acquiree’s identifiable net assets measured at fair value at the acquisition date, *i.e.* not including goodwill in respect of non-controlling interests (the partial goodwill method);
- or their fair value at the acquisition date, consequently including recognition of goodwill both for the group share and for non-controlling interests (full goodwill method).

On these bases, the amount of goodwill recognized at the acquisition date is thus the difference between:

- the consideration transferred, plus where applicable the value of any non-controlling interests, and for step-by-step acquisitions, the fair value at the acquisition date of any non-controlling interests previously held;
- the net identifiable assets and liabilities acquired, usually measured at fair value on the date of acquisition.

When the calculation of goodwill results in a negative difference, a profit is recognized directly in the income statement.

In the event of control arising as the result of successive purchases, the interests acquired prior to the date of control are readjusted to their fair value at the date of control by charging or crediting profit or loss.

As required by IFRS 10, the impact of increases or decreases in percentage interests not affecting control is directly recognized in equity.

In the event of loss of exclusive control, the full impact of the disposal is recognized even if a residual interest is retained.

1.2.1.2. Joint operations

A joint operation is a joint arrangement in which the Group has rights to the assets, and obligations for the liabilities, relating to the arrangement. Each joint operator must recognize the assets, liabilities, revenue and expenses equating with its interest in the joint operation.

1.2.1.3. Joint ventures

A joint venture is a joint arrangement in which the Group has rights to the net assets of the arrangement. Joint ventures are accounted for using equity method. The Group’s consolidated financial statements include its share of joint venture profits and losses from the date of commencement of significant influence to the date at which such significant influence ceases. If the Group’s share of losses exceeds the amount of the investment, the carrying amount of the investment is reduced to zero. Additional losses are not taken into account unless the Group is so obliged.

1.2.1.4. Elimination of intra-group transactions and balances

Intragroup transactions and balances are eliminated, as are unrealized gains resulting from intragroup transactions. Unrealized gains resulting from transactions with associates or jointly controlled entities are eliminated to the extent of the Group's interest therein.

1.2.1.5. Companies whose non-current assets are held for sale, discontinued operations or being divested

A group of non-current assets and liabilities is held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this, the asset must be available for immediate sale and its sale must be highly probable. These assets or groups of assets are presented separately from other assets in the balance sheet, on the line "Assets held for sale or relating to discontinued operations." These assets are measured at the lower of carrying amount or fair value less costs to sell. The liabilities of a group of assets held for sale are presented on the balance sheet on the line "Liabilities of operations discontinued or being divested."

An operation disposed of or in the process of being divested is defined as a component of the company that is either disposed of, or classified as discontinued or in the process of being divested, and which, as they case may be:

- represents a significant business or geographical area for the Group;
- is part of a broad plan to dispose of a business or geographical area that is significant for the Group;
- is a significant subsidiary acquired solely for the purpose of being resold.

With regard to discontinued operations, there is no change to the balance sheet treatment.

Income statement and cash flow statement items relating to discontinued operations are, if material, segregated in the financial statements for all periods presented.

1.2.1.6. Foreign currency translation

Transactions of Group companies denominated in foreign currencies are initially translated at the exchange rates applying at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the reporting date. Foreign exchange differences arising from the aforementioned transactions are recognized in the income statement.

For consolidation purposes, Group entities' assets and liabilities expressed in foreign currencies are translated into euro using the exchange rates applicable at the year-end. Income and expense items expressed in foreign currencies are translated using the average annual exchange rates, this average rate being an approximate value of the exchange rate on the date of the transaction in the absence of significant variations or the exchange rate applicable on the date of the transaction. At year-end, foreign exchange differences arising from the new translation of the Group's net assets compared to the end of the previous year, as well as those arising from the translation at the year-end exchange rate and transactions translated at the average or effective exchange rate are recognized directly in other comprehensive income.

The goodwill and fair value adjustments associated with the acquisition of foreign operations are accounted for as assets and liabilities of the foreign operation and as such, are translated into euro using the exchange rate applicable at the year-end. The financial statements of Group companies operating in hyperinflationary economies are restated, using official indices, to reflect the changes in the general purchasing power of the local currencies. The consideration for the impact of indexing over the period is presented as gain and loss on net monetary position. Accounts are then translated into euro using the exchange rates applying at the year-end.

1.2.1.7. Fair value estimate

Certain of the Group's accounting policies and required disclosures involve estimation of the fair value of both financial and non-financial assets and liabilities. The requisite estimation is performed under supervision by the Group's Finance Department.

Fair value is based on:

- the prices quoted in an active market; or
- the use of appropriate option valuation or discounted cash flow modeling techniques incorporating market data; or
- the use of other valuation techniques integrating parameters estimated by the Group, in the absence of observable data.
- or from external valuation techniques.

The fair value of trade and other receivables and payables is assumed to equate with their nominal amount less any applicable impairment losses.

1.2.1.8. Critical accounting estimates and judgments

The preparation of the consolidated financial statements in accordance with IFRS requires that the Group uses its judgment to produce estimates and applies certain assumptions liable to affect the value of the Group's assets, liabilities, equity and earnings. These estimates and assumptions mainly relate to the valuations of goodwill, other intangible assets, property, plant and equipment, provisions, post-employment benefit obligations and deferred taxes. The estimates used by the Group are prepared on the basis of the information available at the time of preparation of the consolidated financial statements and are detailed in the applicable notes (see notes 5, 9.1 , 9.2 , 8.2 ,10).

	Topic	Type of accounting judgment/most significant source of estimates
Note 1.2.1.1	Control	Exercise of judgment in certain situations on the existence or not of control and ongoing assessment of the control status which may lead to changes in the scope of consolidation, in particular in the event of modification or termination of the shareholders' agreement or circumstances transforming protective rights into substantive rights
Notes 5, 6, 9	Determination of recoverable amounts in impairment tests (goodwill, intangible assets, property, plant and equipment, equity-method investments)	Sensitivity to the discount rate, the long-term growth rate, the assumptions of the long-term plan affecting the expected cash flows; Assessment of trends in the main markets; Sensitivity to commodity prices, in particular the trading prices of milk and butter and powder; Sensitivity to financial assumptions relating to exchange rates, the cost of foreign currency hedges, inflation and interest rates;
Notes 5, 10	Risk of resource outflows following litigation or claims	Assessment of facts and circumstances Assumptions underlying the quantification of legal positions Identification and unwinding of uncertain legal positions
Note 7.2	Employee benefits	Sensitivity to the discount rate Nature and scope of social agreements
Note 8.1	Tax uncertainties	Assessment of the facts and circumstances Assumptions underlying the quantification of tax positions Identification and unwinding of uncertain tax positions
Note 8.2	Deferred taxes	Assessment of the recovery period for deferred tax assets
Note 11	Assets, liabilities and financial income	Assessment of financial risks: market, foreign exchange, interest rate, credit and liquidity risks. Assessment and control system for fair value measurements of financial and non-financial assets and liabilities

1.2.2. Main income statement indicators

Income and expenses are classified in the income statement according to their nature. Expenses include purchases (raw materials, incorporable materials, utilities, etc.) adjusted for changes in inventories, personnel costs, amortization and depreciation and other current operating expenses (professional fees, rents, etc.).

1.2.2.1. Nets sales

Consolidated revenue comprises sales of goods and services to third parties after deduction of all applicable items such as customer rebates, expenses in respect of sales development agreements or contributions to sales promotional initiatives billed by distributors. These commercial deductions generally correspond to discounts on sales volumes and/or services provided by the mass retail sector for which the price is determined according to the nature of the services provided. They are charged to profit or loss at the time of transfer of control over the applicable goods or services to the buyer. Given that such transactions correspond to retail sales, they are performed on a short-term basis. They are measured at the fair value of the consideration received or receivable. The service element of consolidated revenue is not material.

With regard to options offered to final customers to acquire significant volumes of additional goods and services after an initial purchase, the portion of revenue applicable to the benefits granted for future use is deferred. The deferred revenue, equating with the fair value of the benefits granted, is credited to profit or loss during the period in which the benefits granted are converted into services.

1.2.2.2. Current operating profit

Current operating profit is defined in accordance with CNC recommendation 2009-R.03. Operating profit components not included in Current operating profit are "Other operating expenses" and "Other operating income" resulting from unusual or abnormal events that only occur infrequently.

NOTE 2. SIGNIFICANT EVENTS OF THE PERIOD

Follow-up to the Corman flood

A flood occurred at Corman SA in July 2021.

Very quickly, a business continuity plan was implemented. Throughout 2022 the production lines continued their gradual resumption, and the restoration work on the site is nearing completion. Those restoration costs are classified in Other Operating Expenses.

Effect of the Russia-Ukraine crisis

The international geopolitical situation has been tense since February 2022, when Russia invaded Ukraine. War between the two countries is still going on, affecting financial markets and the global economic picture by exacerbating inflation and disrupting supply chains worldwide.

Economic sanctions against Russia have been declared.

The Group's financial exposure in these two countries is limited. The cumulative contributions of these two countries to the Group's net sales and balance sheet is less 3%. The December 2022 financial statements were affected, however, by changes in the discount rates applied to these countries, due to the sharp increase in the country risk premiums used in our yearly intangible asset valuation tests (see Note 9).

Change in the scope of consolidation

The main changes are described below:

During 2022:

Concerning the Cheese Products segment

- Following the memorandum of understanding signed on March 07, 2022, the Group purchased 51.04 % of the equity in Poitou Chèvre SAS on March 15, 2022. As 48.96 % of this company was already held and consolidated under the equity method, this purchase conferred 100% control of the company. With this transaction Poitou Chèvre SAS will add to Savencia's expertise in goat cheese specialties. In accordance with IFRS 3, the Group measured Poitou Chèvre SAS at the fair value of the transaction. The accounting treatment reflected a disposal of 48.96% of the previously held shares, generating a €1.7 million capital gain, and a controlling acquisition as of March 15, 2022, generating goodwill of €6.7 million. In the consolidated financial statements, Poitou Chèvre SAS was therefore recognized by the equity method until March 15, 2022 and then fully consolidated from that date forward.

At the date of acquisition, total assets amounted to €10.4 million, including intangible assets and property, plant and equipment of €3.8 million and cash of €4.4 million. Current and non-current liabilities amounted to €2.4 million. Shareholders' equity was €8 million.

The impact of Poitou Chèvre SAS on the Group's 2022 net sales since the acquisition date was €10.3 million and the Group share of net income was €0.4 million.

Consolidation as of January 1, 2022 would have had an impact of €12.2 million on consolidated net sales and the Group's share of net income would have been €0.4 million.

During 2021:

Concerning the Cheese Products segment

- Acquisition on October 6, 2021 by Alternative Foods LLC, a subsidiary of Zausner Foods Corp, of the assets of Hope Foods LLC, a leading producer of hummus and other plant-based dips, based in Colorado, USA. The Hope brand fills out Savencia's portfolio in the United States with new premium plant-based products that fit perfectly into the Group's strategy. The assets were measured at fair value on the transaction date. The assets represent US$8.4 million, including a brand valued at US$2.8 million, property, plant and equipment of US$4.7 million and US$0.9 million in inventories. The transaction generated goodwill of US$4.3 million.The impact of this activity on the Group's net sales for the fourth quarter was €2.6 million 2.6 and a Group share of net income of -€0.5. million. Consolidation as of January 1, 2021 would have had an impact of €12.9 million on consolidated net sales and the Group's share of net income would have been -€2 million.

NOTE 3. SEGMENT REPORTING

The Group's segment information is presented in accordance with IFRS 8, "Operating Segments".

This standard requires that segment information be presented in accordance with internal reporting regularly reviewed by the Chief Executive Officer, the main operational decision-maker, in order to assess the performance of each operating segment and ensure the appropriate allocation of resources. Internal reporting disclosures are prepared in compliance with the accounting standards applied by the Group.

The segments are specified in accordance with IFRS 8. Segment profit/(loss) represent the results of each segment's activity. Head office expenses as well as research and development costs are reallocated to the sectors concerned.

The assets per activity include all non-current assets. Head office assets used by operating segments are reallocated to the segments concerned. Interests in equity-method companies are allocated to the segments to which the latter are attached.

The Group's segment reporting is based on the internal reporting used by the Chief Executive Officer, the Group's main operational decision-taker.

Two operating segments are distinguished between:

Cheese Products: this segment manufactures and distributes branded cheeses and cheese specialties in most markets.

Other Dairy Products: this segment manufactures and distributes fresh butter and cream for mass consumption, food service products such as fresh and long-life cream, dessert preparations, pastry-making butter and milk-based preparations for international luxury hotels.

It also includes technical butters and highly specialized dairy proteins for the food, nutrition and health industries.

Only the following key performance indicators: net sales, current operating profit and profit margin are reviewed and used by sector by the Chief Executive Officer. Other indicators, notably those relating to cash flows and net debt, are prepared and analyzed at the level of the Group.

Items in the consolidated income statement by operating segment may be reconciled to the Group's figures as follows:

	12 months							
	Cheese Products		Other Dairy Products		Other		Total	
In thousands of euro	2022	2021	2022	2021	2022	2021	2022	2021
Net sales by segment	3,820,534	3,449,711	2,928,480	2,324,590	109,632	99,676	6,858,646	5,873,977
Inter-segment revenue	-158,179	-125,325	-62,413	-58,219	-86,838	-80,015	-307,430	-263,559
Third party net sales	3,662,355	3,324,386	2,866,067	2,266,371	22,794	19,661	6,551,216	5,610,418
Depreciation, amortization and provisions	-129,477	-121,417	-61,693	-63,676	-8,339	-10,321	-199,509	-195,414
Current operating profit	81,576	153,801	180,075	116,567	-27,349	-24,226	234,302	246,142
Current operating profit margin(1)	2.1 %	4.5 %	6.1 %	5.0 %			3.6 %	4.4 %
Reorganization costs	-1,651	-3,047	-1,308	785	-	-1,912	-2,959	-4,174
Impairment of assets(2)	-59,253	-28,532	-2,967	-14,379	-311	-	-62,531	-42,911
Segment profit/(loss)	**20,672**	**122,222**	**175,800**	**102,973**	**-27,660**	**-26,138**	**168,812**	**199,057**

(1) The calculation of operating profit margin (current operating profit/revenue ratio) is not relevant for the "Other items" segment.
(2) See note 5.

Items in the summarized consolidated statement of financial position by operating segment may be reconciled to the Group's figures as follows:

In thousands of euro	Cheese Products		Other Dairy Products		Other		Total	
	At December 31, 2022	At December 31, 2021	At December 31, 2022	At December 31, 2021	At December 31, 2022	At December 31, 2021	At December 31, 2022	At December 31, 2021
Net intangible and tangible assets	1,200,454	1,243,491	507,175	483,039	164,481	160,224	1,872,110	1,886,754
Financial assets	5,721	5,515	3,009	3,281	19,347	17,676	28,077	26,472
Investments in associates	22,926	26,865	912	829	-	-	23,838	27,694
TOTAL NON-CURRENT ASSETS(*)	**1,229,101**	**1,275,871**	**511,096**	**487,149**	**183,828**	**177,900**	**1,924,025**	**1,940,920**

(*) According to the definition in IFRS 8-24b, non-current assets exclude financial instruments, deferred tax assets, net defined-benefit assets and benefits stemming from insurance contracts.

Cash flows from investing activities by operating segment may be reconciled to the Group's figures as follows:

	12 months							
	Cheese Products		Other Dairy Products		Other		Total	
In thousands of euro	2022	2021	2022	2021	2022	2021	2022	2021
Investment in tangible and intangible non-current assets (*)	104,621	148,684	71,434	71,900	12,342	8,839	188,397	229,423

( ) In 2022, total investments are net of €21.6 million investment grants (€34.5 million in 2021).*

Reconciliation of segment profit to net income for the year:

	12 months	
In thousands of euro	2022	2021
Segment profit(loss)	**168,812**	**199,057**
Other operating income and expenses(*)	-5,936	-26,019
Operating income	**162,876**	**173,038**
Financial expenses	-38,208	-27,513
Financial income	13,766	6,607
Result on net monetary position	2,725	2,745
Group share of associates' net income	1,537	1,712
Earnings before tax	**142,696**	**156,589**
Income tax expense	-57,267	-63,565
Net income for the year	**85,429**	**93,024**

(*) Including litigation and the "Other" line (see note 5).

Revenue, investment in tangible and intangible non-current assets by geographical segment:

	2022			2021		
	12 months		At December 31, 2022	12 months		At December 31, 2021
In thousands of euro	**Revenue**	**Investment in tangible and intangible non-current assets**	**Total Non-Current Assets**	**Revenue**	**Investment in tangible and intangible non-current assets**	**Total Non-Current Assets**
France	2,003,814	118,531	1,041,206	1,761,192	134,622	1,028,668
Rest of Europe (*)	2,477,300	33,647	471,655	2,181,439	36,236	518,349
Rest of the world	2,070,102	36,219	411,164	1,667,787	58,565	393,903
TOTAL	**6,551,216**	**188,397**	**1,924,025**	**5,610,418**	**229,423**	**1,940,920**

(*) Germany is the only country accounting for more than 10% of Group revenue with the exception of France; €753 million in 2022 against €717 million in 2021.
No further details can be given without compromising trade secrets and the company's interests.

NOTE 4. CURRENT ITEMS OF OPERATING ACTIVITY

4.1. Purchases adjusted for changes in inventories

Purchases adjusted for changes in inventories include all raw and direct materials, other materials not held in inventory and sales of surpluses, exchanges of milk and sales of derived products.

French regulations require Savencia to purchase all the milk it collects in one milk collection area. Surpluses are thus intrinsic to manufacturing activity. Furthermore, milk is quickly perishable and difficult to transport. Accordingly, milk is exchanged between dairy manufacturers. For accounting purposes such exchanges are treated as inventory management or optimization costs.

Certain suppliers who are processors may need milk to supply their own production plant or to resell to their own customers. In this context, Savencia does not purchase the inventory, and all the responsibilities (meeting delivery deadlines, volumes, milk quality, etc.) are assumed by the supplier. Furthermore, Savencia does not set the resale price. These services are classified as Goods and direct materials.

With regard to sales of surpluses, Savencia is considered an agent, as the following conditions are met:

• delivery concerns full-cream milk that has not been processed by Savencia;

• Savencia is not responsible for delivery of the milk to the customer (meeting delivery deadlines, volumes, milk quality, etc.) ;

• Savencia does not bear the risk of possession of stocks of milk destined for the customer, whether prior to transfer of the milk to the plant, or in the event of returns ;

• Savencia does not set the price of the milk invoiced to the customer.

The margin is insignificant at Group level and is not treated as revenue. This is because the sale of surpluses is governed by regulations, is not a stand-alone business and it does not aim to make a profit.

	12 months	
In thousands of euro	**2022**	**2021**
Raw materials and goods consumed	-4,266,032	-3,482,458
Other consumption	-347,008	-253,185
Sales of surpluses and by-products and exchanges of milk	248,459	201,149
TOTAL	**-4,364,581**	**-3,534,494**

The changes in raw materials and goods consumed, and sales of surplus and by-products and exchanges of milk, are directly related to the fluctuations of the dairy economy.

4.2. Depreciation, amortization and provisions

	12 months	
In thousands of euro	**2022**	**2021**
Depreciation and amortization(*)	-197,486	-193,317
Movements on operating provisions	-2,023	-2,097
TOTAL	**-199,509**	**-195,414**

(*) Including amortization of the rights of use relating to IFRS 16 leases (see. note 9.3.)

4.3. Other current operating income and expenses

In thousands of euro	12 months 2022	2021
Purchased services	-553,385	-515,943
Taxes (excluding taxes on income)	-48,693	-47,722
Other net operating income (*)	5,529	4,961
TOTAL	**-596,549**	**-558,704**

(*) Other operating income notably includes €3.6 million of research tax credits (€3.4 million in 2021).

Purchased external services included €4 million of statutory Auditors' fees in 2022 (€3.6 million in 2021) of which €2.1 million paid to KPMG SA and €1.9 million to Deloitte. Other services rendered totaled €0.4 million (0,2 million in 2021) of which €0.2 million for Deloitte and €0.2 million for KPMG SA. This mainly corresponds to the performance of tax review.

4.4. Inventories and work in progress

Inventories are measured at the lower of cost and net realizable value.

Purchased milk is measured at actual purchase cost at the year-end. Goods purchased for resale are measured at actual purchase cost. Work in progress and finished products are valued at cost, which includes direct production costs and an allocation of production overheads and depreciation of production facilities. It does not include borrowing costs.

Inventory movements for non-dairy raw materials and goods purchased for resale are accounted for on a first-in, first-out (FIFO) basis. Other inventories are measured on a weighted average cost basis.

If net realizable value, i.e. the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, is lower than cost as described above, the difference is recognized as an impairment loss.

In thousands of euro	At December 31, 2022	At December 31, 2021
Raw materials, work in progress and miscellaneous items (*)	377,585	312,735
Goods purchased for resale	60,184	43,650
Finished products	491,931	367,238
Impairment losses	-64,109	-47,220
TOTAL	**865,591**	**676,403**

(*) Changes in inventories are impacted by the increase in the prices of raw materials and by changes in the trading prices of industrial products.

Inventories increased by +€189.2 million compared to 2021 (including a change of +€193 million and a currency effect of -€5.9 million).

The impairment losses relate essentially to inventories of intermediate and finished products.

In 2022, an impairment of €16.8 million was recognized for inventories, compared with an impairment reversal of €0.4 million in 2021 due to changes in the trading prices of industrial products.

4.5. Trade and other receivables

Trade and other receivables are initially recognized at their transaction cost and subsequently at amortized cost, corresponding to their nominal value. The line item also includes prepaid expenses. Credit risk may be hedged by specific insurance policies. Only unhedged risks are subject to impairment, in the amount of expected losses at maturity. These impairments reflect the likelihood of counterparty default and the expected loss rate, taking into account observed historical default rates.

Receivables are judged irrecoverable, and accounted for as such, when the applicable debtors' irremediable default has been proven by an irrecoverability certificate or similar element or on expiry of all means of legal recourse.

When the maturity of a debt is more than a year, its amount is subject to a discount calculation using the effective interest rate method, the result of which is classified as financial income or expense.

In thousands of euro	At December 31, 2022	At December 31, 2021
Trade receivables	926,262	866,393
Payroll and tax receivables (excluding taxes on income)	120,299	103,405
Miscellaneous receivables	65,843	64,099
Prepayments and other miscellaneous items	22,564	20,953
Impairment losses	-22,142	-20,475
TOTAL	**1,112,826**	**1,034,375**

The Group has little exposure to credit risk in respect of its trade receivables. Firstly, our products are essentially sold to major distributors. Secondly, credit risk may be hedged by specific insurance policies. Only risks not so hedged may be subject to impairment. Unsecured receivables, which have been due for more than six months and are not fully funded at 100%, amounted to €0.5 million at December 31, 2022, against €0.4 million at December 31, 2021.

In 2022, an impairment on trade receivables of €0.5 million was recognized compared with an impairment reversal of €3.3 million in 2021.

Prepayments mainly comprise insurance. In 2021, the Miscellaneous receivables item included €6.3 million of income receivable from insurers following the flooding at Corman SA.

PROVISIONS FOR IMPAIRMENT OF TRADE RECEIVABLES BY MATURITY

	Unsecured receivables		Impairment		Average rate of provisions	
In million of euro	At December 31, 2022	At December 31, 2021	At December 31, 2022	At December 31, 2021	At December 31, 2022	At December 31, 2021
Not yet due	196	177	-4	-1	1.8%	0.7%
Overdue by 1 to 3 months	31	22	-1	-1	3.3%	4.0%
Overdue by 3 to 6 months	3	2	-1	-2	40.7%	93.8%
Overdue by more than 6 months	8	9	-7	-8	93.4%	96.6%
TOTAL	**237**	**210**	**-13**	**-12**		

4.6. Trade and other payables

In thousands of euros	At December 31, 2022	At December 31, 2021
Operating payables	866,639	758,068
Fixed assets payables	7,761	9,154
Payroll and tax liabilities (excluding taxes on income)	349,340	325,816
Deferred revenue	3,194	11,487
Other payables (*)	234,098	167,918
TOTAL	**1,461,032**	**1,272,443**

(*) In 2022, "Other payables" include the bénéfits granted to customer. They also include the 20% call and put option on Bake Plus shares becoming exercisable as of March 2023 for €14 million as well as the call and put option on 30% of Palace Industries shares, the value of which is nil at the end of the 2022 financial year

In 2021, "Other payables" included the benefits granted to customers and the call and put option on 30% of Palace Industries shares, the value of which was nil at the end of the 2021 financial year.

4.7. Change in working capital

In thousands of euro	At December 31, 2022	At December 31, 2021
Trade receivables	-64,718	-55,464
Inventories	-193,029	-52,899
Trade payables	117,119	63,804
Miscellaneous receivables and payables	53,354	1,630
TOTAL	**-87,274**	**-42,929**

In 2022, the change in working capital requirements and in particular inventories is strongly impacted by the inflation of material prices and cost prices in general, to which is added an effect of reconstitution of low inventory levels at the end of 2021 in certain activities.

In 2021, the change in working capital requirements was explained by the growth in activity, the rebuilding of a very low level of inventory at the end of 2020 (Covid effect) the significantly higher dairy raw materials prices and the trading prices of industrial products .

NOTE 5. NON-CURRENT ITEMS OF OPERATING ACTIVITY

Other operating income and other operating expenses comprise items which, in terms of their frequency of occurrence or nature, are the consequence of events or transactions which are clearly distinct from the Group's ordinary business activities and which are material as to their amount. Other operating income and expenses may notably include certain costs of restructuring; certain gains or losses on disposal of tangible or intangible non-current assets; certain impairment losses for tangible or intangible non-current assets, and certain charges, or charges for provisions, relating to major litigation or to instances of force majeure.

In thousands of euro		12 months 2022	2021
Reorganization[(1)]		-2,959	-4,174
Impairment of assets	(note 9)	-62,531	-42,911
Litigation and compensation		-6,932	-1,040
Claims[(2)]		-12,017	-25,015
Gains and losses on disposal of fixed assets[(3)]		8,420	258
Other items[(4)]		4,593	-222
TOTAL		**-71,426**	**-73,104**

(1) Mainly in 2022 and 2021, the continuation of reorganization plans in France and Europe.
(2) In 2022, mainly the further impact of the flooding of the Corman SA Goé site in July 2021 for -€9.9 million compared to -€26.5 million in 2021 (see note 2).
(3) In 2022, includes the capital gain on the exit of Poitou Chèvre SAS under the equity method for €1.7 million, the treatment of Rambol's assets as held for sale with fair value determined by an external valuation, generating a capital gain of €2.7 million. Also includes capital gains on disposal of property, plant and equipment for a total of €4 million.
(4) On May 13th, 2022, the Brazilian Supreme Court ruled for the unconstitutionality of the inclusion of ICMS (Tax on the movement of goods and services) in the calculation basis of PIS/COFINS. This decision allows tax payers that filed a lawsuit to recognize tax credits; Polenghi company filed an action in March 2017 for the years 2012 to 2017. The amount is fixed on June 30th, 2022 and can therefore be recognized, for € 7.3 million in non-current income on the principal and €3 million in financial income for the revaluation of the tax receivable. A tax charge of €2.5 million is calculated on the principal.

NOTE 6. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

The Group has only retained interests in a few joint ventures and associates, which taken individually are insignificant.

In thousands of euro	12 months 2022	2021
Group share in pre-tax results	1,742	2,140
Group share of income tax	-205	-428
NET GROUP SHARE	**1,537**	**1,712**

At 31 December 2022, the change in Investments in joint ventures and associates is accounted for as follows:

In thousands of euro	At December 31, 2022	At December 31, 2021
At January 1st, 2022	**27,694**	**25,342**
Change in consolidation scope[(1)]	-5,505	-
Result for the period	1,537	1,712
Dividends distributed	-	-199
Other items [(2)]	74	701
Impact of foreign exchange differences	38	138
CLOSING BALANCE	**23,838**	**27,694**

(1) In 2022, exit of Poitou Chèvre SAS on March 15, 2022.
(2) In 2021, subscription to the share capital of Compagnie Fromagère de Tunisie.

NOTE 7. PERSONNEL COSTS AND EMPLOYEE BENEFITS

7.1. Personnel costs

	12 months	
In thousands of euro	**2022**	**2021**
Direct remuneration of employees	-735,852	-673,394
Social contributions	-299,018	-276,259
Indirect remuneration of employees	-29,561	-35,173
Temporary personnel	-92,653	-91,830
Grants received	809	992
TOTAL	**-1,156,275**	**-1,075,664**

The Group had an average headcount of 21,797 employees (including temporary employees) in 2022 (compared with 21,927 in 2021). This headcount breaks down as follows: 10,061 in France, 6,208 in Europe (excluding France) and 5,528 in other countries. Of the employees working in France, 18.5% were employed as managers, 31.9% as technicians or supervisors and 49.6% as operatives.

7.2. Employee benefits

Employee benefit obligations

In accordance with the laws and practices of each country, Group companies incur obligations for pensions and other retirement or early retirement benefits and for other provident or miscellaneous benefits (long-service medals, etc.). These obligations generally apply to all employees and/or ex-employees of the companies concerned.

In the case of defined contribution plans and of short-term benefit obligations, annual expense is recognized on the basis of the contributions payable or benefits earned.

In the case of defined benefit plans, commitments are measured using the actuarial projected unit credit method. On the basis of actuarial assumptions, this method factors in mortality rates, staff turnover and projected salary increases, as well as assumptions specific to each plan and regulatory requirements.

Discount rates are determined by reference to market yields on the date of measurement, high quality corporate bonds (or government bonds if there is no representative market in corporate bonds) with the same maturity and currency as those of the obligations.

Expected returns are measured using the same discount rate.

Actuarial gains and losses arising from changes in actuarial assumptions or improved experience are recognized directly in other comprehensive income as they arise. They are never recycled to profit or loss.

Past service cost following the introduction of, or changes to, a defined benefit plan is recognized immediately as an expense. For each plan, if the amount to recognize (the commitment net of the value of hedged assets and deferred items) is a net liability, the amount is recognized under "Provisions". If the net amount is an asset, it is disclosed within "Other financial assets".

Post-employment benefit costs are classified as personnel costs with the exception of financial costs and the expected return on plan assets, which are classified as financial income or expense.

Certain subsidiaries propose other post-employment benefits mainly in the form of long-service medals. The cost of such benefits is estimated on an actuarial basis and recognized in profit or loss over the applicable service period. Actuarial gains and losses are recognized immediately.

The Group has instituted a remuneration plan involving the attribution of stock options. The fair value of the services rendered by employees in exchange for the stock options is recognized as an expense against equity. The total expense recognized over the period of acquisition of rights equates with the fair value of the options granted as of the date of allocation. At each closing date, the entity reassesses the number of options liable to be exercised.

If necessary, it recognizes the impact of its revised estimates with an adjustment in profit or loss and a corresponding adjustment in equity. The consideration received when options are exercised, net of any directly attributable transaction costs, is credited to share capital (for the nominal share amount) and to other paid-in capital for the surplus.

The last stock option plan dated December 15, 2011 was exercisable until December 15, 2021. At the closing date of December 31, 2021, there were no longer any stock option plans outstanding.

Post-employment benefit plans

The post-employment benefits provided by the Group vary depending on each entity's legal requirements. They may be provided under defined contribution or defined benefit plans.

Defined contribution plans

Defined contribution plans involve the payment of periodic contributions to third parties responsible for the administrative and financial management of the plans. These plans release the employer from any future obligation, as the pension fund pays the employees the sums owing to them. The plans' expenses are the contributions paid during the reference period.

Defined benefit plans

Defined benefit plans involve the employer in an obligation to pay benefits to its employees and to recognize due provision.

Benefit obligations are estimated periodically, by independent actuaries, using the projected unit credit method based on actuarial assumptions for the applicable demographic, economic and financial variables. They are estimated at regular intervals by independent actuaries.

These defined benefit plans mainly comprising severance benefits and optional supplementary defined benefits pension schemes may either be partially pre-financed or not pre-financed.

The partially funded plans are mainly located in France, Germany, the UK, and Belgium. The associated employer's contributions may be transferred to third parties, notably insurance companies.

The non-funded plans relate essentially to lump-sum retirement bonuses and other benefits, which only vest if the employee is still employed within the Group at the time of retirement.

The assumptions relating to pensions, other retirement benefits and long-service benefits vary according to each country and its applicable requirements. They break down as follows :

	France		Germany		UK		Belgium	
	2022	2021	2022	2021	2022	2021	2022	2021
Discount rate (1)	3.70%	0.90%	3.70%	0.90%	4.80%	1.80%	3,20% à 3,80%	0,65% à 1%
Inflation rate	2.00%	1.80%	2.50%	1.90%	3.30%	3.50%	2.20%	1.90%
Rate of salary increases	2.50%	2.20%	3.00%	3.00%	n/a	n/a	2.20%	1.90%

(1) 3.50% for pension plans and labor medals in 2022 (0.30% en 2021).

The discount rate is based on the IBOXX AA10+ index, matching the issue rate for first-class corporate bonds in France and Germany.

An increase in the discount rate of more than 0.50% would reduce the obligations by €2.1 million for France and €3.5 million for Germany.

An increase in the inflation rate of more than 0.50% would increase the obligations by €2 million for France and €1.1 million for Germany.

The expected return on plan assets is measured under IAS 19 (revised) on the basis of the respective discount rates of each country.

Mortality rates are based on each country's published death and life expectancy statistics. Retirement age reflects the rules applying in each country.

	2022	2021
CHANGES IN BENEFIT OBLIGATIONS		
Opening benefit obligations	**184,635**	**191,424**
Interest expense	1,624	1,063
Current service cost	8,117	9,555
Past service cost	1,633	57
Actuarial differences relating to demographic assumptions	165	32
Actuarial differences relating to financial assumptions	-53,735	-14,403
Actuarial differences relating to experience adjustments	1,492	950
Benefits paid	-10,131	-6,130
Internal transfers	-164	46
Tax and administration charges	-166	-176
Foreign exchange differences	-501	531
Movements of business combinations	77	-
Other transactions	245	1,686
Closing benefit obligations	**133,291**	**184,635**
CHANGES IN PLAN ASSETS		
Opening plan assets	**85,713**	**79,605**
Yield on plan assets	890	540
Services served by the fund	-5,845	-3,634
Contributions paid to the fund by Group companies	2,850	3,379
Internal transfers	34	-
Tax and administration charges	-355	-207
Foreign exchange differences	-510	561
Actuarial gain/loss	-19,810	5,304
Other transactions	340	165
Closing plan assets	**63,307**	**85,713**
CHARGES FOR THE YEAR		
Current service cost	8,117	9,555
Past service cost	1,633	57
Total service cost	9,750	9,612
Interest expense	1,624	1,063
Yield on plan assets	-890	-540
Net interest expense	734	523
Other transactions	-1,145	-3
Charges for the year	**9,339**	**10,132**
ACTUARIAL GAINS AND LOSSES IMPACTING COMPREHENSIVE INCOME		
Gains and losses relating to demographic assumptions	165	32
Gains and losses relating to financial assumptions	-53,735	-14,403
Gains and losses relating to experience adjustments	1,492	950
Gains and losses relating to assets (other than financial income)	19,810	-5,304
TOTAL	**-32,268**	**-18,725**
CHANGES IN PROVISIONS		
Opening provisions	**98,922**	**111,819**
Charges for the year	9,339	10,132
Actuarial gains and losses impacting other comprehensive income	-32,268	-18,725
Benefits paid directly by employer	-2,951	-2,496
Foreign exchange differences	9	-30
Contributions paid to the fund by Group companies	-2,850	-3,379
Transfers and other adjustments	-294	1,601
Movements of business combinations	77	-
Closing provisions	**69,984**	**98,922**
RECONCILIATION OF NET BENEFIT OBLIGATIONS AND PROVISIONS		
Net obligations	**133,291**	**184,635**
Plan assets	-63,307	-85,713
Closing provisions	**69,984**	**98,922**

The closing benefit obligations value of €133.3 million at December 31, 2022, breaks down as follows :

- €27.7 million for wholly non-funded plans ;
- €105.6 million for partially funded plans.

The contributions for 2022 in respect of French companies totaled €1.2 million.

Most Group companies have insured all or part of their liability for lump-sum retirement benefits.

The estimated amount of the main third-party funds as of December 31, 2022 breaks down as follows :

	France		Germany		UK		Belgium	
	2022	2021	2022	2021	2022	2021	2022	2021
Equity instruments	43.3 %	46.4 %	24.6 %	20.0 %	-	9.9 %	-	-
Borrowing instruments	45.5 %	44.6 %	16.8 %	20.5 %	85.8 %	79.9 %	-	-
Real estate	9.5 %	8.1 %	22.6 %	19.7 %	-	-	-	-
Insurance contracts	-	-	-	-	-	-	100.0 %	100.0 %
Other	1.7 %	1.0 %	36.0 %	39.8 %	14.2 %	10.2 %	-	-

NOTE 8. INCOME TAX EXPENSE

Taxes on income comprise both current and deferred tax. The tax effect of items accounted for outside profit or loss is also recognized directly outside profit or loss. On the basis of the substance over French research tax credit (CIR in French) is treated as an operating grant in accordance with IAS 20.In accordance with IFRIC 23 “Uncertainty over Income Tax Treatments” applicable since 2019, which contains provisions relating to the recognition of income tax in the event of uncertainty over income tax treatments in application of IAS 12 “Income Taxes”, the Group uses its judgment to identify uncertainties related to tax treatments. The Group conducts an inventory of potential risks and assesses whether this interpretation should have an impact on its consolidated financial statements. It concluded that it was likely that the treatments used would be accepted by the tax authorities. This application had no effect on the financial statements.

As provided for by IAS 12, “Income taxes”, deferred tax, calculated using the statement of financial position liability method, is provided in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are calculated on all taxable temporary differences with the exception of non-deductible goodwill. Deferred tax assets are recognized, in respect of both tax losses carried forward and other deductible temporary differences, to the extent that it is probable that adequate future taxable profits will be available to absorb them. At the end of each reporting period, the carrying amount of net deferred tax assets is reviewed in the light of the Group’s three-year plans. A provision is recognized whenever the expectations of profit, and therefore of tax charges for the next three financial years are not adequate to ensure the recovery of the net deferred tax assets.

Deferred tax assets and liabilities are measured using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The effect of changes in tax rates is recognized in profit or loss with the exception of the portion relating to items recognized outside profit or loss.

8.1. Income tax expense

The Income tax expense breaks down as follows :

	12 months	
In thousands of euro	**2022**	**2021**
Current tax	-50,338	-68,221
Deferred taxes	-6,929	4,656
TOTAL	**-57,267**	**-63,565**

The income tax expense differs from the theoretical amount arising from the application of the French tax rate on profits of consolidated subsidiaries for the following reasons :

	12 months	
In thousands of euro	**2022**	**2021**
Earnings before tax	142,696	156,589
Tax rate in France (%)	**25.83 %**	**28.41 %**
Theoretical tax based on the current tax rate in France	**36,851**	**44,483**
Difference between foreign and French tax rates(1)	2,101	-857
Restatement of tax for associates	-326	-439
Non-taxable profits and non-deductible expenses(2)	4,055	6,882
Current and deferred tax related to the classification of France's CVAE as income tax	5,803	5,244
Tax credits	-2,372	-1,710
Capitalization of previously unrecognized tax losses(3)	5,760	-1,729
Changes in tax rate affecting deferred taxes(4)	73	1,101
Hyperinflation(5)	1,668	4,560
Other items(6)	3,654	6,030
Income tax expense	**57,267**	**63,565**
Weighted average tax rate	40.13 %	40.59 %

(1) Countries with tax rates different from France.
(2) Including the €7.6 million of impaired goodwill in 2022 against €9 million in 2021.
(3) Tax losses capitalized according to the likelihood of recovery of these losses : In 2022,the outlook for income and tax expenses for the next three years of certain companies led to the non-recognition of €5.8 million deferred taxes assets, against a recognition of additional deferred tax assets of €1.7 million in 2021.
(4) In 2021, taking into account the effects of changes in tax rate in Argentina and expected in France by 2022 on deferred taxes.
(5) Accounting treatment of hyperinflation in Argentina.
(6) Including impact of tax audits.

Excluding the effect of hyperinflation and impairment in compliance with IAS 36, the effective tax rate would be 30.4% in 2022 compared to 30.2% in 2021.

8.2. Deferred tax

Deferred tax recognized in the consolidated statement of financial position reflects all the temporary differences existing between the carrying amounts of consolidated assets and liabilities and their amounts for tax purposes.

Deferred tax assets relate principally to post-employment and other employee benefits, for which tax deductibility is deferred to the actual date of payment thereof and of unused deficits. Tax losses are usable for the most part after 5 years. These deficits are mainly carried forward without limit.

Unrecognized deferred tax assets totaled €38.6 million at 31 décembre 2022 and €44.4 million at 31 décembre 2021. They mainly concern losses carried forward,including €6.4 million in South America, €8.4 million in France, €5.7 million in Spain, €5 million in Poland, €4.7 million in China, €3 million in Germany and various other countries for €5.4 million.

Deferred tax liabilities relate principally to differences in the rhythm of depreciation of property, plant and equipment and amortization of intangible assets for accounting purposes and for tax purposes in the various countries where the Group is present.

The amount of deferred tax income for the year is €-6.9 million .

Deferred taxes of -€12.6 million are recognized in other comprehensive income in respect of the 2022 financial year. These mainly concern the deferred tax on changes in the fair value of financial instruments and on actuarial gains and losses (see note 14.2.).

In thousands of euro	At January 1, 2022	Expense/ income	Change in fair value	Actuarial gains/ losses	Change in consolida tion scope	Other	Foreign exchange differences	At December 31, 2022
Intangible assets and property,plant and equipment	-121,031	-4,275	-	-	-289	-1,884	849	-126,630
Lease under IFRS 16	518	203	-	-	-	-238	-58	425
Provisions	29,324	9,223	-	-	-	59	-143	38,463
Provisions for employee benefits	25,545	-586	-	-8,931	22	164	163	16,377
Financial instruments	-2,124	-1,894	-3,712	-	-	32	-24	-7,722
Tax losses	75,553	-4,322	-	-	-	-	130	71,361
Other deferred tax	13,775	-10,201	-	-	-	-422	-228	2,924
Total deferred tax	**21,560**	**-11,852**	**-3,712**	**-8,931**	**-267**	**-2,289**	**689**	**-4,802**
Impairment of deferred tax assets	-44,361	4,924	-	-	-	-	826	-38,611
Net deferred tax	**-22,801**	**-6,928**	**-3,712**	**-8,931**	**-267**	**-2,289**	**1,515**	**-43,413**
Of which :								
Deferred tax Assets	42,450							29,458
Deferred tax Liabilities	65,251							72,871

.

NOTE 9. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

9.1. Intangible assets

Intangible assets include the goodwill and intangible assets acquired such as management information systems that meet the criteria of an intangible asset, intellectual property rights, other rights of use (e.g. exclusive distribution rights, leasehold rights, etc.) and brands.

Goodwill, including goodwill in respect of milk collection zones, represents the surplus of the acquisition cost of a business over the Group's share of the fair value of the identifiable net assets acquired, measured as of the date of acquisition. Goodwill relating to the acquisition of associates is included in "Investments in associates". Goodwill recognized separately is tested for impairment at least once a year and more frequently if there are indications of an impairment loss. It is measured at cost less any accumulated impairment losses. Impairment losses on goodwill are not reversible. The gain or loss recognized on disposal of an entity takes account of the carrying amount of related goodwill. For the purpose of impairment testing, goodwill is allocated to the cash-generating unit, or groups of cash-generating units, associated with the business combinations giving rise to the goodwill. A cash-generating unit generally equates with a geographical zone.

Intangible assets acquired are recognized at their acquisition cost. They are amortized on a straight-line basis over their estimated useful lives when determinable, which is the case for management information systems (3 to 7 years), intellectual property rights (based on the length of legal protection afforded) and rights of use (based on contractual arrangements). Due to the reputation of the brands acquired, their useful lives cannot be determined and they are therefore not amortized. They are subject to impairment testing at least once a year or more often if there is an indication of an impairment loss. Impairment testing is carried out under the same conditions as for goodwill.

Costs related to the acquisition of software licenses and their deployment are recognized as assets on the basis of the costs incurred to acquire and deploy them, provided that the criteria for defining an intangible asset are satisfied and in particular that control of this asset is demonstrated. In this case, the configuration and customization costs that do not meet the criteria of an intangible asset must be recognized as an expense at the time the services are received if they are separate or if they are provided by a non-subcontracted service provider to the SaaS provider. These costs are recognized over the term of the contract if the services are not separate or provided by the SaaS provider or its subcontractor. Software maintenance costs are recognized as expenses as and when they are incurred. Development costs (comprising personnel costs and an appropriate overhead allocation) which confer unique qualities on software or related products acquired by the Group are recognized as assets inasmuch as they are expected to generate future economic benefits for the Group and are amortized over the estimated useful lives of the associated software.

Implementation phase	Costs related to	Accounting treatment of related costs
Pre-project phase	Selection of a service provider Project plan development	as an expense when incurred as an expense when incurred
	Installation and installation of customer- owned or leased equipment (e.g. servers)	Included in the cost of the property, plant and equipment or the corresponding right of use
	Configuration, implementation and customization of the SaaS software - services performed by the application software supplier (or its agent)	• if the services are separate from the SaaS access, the costs are expensed when the services are provided. • if the services are not separate from the SaaS access, the costs are expensed over the term of the SaaS contract (deferred expense)
Installation and implementation	Configuration, implementation and customization of the SaaS software - services performed by another service provider or internally	as an expense when incurred
	Development of interface modules to the customer's existing on-premises systems or additional customized functionalities	as an intangible asset if and only if the Group controls the intellectual property of the code written for the modification of the existing software or the development of a new on-premises software and if the recognition criteria of IAS 38 are met. Otherwise, as an expense when incurred.
	Purchase of data conversion software	as intangible assets depreciable over the expected useful life (assessed in particular according to the nature of the projects).
Data conversion	Purging or cleaning existing data, transferring data from the old to the new system, creating new or additional data and converting the old data to the new system.	as an expense when incurred
After implementation	Training costs Testing and ongoing maintenance costs Software access costs in continuous SaaS mode	as an expense when incurred as an expense when incurred as an expense when incurred

Research expenditure is recognized in profit or loss as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following can be demonstrated:

(a) the technical feasibility of completing the intangible asset to make it available for use or sale;

(b) the intention to complete the intangible asset and to use or sell it;

(c) the ability to use or sell the intangible asset;

(d) how the intangible asset will generate probable future economic benefits. The entity must demonstrate the existence among other things of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;

(f) the ability to reliably measure the expenditure attributable to the intangible asset during its development.

The Group's development costs are related to new products and are not capitalized as the probability of obtaining future economic benefits can only be confirmed once the products have been launched.

In thousands of euro		Goodwill (1)	Intellectual property rights and brands (2)	Other rights of use	Total
At December 31, 2020					
Gross value		396,495	318,378	37,956	752,829
Cumulative amortization and impairment		-39,948	-117,931	-19,774	-177,653
NET CARRYING AMOUNT		**356,547**	**200,447**	**18,182**	**575,176**
2021					
OPENING NET CARRYING AMOUNT		**356,547**	**200,447**	**18,182**	**575,176**
Foreign exchange differences		7,903	130	35	8,068
Acquisitions		3,666	4,510	1,652	9,828
Disposals		-	-99	-736	-835
Impairment losses		-39,117	4	-28	-39,141
Reclassifications (4)		-	4,101	-4,281	-180
Other changes (6)		-	-	-911	-911
Impact of hyperinflation (5)		-	4	1	5
Depreciation and amortization		-	-7,893	-249	-8,142
Impact of operations in process of sale		-	-	-	-
NET CARRYING AMOUNT		**328,999**	**201,204**	**13,665**	**543,868**
At December 31, 2021					
Gross value		410,255	327,570	33,386	771,211
impairment		-81,256	-126,366	-19,721	-227,343
NET CARRYING AMOUNT		**328,999**	**201,204**	**13,665**	**543,868**
2022					
OPENING NET CARRYING AMOUNT		**328,999**	**201,204**	**13,665**	**543,868**
Foreign exchange differences		5,688	126	81	5,895
Acquisitions	(note 2)	-	1,569	1,731	3,300
Disposals		-	-150	-71	-221
Impairment losses (7)		-37,874	-3,408	60	-41,222
Change in consolidation scope (3)		6,657	2	106	6,765
Reclassifications (4)		-	1,518	-1,394	124
Impact of hyperinflation (5)		-	24	-	24
Depreciation and amortization		-	-6,502	-252	-6,754
Impact of operations in process of sale		-	-	-	-
NET CARRYING AMOUNT		**303,470**	**194,383**	**13,926**	**511,779**
At December 31, 2022					
Gross value		424,545	327,083	34,069	785,697
impairment		-121,075	-132,700	-20,143	-273,918
NET CARRYING AMOUNT		**303,470**	**194,383**	**13,926**	**511,779**

(1) Net goodwill for the "Cheese Products" segment totaled €133.3 million against € 158.4 million at December 31, 2021. Net goodwill for the "Other Dairy Products" segment totaled €170.1 million against €170.5 million at December 31, 2021.

(2) The net carrying amount for the "Cheese Products" segment brands was €141.2 million against €144.6 million at December 31, 2021 and the net carrying amount for the "Other Dairy Products" segment brands was €33.7 million against €33.7 million at 31 December, 2021.

(3) In 2022, full consolidation of Poitou Chèvre SAS from March 15, 2022.

(4) Activation of intangible assets in progress.

(5) Impact of hyperinflation in Argentina.

(6) In 2021, including reversal of intangible assets corresponding to the configuration and customization costs of software used in SaaS recognized in 2020 following the application of the April 2021 IFRIC clarification.

(7) Confer note 9.1 Statement of net impairments of intangible and tangible assets.

Intangible assets with indefinite useful lives represented a total net carrying amount of 478.4 million at December 31, 2022 compared with 507.3 million at December 31, 2021. They consist of goodwill and brands.

Impairment of non-financial assets

Goodwill and intangible assets with indefinite useful lives are not amortized but are subject to annual impairment testing. Amortized intangibles are tested for impairment losses if events or special circumstances suggest that recovering their carrying amounts is doubtful. The recoverable value of an asset is its fair value less the costs of sale or its value in use, if the latter is higher. The said assets are recognized as other cash-generating units, which are the lowest level generating separate cash flows. The level of testing is based on organizational and strategic criteria. It is based in particular on the operation of the business activities, which is based on shared resources and thus creates synergies between the various entities that make up these CGUs.

CGUs are impairment-tested by comparing the recoverable amount of these assets or cash-generating units with their carrying amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. These calculations are performed using future cash flow projections based on generally three-year financial forecasts approved by Management, except in the particular case of CGUs that have made very significant investments, in which case the forecast horizon can be extended to 5 years.

Beyond that, future cash flows are extrapolated on the basis of the last year of long-term growth. Expected net future cash flows are discounted at the weighted average cost of the capital, adjusted by the specific geographical risk inherent in the assets and by inflation. If the CGU's recoverable amount is its fair value net of the costs of sale, the assets are measured by an external appraiser.

Impairment (charged as a priority to goodwill) is recognized under other operating expenses up to the asset's surplus carrying amount over its recoverable amount.

Assets are grouped into cash-generating units defined as the smallest identifiable groups of assets that generate largely independent cash flows. Brands are tested for impairment by estimating the future cash flows expected to be derived from the branded product with the flows that could be expected for an unbranded product.

With the exception of goodwill, prior impairment losses for non-financial assets are reviewed for potential reversal at end of each annual or interim reporting period.

Impairment testing

Impairment losses recorded in 2022 and 2021 are the result of impairment tests carried out either on all cash-generating units that have intangible assets with an indefinite useful life, or on cash-generating units for which there are signs of impairment losses, notably by comparing the change in current operating income with the latest forecasts. In the context of the pandemic, current inflationary surge, the future cash flows of the CGUs identified as sensitive are subject to increased vigilance.
The main assumptions for determining value in use are related to :

- trends in major markets ;
- the evolution of the prices of raw materials: the price of milk as well as world prices for butter and powder ;
- financial assumptions for exchange rates, the cost of foreign currency hedges, inflation rate and interest rate ;
- the evolution of discount rates and long-term growth rates.

The assumptions retained are the market assumptions when information is available (currencies, interest rates, etc.). Assumptions about raw materials are developed collegially internally and based on historical trends adjusted according to the market changes anticipated by our specialists.

The discount rates used depend on the weighted average cost of the capital used by the Group, increased by risk coefficients depending on the geographical areas where the activities are pursued. They also reflect a size premium and inflation rates are fixed in the medium term. The calculation of recoverable amount also takes into account a long-term growth rate for the terminal flow.

NET CARRYING AMOUNTS OF INTANGIBLE ASSETS AND TANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

	Carrying amount of goodwill and brands		Carrying amount of other intangible and tangible assets (*)		Discount rate		Long-term growth rate	
In million of euro	At December 31, 2022	At December 31, 2021	At December 31, 2022	At December 31, 2021	At December 31, 2022	At December 31, 2021	At December 31, 2022	At December 31, 2021
WESTERN EUROPE	136.57	133.01	441.48	408.50	7.0 %	6.5 %	1.0 %	1.0 %
CF&R	71.38	71.38	111.75	110.42	7.0 %	6.5 %	1.0 %	1.0 %
SOUTHERN EUROPE	5.87	5.87	23.81	21.49	8.5 %	7.5 %	1.0 %	1.0 %
CENT. EUR. (EU)	13.52	13.45	59.50	65.74	7,5% à 10,5%	7% à 9,50%	1.0 %	1.0 %
ROMANIA	15.73	15.73	5.94	4.81	10.0 %	9.0 %	1.0 %	1.0 %
UKRAINE	-	-	-	1.12	19.0 %	15.0 %	1.0 %	1.0 %
RUSSIA	-	33.11	37.42	42.87	23.0 %	11.0 %	2.0 %	2.0 %
SERBIA	-	-	1.05	1.05	11.5 %	10.5 %	1.0 %	1.0 %
USA : Cheese	25.35	23.88	63.64	60.87	7.5 %	7.5 %	1.0 %	1.0 %
USA : Palace Industries	-	-	6.12	5.92	7.5 %	7.5 %	1.0 %	1.0 %
BRAZIL/URUGUAY	-	-	46.82	41.64	11.0 %	10.0 %	2.0 %	2.0 %
CHILE	0.45	0.42	2.60	2.47	9.0 %	8.5 %	2.0 %	2.0 %
BSI	-	-	71.52	74.37	8.0 %	7.5 %	2.0 %	2.0 %
INDIA	-	-	2.92	1.82	11.5 %	10.5 %	2.0 %	2.0 %
JAPAN	-	-	4.05	4.34	6.5 %	6.0 %	1.0 %	1.0 %
EGYPT	-	-	0.38	0.47	19.0 %	16.5 %	1.0 %	1.0 %
OTHER DAIRY PRODUCTS								
FRANCE MILK ZONES	123.78	123.78	228.01	215.37	7.0 %	6.5 %	1.0 %	1.0 %
SODILAC	11.35	11.35	0.41	0.39	7.0 %	6.5 %	1.0 %	1.0 %
POLAND : Paslek	-	-	19.87	21.37	8.5 %	8.0 %	1.0 %	1.0 %
AFP -USA	2.22	2.09	75.08	67.69	7.5 %	7.5 %	1.0 %	1.0 %
CORMAN	23.14	23.14	48.00	45.50	7.0 %	6.5 %	1.0 %	1.0 %
CHINA : Sinodis	27.43	28.06	1.32	1.50	8.0 %	7.5 %	2.0 %	2.0 %
ARGENTINA : Milkaut	-	-	37.52	31.67	56.0 %	33.0 %	2.0 %	2.0 %
KOREA : Bake Plus	10.11	10.11	3.53	3.49	7.5 %	7.0 %	2.0 %	2.0 %
OTHER	11.51	11.91	40.22	78.78	7.0 %	6.5 %	1.0 %	1.0 %
TOTAL	**478.40**	**507.29**	**1,332.98**	**1,313.66**				

(*) Excluding IFRS 16 right-of-use assets.

In 2022, the forecasts of the Group's long-term plan take into account changes in the markets and competition, the acceleration of raw material price inflation and overall production costs, initiatives to fight climate change, in particular as part of the Group's CRS strategy, the difficult economic situation of certain countries not expected to exit the economic crisis in the near future, and the specific structural situations facing certain entities. These led to the impairment of goodwill, intangible assets and property, plant and equipment for a total net amount of €63 million compared to €42.9 million in 2021 (see table below).

STATEMENT OF NET IMPAIRMENT OF INTANGIBLE AND TANGIBLE ASSETS

In million of euro	Intengible assets			Tangible assets					TOTAL	
	Goodwill	Other iems	Total intangible assets	Land	Buildings, fixtures and fittings	Plant, machinery and equipment	Other items	Total tangible assets	2022	2021
RAMBOL	-	-	-	-	-0.8	-0.3	-0.4	-1.5	-1.5	-
CF&R	-	-	-	-	-	-	-	-	-	0.3
WESTERN EUROPE (*)	-	3.1	3.1	-	-	8.0	-	8.0	11.1	
CENT. EUR. (EU).	-	-	-	-	-	0.5	-	0.5	0.5	3.2
UKRAINE	-	-	-	-	0.2	0.3	0.2	0.7	0.7	-
RUSSIA	37.9	-	37.9	-	1.7	-	8.2	9.9	47.8	24.7
URUGUAY	-	-	-	-	-	1.1	-	1.1	1.1	-
FRANCE MILK ZONES	-	-	-	-	-1.2	-	-	-1.2	-1.2	-
SODILAC	-	-	-	-	-	-	-	-	-	14.6
CORMAN	-	-	-	-	1.5	2.7	-	4.2	4.2	-
Other	-	0.3	0.3	-	-	-	-	-	0.3	0.1
TOTAL	**37.9**	**3.4**	**41.3**	**-**	**1.4**	**12.3**	**8.0**	**21.7**	**63.0**	**42.9**

(*) Including depreciation of a specific production line in Germany for €8 million.

At the end of December 2022, cumulative asset impairment totaled €169.8 million, mainly comprising €89.5 million for Russia, €25.1 million for France, €15.4 million for the various UGTs in Eastern Europe, €14.5 million for Brazil/Uruguay, €7 million for Southern Europe, €4.8 million for the United States, €11.1 million for Western Europe, €1.8 million for Egypt and €0.6 million for Argentina.

Sensitivity analysis

The recoverable amounts determined by impairment tests underwent sensitivity tests with an increased discount rate of 0.5%, a reduced indefinite growth rate of 0.5%, and a 10% reduction in the current operating profit margin. For a number of cash-generating units, these variations led to identifying lower recoverable amounts than the net carrying amount of the cash-generating unit, adjusted where applicable by the period's impairments:

In milliion of euro	Amount of additional impairment in case of variation in assumptions					
	At December 31, 2022			At December 31, 2021		
	Discount rate +0.5%	Current operating margin rate decreased by 10% (*)	Long-term growth rate decreased by 0.5% (*)	Discount rate +0.5%	Current operating margin rate decreased by 10% (*)	Long-term growth rate decreased by 0.5% (*)
CHEESE PRODUCTS						
CF&R	-	7.2	-	9.6	19.7	6.5
RUSSIA : B.M.K	1.1	2.4	0.7	4.9	8.8	3.9
OTHER DAIRY PRODUCTS				-	-	-
POLAND : Paslek	2.6	-	-	-	-	-
TOTAL	**3.7**	**9.6**	**0.7**	**14.5**	**28.5**	**10.4**

(*) The operating margin rate is calculated by dividing current operating profit by net sales.

9.2. Property, plant and equipment

Items of property, plant and equipment owned by the Group are recognized at historical cost less accumulated depreciation and impairment losses. Each component is depreciated on a straight-line basis over its estimated useful life and taking any residual value into account.

The principal estimated useful lives are as follows:

Building, fixtures and fittings	10 to 30 years
Plant and equipment	5 to 20 years
Tooling, furniture, computer equipment and miscellaneous items	3 to 15 years
Vehicles	4 to 7 years

Land is not depreciated.

Interest financing the construction of items of property, plant and equipment is recognized in accordance with IAS 23 (revised). Subsequent expenditure is recognized in profit or loss as incurred unless it increases the capacity of the assets concerned to generate future economic benefits.

Investment grants are deducted from the gross amount of the assets financed. Sales of energy efficiency certificates are also recognized as grants under IAS 20, on the basis that in substance they are grants in kind from the government under a scheme aimed at encouraging investments producing energy savings.

In thousands of euro		Land	Buildings, fixtures and fittings	Plant,equipment and tooling	Other items	Total
At December 31, 2020						
Gross value		55,381	893,912	2,186,684	452,117	3,588,094
Cumulative amortization and impairment		-2,434	-579,340	-1,619,750	-196,575	-2,398,099
NET CARRYING AMOUNT		**52,947**	**314,572**	**566,934**	**255,542**	**1,189,995**
2021						
OPENING NET CARRYING AMOUNT		**52,947**	**314,572**	**566,934**	**255,542**	**1,189,995**
Foreign exchange differences		477	6,267	9,449	4,306	20,499
Acquisitions [4]		36	19,607	44,442	156,671	220,756
Disposals		-110	-674	-4,089	-306	-5,179
Impairment losses		-72	-3,294	-748	-102	-4,216
Reversal of impairment		-	4,395	-4,193	37	239
Change in consolidation scope	(note 2)	-	-	-	-	-
Reclassifications [2]		466	38,817	89,555	-128,446	392
Impact of hyperinflation [3]		489	2,834	3,607	774	7,704
Depreciation and amortization		-	-32,319	-99,593	-21,201	-153,113
Impact operations in process of sale		-	-	-	-	-
NET CARRYING AMOUNT		**54,233**	**350,205**	**605,364**	**267,275**	**1,277,077**
At December 31, 2021						
Gross value		56,834	970,255	2,324,239	476,038	3,827,366
Cumulative amortization and impairment		-2,601	-620,050	-1,718,875	-208,763	-2,550,289
NET CARRYING AMOUNT		**54,233**	**350,205**	**605,364**	**267,275**	**1,277,077**
2022						
OPENING NET CARRYING AMOUNT		**54,233**	**350,205**	**605,364**	**267,275**	**1,277,077**
Foreign exchange differences		-72	787	-301	2,069	2,483
Acquisitions		315	14,585	42,357	126,185	183,442
Disposals		468	1,443	-1,235	-490	186
Impairment losses [6]		-	-3,770	-15,918	-8,502	-28,190
Reversal of impairment [6]		2	2,303	3,684	488	6,477
Change in consolidation scope [1]	(note 2)	48	1,473	1,835	292	3,648
Reclassifications [2]		45	30,687	74,375	-105,231	-124
Impact of hyperinflation [3]		713	5,205	8,365	1,289	15,572
Depreciation and amortization		-	-33,332	-101,096	-22,562	-156,990
Impact operations in process of sale [5]		-1,040	-2,802	-995	885	-3,952
NET CARRYING AMOUNT		**54,712**	**366,784**	**616,435**	**261,698**	**1,299,629**
At 31 décembre 2022						
Gross value		57,333	1,022,742	2,402,323	483,337	3,965,735
Cumulative amortization and impairment		-2,621	-655,958	-1,785,888	-221,639	-2,666,106
NET CARRYING AMOUNT		**54,712**	**366,784**	**616,435**	**261,698**	**1,299,629**

(1) In 2022, full consolidation of Poitou chèvre SAS from March 15, 2022.
(2) Entry into service of tangible assets under construction.
(3) Impact of hyperinflation in Argentina.
(4) In 2021, Hopes Foods LLC property, plant and equipment acquired for € 3.9 million.
(5) In 2022, tangible fixed assets of Fromageries Rambol SAS.
(6) Confers note 9.1 Statement of net impairments of intangible and tangible assets.

Investment subsidies were recognized as a deduction from the assets in question for an amount of €57.7 million in 2022, of which €43.8 million from the sale of Energy Saving Certificates (ESC), against €40.7 million in 2021 of which €27.6 million from the sale of ESC.

Items of property, plant and equipment in progress in the "Other" item totaled €178.7 million in 2022, against €186.5 million in 2021, an increase in line with the projected development of production capacities for certain activities.

9.3. IFRS 16 Leases

Following the implementation of IFRS 16 with effect from January 1, 2019, leases of assets with unit values in excess of $5,000, or with lease terms in excess of a year, are recognized in the balance sheet. Lease charges thus only include those relating to short-term leases or leases of low-value underlying items, as well as variable lease payments not index-linked to an index or rate.

IFRS 16 introduces a single model for recognizing leases on the balance sheet. The lessee recognizes a "right-of-use" asset, which represents its right to use the underlying asset, and a lease liability in respect of its obligation to pay the rent.

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group recognizes a right-of-use asset and a lease liability at the start of each lease.

The "right of use" asset is initially measured at cost and subsequently, at amortized cost less any cumulative loss, eventually adjusted to reflect certain revaluations of the lease liability.

The lease liability is initially measured at the present value of lease payments due and not yet made at the starting date of the contract. The lease payments debt is then increased by the interest expense and decreased by the lease payments made. The liability is adjusted in the event of modification of future lease payments following any change in an applicable index or rate, any new estimate of the amount payable in respect of any residual value guarantee or, where applicable, any revaluation of the exercise of a purchase option or the extension or waiver of a cancellation option, assuming they have become reasonably certain.

When a lease liability is adjusted as just described, the carrying amount of the right-of-use asset is correlatively adjusted. The adjustment is only made via profit or loss if the value of the right-of-use asset has been reduced to zero.

The lease payments taken into account in measuring the lease liability comprise:

• fixed or substantially fixed lease payments;

• variable lease payments indexed on the basis of an index or rate, which are initially measured on the basis of the index or rate applicable at the start of the lease;

• amounts payable in respect of any guaranteed residual value; and

• the exercise price of any purchase option that the Group is reasonably certain to exercise, the lease payments for any period of renewal that the Group is reasonably certain to opt for and any penalties for early cancellation of the lease unless the Group is reasonably certain not to make early cancellation.

The discount rate used corresponds to the interest rate implicit in the contract or, if it cannot be easily determined, the incremental borrowing rate. The Group generally uses the latter as the discount rate. This rate is calculated by currency and by maturity on the basis of the Group's financing rate, to which is added a spread at subsidiary level to take into account the specific risks and economic climates of each country. The applicable duration is calculated on the basis of a weighted average maturity.

The lease period retained is the non-cancellable period for which the Group possesses the right of use of the underlying asset plus, if their exercise is judged to be reasonably certain, the period of any options for renewal or cancellation provided for by the leases. Reasonable certainty is based on all the economic features of each lease and of past experience for similar leases. The asset is in principle amortized over the shorter of the lease term and the useful life of the asset except in the event of transfer of title of the underlying asset to the lessee, or of the existence of any purchase option the exercise of which is deemed reasonably certain, in which case the asset is systematically amortized over its useful life.

The Group presents its right-of-use assets and current and non-current lease liabilities as separate line items in the consolidated statement of financial position. A deferred tax asset is calculated on the basis of the lease liability and a deferred tax liability is calculated on the basis of the right-of-use asset.

In the consolidated income statement, depreciation is charged at the level of current operating profit and interest expense as part of financial income and expense. Short-term leases (of at most a year) or leases of assets of low value (not exceeding $5,000) are excluded from this accounting treatment and recognized as lease expenses. In the consolidated statement of cash flows, the repayment of principal is classified within financing cash flows. The related interest payments are classified within operating cash flows.

Impacts on the financial statements for the period

At December 31, 2022, the main impacts of IFRS 16 on the financial statements are as follows:

Impacts on the consolidated income statement

	12 months	
In thousands of euro	**2022**	**2021**
Depreciation and amortization	-28,796	-28,328
Other current operating income and expenses	30,615	30,321
CURRENT OPERATING PROFIT	**1,819**	**1,993**
Other operating income and expense	28	27
OPERATING PROFIT	**1,847**	**2,020**
Interest expenses on lease liabilities	-2,023	-2,139
Net foreign exchange impact	-492	-152
EARNINGS BEFORE TAX	**-668**	**-271**
Deferred taxes	203	104
RESULT FOR THE FINANCIAL YEAR	**-465**	**-167**

Impacts on the balance sheet

ASSETS

In thousands of euro	**At December 31, 2022**	**At December 31, 2021**
Right-of-use assets for leases	60,702	65,809
Deferred tax assets	14,968	17,279
ASSETS	**75,670**	**83,088**

EQUITY AND LIABILITIES

In thousands of euros	**At December 31, 2022**	**At December 31, 2021**
Retained earnings	-1,796	-1,331
EQUITY	**-1,796**	**-1,331**
Non-current lease liabilities	40,716	43,467
Deferred tax liabilities	14,543	16,761
TOTAL NON-CURRENT LIABILITIES	**55,259**	**60,228**
Trade and other payables	1,395	812
Current lease liabilities	20,812	23,379
TOTAL CURRENT LIABILITIES	**22,207**	**24,191**
EQUITY AND LIABILITIES	**75,670**	**83,088**

Detailed impact on right-of-use assets and lease obligations

RIGHT-OF-USE ASSETS

In thousands of euro	Land	Buildings, fixtures and fittings	Plant, equipment and tooling	Other (*)	TOTAL
Gross value	1,184	60,930	28,744	34,399	125,257
Accumulated amortization and depreciation	-198	-25,903	-15,455	-17,892	-59,448
Accumulated impairment	-	-	-	-	-
NET OPENING CARRYING AMOUNT	**986**	**35,027**	**13,289**	**16,507**	**65,809**
Foreign exchange differences	-9	432	-14	-53	356
New assets recognized	12	3,283	6,114	7,643	17,052
Depreciation and amortization	-68	-11,142	-8,345	-9,241	-28,796
Modifications of contracts	8	5,288	228	604	6,128
Reclassification	-	-	-	-	-
Hyperinflation	-	109	145	-101	153
NET CLOSING CARRYING AMOUNT	**929**	**32,997**	**11,417**	**15,359**	**60,702**
Gross value	1,194	64,854	30,825	34,525	131,398
Accumulated amortization and depreciation	-265	-31,857	-19,408	-19,166	-70,696
Accumulated impairment	-	-	-	-	-

(*) Leases essentially for handling equipment and motor vehicles.

LEASE OBLIGATIONS

In thousands of euro	At December 31, 2022	Current	Non-Current
OPENING BALANCE	**66,846**	**23,379**	**43,467**
Increase	16,882		
Repayment	-28,592		
Foreign exchange differences	286		
Modifications of contracts	6,106		
CLOSING BALANCE	**61,528**	**20,812**	**40,716**

	At December 31, 2022	At December 31, 2021
Within one year	20,812	23,379
Years 2 to 5	31,194	30,700
After the 5th year	9,522	12,767
TOTAL	**61,528**	**66,846**

Other disclosures

LEASE AMOUNTS NOT RESTATED UNDER IFRS 16

The table below summarizes the lease charges for leases not capitalized:

In thousands of euro	12 months	
	2022	**2021**
Low-value lease payments (< or = €5,000)	-1,457	-1,468
Short term leases (< or = 12 months)	-3,758	-2,930
Variable lease payments	-8,976	-8,073
Non-deductible VAT	-663	-660
Other (*)	-1,854	-712
TOTAL	**-16,708**	**-13,843**

(*) Leases not eligible for other reasons.

ADDITIONAL INFORMATION :

In thousands of euro	12 months	
	2022	**2021**
Lease payments for leases not covered by IFRS 16	17,739	15,633
Amount of firm commitments for leases not started at year-end	5,925	1,700

Any service component in leases is excluded from the lease expense.

NOTE 10. OTHER PROVISIONS AND CONTINGENT LIABILITIES

Provisions for site restoration, restructuring, legal action and other risks are recognized when the Group is under a legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation. Restructuring provisions, which include amounts relating to penalties for termination of leases and employee termination benefits, are not recognized until detailed plans have been prepared and implementation has commenced or valid expectations as to the discharge of the obligation have otherwise been created (notably by an announcement). Provisions are never recognized for future operating losses.

When there are a great many similar obligations, the probability that an outflow will be required to settle them is determined by considering this set of obligations as a whole. Even if the likelihood of outflow for each of these elements in question is low, an outflow of resources may be needed to settle this set of obligations as a whole. If such is the case, a provision is recognized.

The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation, discounted at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to each liability. Unwinding of discount is recognized as part of net financial expense.

In thousands of euro	Reorganization	Other risks and charges	Total
At January 1, 2021	**20,249**	**11,522**	**31,771**
Foreign exchange differences	6	-39	-33
Provisions	1,162	6,638	7,800
Uses	-12,035	-4,500	-16,535
At December 31, 2021	**9,382**	**13,621**	**23,003**
Foreign exchange differences	-7	-205	-212
Provisions (1)	2,967	11,493	14,460
Uses (2)	-8,181	-6,506	-14,687
Change in consolidation scope	-	48	48
At December 31, 2022	**4,161**	**18,451**	**22,612**

(1) In 2022, provisions for reorganization totaled € 3 million, provisions for other risks and charges totaled €11.5 million, of which € 4.2 million related to litigation, and other provisions for risks and charges amounted to € 7.3 million.

(2) Reversals of provisions for reorganization totaled € 8.2 million, of which € 5.7 million was used and the remaining €2.5 million is no longer required. Reversals of provisions for other risks and charges totaled € 6.6 million, of which € 3.6 million was used and the remaining €3 million is no longer required

At December 31, 2022, the principal contingencies and disputes covered by provisions were €4.2 million for reorganization (December 2021: €9.4 million), €5.5 million for social disputes (December 2021: €6.4 million), €1.7 million for commercial risks and disputes (December 2021: €3.8 million), and €11.2 million for other risks (December 2021: €3.4 million).

Provisions for risks and disputes are intended to cover known risks and disputes. With regard to pending disputes, the Group, in consultation with its lawyers and advisors, only recognizes a provision when it considers that an unfavorable outcome is probable and can be reliably estimated.

In 2021, two French milk producers' organizations took Savencia to court for, in their view, improper application by Savencia of its contractual obligations, in particular with regard to setting the price of milk. In 2022, the Group signed an agreement with one of these organizations, closing the dispute between them. As for the second case, a judgment handed down on August 30, 2022 by the Coutances judicial court ordered Savencia to pay Sunlait AOP €26 million in respect of 2020 and an amount yet to be defined in respect of 2021 but did not, however, order enforcement of this judgment. While acknowledging the court's decision, the Savencia Group vigorously contests it and immediately appealed, based on legal arguments of both form and substance.

During the appeal, Sunlait revised its claims, primarily by a substantial and unilateral modification of its method of calculation and an extension of the claim periods until June 30, 2022. The next court dates are scheduled for the third quarter of 2023. The Group also believes that, from an economic standpoint, this judgment does not take into account that Savencia paid Sunlait members a higher milk price than the national market average. In that light, Savencia maintains that it honored the terms of its contracts and that, accordingly, Sunlait's demands are groundless. No provision has been recognized for this matter.

- In November 2022, the French Competition Authority ("ADLC") searched the premises of various French dairy groups, including the Savencia Group, in connection with suspicion of potential anti-competitive practices in the supply of cow's milk. As the investigation is ongoing at this stage, the Group is not able to assess the outcome of the proceedings or to estimate any likely outflow of resources. The Savencia Group believes that it complies the regulations in force.
- A €2.5 million provision has been recognized by Savencia Ressources Laitières to cover the costs and damages arising from a malicious act committed to the company in October 2022 by an outside party.

NOTE 11. FINANCING AND FINANCIAL INSTRUMENTS

11.1. Net financial income (expense)

Financial expenses include interest on funds borrowed from third parties. They also include bank commissions and exchange rate differences.

Financial income includes interest earned on funds placed with third parties. It also includes foreign exchange differences on financial assets and liabilities. Gains and losses on interest rate hedging instruments affecting the income statement are also recorded on this line.

	12 months	
In thousands of euro	**2022**	**2021**
Financial interest expenses (1)(*)	-12,704	-7,201
Bank commissions (**)	-4,543	-7,039
Interest expenses on lease obligations (2)	-2,181	-2,248
Other net financial expenses (***)	-6,508	-4,990
Net outcome of interest rate hedging	-148	-539
Net foreign exchange impact	-12,124	-5,496
FINANCIAL EXPENSES	**-38,208**	**-27,513**
Financial income (3)(***)	13,766	6,607
Net outcome of interest rate hedging (4)	-	-
Net foreign exchange impact	-	-
FINANCIAL INCOME	**13,766**	**6,607**
NET FINANCIAL EXPENSE	**-24,442**	**-20,906**
Of which: net interest expense (1)+(2)+(3)+(4)	-1,267	-3,381

(*) Mainly due to the increase of interest rates.
(**) Including in 2021, €1.5 million in bank commissions, in particular in respect of the renewal of the syndicated loan signed on June 17, 2021.
(***) Including in 2022, the disposal of marketable securities for € 3.5 million.
(**) Including in 2022, €3 million of revaluation of the Brazilian tax receivable (cf.note 5).

11.2. Other non-current financial assets

Financial assets with maturities in excess of a year (with the exception of equity instruments) include non-current receivables and other financial instruments such as investments over which the Group neither exercises control nor significant influence. Depending on the motivation for their acquisition, investments not considered as strategic are henceforth classified as “Non-current investments at fair value through profit or loss”. They are recognized at the time of performance of the acquisition transactions. When they are sold, their result on sale is accounted for through profit or loss. Their fair value reflects market price in the case of listed instruments and a discounted cash flow approach, based on market data, in the case of other instruments.

Loans for which the expected future cash flows uniquely comprise the payment of interest, and the repayment of capital on maturity, are all accounted for at amortized cost since their main vocation is to collect the associated contractual cash flows. Financial assets whose future contractual cash flows comprise interest and capital repayment, but which the Group may wish to sell in advance of their maturities, are accounted for at fair value through other comprehensive income. On derecognition of such financial instruments, notably in the event of their sale, the cumulative losses or gains included in other comprehensive income are recycled to profit or loss. The Group does not currently hold any such instruments.

In thousands of euro	At December 31, 2022	At December 31, 2021
Loans and receivables	18,493	14,377
Long-term investments measured at fair value through profit or loss (> 1 year)	12,327	12,134
Impairment	-2,743	-39
TOTAL	**28,077**	**26,472**

Financial assets include Horizon Agroalimentaire convertible bonds for €2.7 million, Cathay III and IV shares for €3.1 million and FnB Europe Fund SLP Private Equity for €1.8 million.

Other investments are insignificant.

11.3. Other current financial assets

Other current financial assets include investments in mutual and open-end investment funds and other securities that, albeit maturing in under one year, do not meet all the requisite criteria to qualify as cash equivalents.

The criteria are tested on the basis of the information provided in each fund's prospectus a review of the historical changes in their net asset values.

11.4. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash equivalents, marketable securities, short-term investments and other monetary funds held for the purpose of meeting the Group's short-term cash commitments, as provided for by IAS 7 and by the joint recommendation of France's accounting standard-setter (ANC) and the financial markets authority (AMF) dated November 27, 2018 and giving effect, to the new European regulation (EU) 2017/1131 on money market funds. Cash and cash equivalents comprise cash, bank deposits and other fixed-rate investments with a maturity of no more than three months at the acquisition date. Bank deposits with maturities in excess of three months may also be classified as cash equivalents so long as they provide from the outset the option for cancellation at will, or at least every three months, without penalty. Bank deposits and fixed-rate investments must also be subject to a negligible risk of change in value; those with maturities in excess of three months and that do not meet the aforementioned conditions, or those with maturities of less than three months, but subject to changes in their value, are classified as "Other current financial assets".

Cash and cash equivalents are measured at their fair value. Unrealized gains or losses are recognized in profit or loss.

Negotiable securities held with a view to short-term gain are measured at their fair value. Changes in their fair value are recognized in profit or loss.

Fair value is determined at year-end on the basis of market prices for listed instruments or by using appropriate discounted cash flow modeling techniques incorporating market data for other instruments..

In thousands of euro	At December 31, 2022	At December 31, 2021
Cash	306,081	325,983
Cash equivalents	242,535	234,257
CASH AND CASH EQUIVALENTS	**548,616**	**560,240**

Cash equivalents mainly include DATs and commercial papers.

Cash and cash equivalents as presented in the cash flow statement may be reconciled with the consolidated balance sheets as follows.

In thousands of euro	At December 31, 2022	At December 31, 2021
Cash and cash equivalents	548,616	560,240
Bank overdrafts and financial current accounts	-51,714	-70,927
NET CASH POSITION	**496,902**	**489,313**

11.5. Borrowings and other financial liabilities excluding leases

Interest-bearing debts are initially recognized at their fair value net of transaction costs incurred. They are subsequently measured using the amortized cost method. The difference between fair value on issue and the repaid amount is amortized over the duration of the debt or commitment on the basis of the effective interest rate. They are classified as current liabilities unless the Group has an unconditional right to defer repayment for at least twelve months after the year-end.

In thousands of euro	At December 31, 2022	Non-current	Current	At December 31, 2021	Non-current	Current
Borrowings from financial and similar institutions (*)	684,909	5,898	679,011	680,622	7,199	673,423
Deferred liabilities for profit-sharing payments	13,760	11,675	2,085	12,630	9,764	2,866
Bond issues	287,681	277,349	10,332	291,476	281,670	9,806
Current bank facilities	30,408	-	30,408	36,359	-	36,359
BORROWINGS AND FINANCIAL LIABILITIES AT CLOSING	**1,016,758**	**294,922**	**721,836**	**1,021,087**	**298,633**	**722,454**

(*) *Current debt with financial institutions primarily comprises commercial paper.*

The amounts presented exclude the amounts of purchase and sale options contracted with the holders of non-controlling interests in Group companies. Furthermore, following first-time application of IFRS 16, lease obligations are presented as a distinct line item with effect from 2019.

The Group's unused confirmed long-term borrowing facilities are adequate to cover its use of short-term facilities.

Borrowings from financial and similar institutions, for non-current facilities, represent the use of confirmed bank lines of credit granted in particular as part of the syndicated loan agreement renegotiated in 2021 with a term of up to seven years. As of December 31, 2022, there is no drawdown on the syndicated credit line.

In 2022, the line "Bonds" includes five private loans. The first was issued in 2011 and 2013 (maturing respectively in 2025 and 2026) with a residual nominal amount of $92.5 million, and repayment began in 2019. The second was issued in 2016 with a nominal amount of €20 million and is repayable in five annual installments from 2027. The third was issued in with a nominal amount of €130 million and is repayable in five annual installments from 2028. The fourth was issued in 2018 with a nominal amount of €30 million and is repayable progressively from 2029. The fifth was issued in 2019 with a nominal amount of €20 million and is repayable in five annual installments from 2030.

For the 2022 financial year, average outstanding bank borrowings totaled €1,098 million.

The average interest rate was 1.54% in 2022, including hedged rates and banking commissions.

In order to limit the impact on its results of changes in interest rates, the Group uses interest rate swaps and options to hedge its total net medium and long-term floating rate euro borrowings. The principal variable rates used by the Group are Euribor and €STR.

Equally, to limit the impact of changes in the value of the dollar, the Group applies a policy of foreign currency hedging covering the total amount, and total duration, of its dollar-denominated borrowings.

In thousands of euro	At December 31, 2022	At December 31, 2021
Within one year	721,836	722,454
From year 2 to year 5 inclusive	82,128	96,561
After the 5th year	212,794	202,072
TOTAL	**1,016,758**	**1,021,087**

BREAKDOWN BY CURRENCY

In thousands of euro	At December 31, 2022	At December 31, 2021
EUR	887,701	892,241
JPY	462	499
USD	87,885	90,660
Other currencies	40,710	37,687
TOTAL	**1,016,758**	**1,021,087**

BREAKDOWN BY TYPE OF INTEREST RATE

In thousands of euro	At December 31, 2022	At December 31, 2021
Fixed rate borrowings	342,061	348,972
Floating rate borrowings	674,697	672,115
TOTAL	**1,016,758**	**1,021,087**

Floating rate borrowing costs are based on Euribor or €STR plus margins not exceeding 65 basis points.

The above breakdown is before the impact of hedging (see note 11.6.2.).

The change in gross borrowing may be analyzed as follows:

In thousands of euro	At December 31, 2022	At December 31, 2021
OPENING BORROWINGS	**1,021,087**	**1,065,414**
New borrowings	26,235	10,787
Repayments of borrowings	-16,506	-74,537
Change in bank facilities and financial current accounts	-17,647	12,621
Foreign exchange differences	3,041	6,802
Change in consolidation scope (*)	548	-
CLOSING BORROWINGS	**1,016,758**	**1,021,087**

(*) From March 15, 2022, full consolidation of Poitou Chèvre SAS.

Gross financial debt was down by €4.3 million compared with December 31, 2021. Including investments classified as other current financial assets net of active cash, net debt decreased by €4.3 million, showing a net balance of €444.1 million at December 31, 2022.

Certain loans include clauses requiring compliance with a financial leverage ratio. This ratio is expressed in terms of maximum indebtedness expressed as a multiple of current EBITDA. EBITDA corresponds to current operating profit before charges and reversals in respect of depreciation, amortization, impairment and provisions. This ratio does not include the IFRS 16 lease obligation in accordance with our banking covenants.

This ratio continues to be met by the Group.

To calculate the financial ratio, the net financial debt applying to the syndicated facility and most of the Group's bilateral contracts is determined as follows:

In thousands of euro	**At December 31, 2022**	**At December 31, 2021**
Non-current borrowings and debts towards financial institutions	-294,922	-298,633
Current bank borrowings	-721,836	-722,454
BORROWINGS AND FINANCIAL LIABILITIES	**-1,016,758**	**-1,021,087**
Other current financial assets	24,019	12,380
Cash and cash equivalents	548,616	560,240
NET DEBT	**-444,123**	**-448,467**
Treasury shares	33,515	20,245
NET FINANCIAL DEBT	**-410,608**	**-428,222**

11.6. Financial risk management and financial instruments

Financial risk management

FINANCIAL RISK

Through its activities, the Group is exposed to different types of financial risk: market risk, currency risk, interest rate risk, credit risk and liquidity risk. Its management of such risks aims to minimize their potentially unfavorable impact on the Group's financial performance. Derivative financial instruments are used to hedge certain exposures.
Said risk management complies with policies approved by the Company's Board of Directors. Financial risks are identified, measured and hedged in close cooperation with the Group's operating units. For each category of transactions, specific procedures set out the instruments which may be used, the maximum amounts authorized, the possible counterparts and the controls to be performed.

MARKET RISK

Market risk may be defined as the exposure to changes in factors such as foreign exchange rates, interest rates and the price of equity instruments, liable to affect the Group's financial performance or the value of its financial instruments. Management of market risk is designed to contain such exposure within acceptable limits whilst optimizing the tradeoff between risk and profitability. As regards raw material prices (mainly for milk, butter and powder), the Group can only manage the associated risks where organized markets exist.

FOREIGN CURRENCY RISK

The Group has an international presence but suffers little exposure to foreign currency risk given that its products are for the most part locally manufactured. Foreign currency risk otherwise applies to forecast commercial transactions, recognized assets and liabilities denominated in foreign currency and net investments in foreign operations.

The Group uses firm or optional forward exchange contracts to hedge its exposure to foreign currency risk in respect of forecast commercial transactions and recognized assets and liabilities.

In this respect, the Group's policy is to hedge approximately 80% of the amount of its forecast transactions in each significant foreign currency for the coming 12 months.

The Group determines the existence of an economic relationship between a hedging instrument and the associated hedged item in terms of the currency, amount and timing of their respective cash flows. A hypothetical derivative is used to determine the effectiveness of each designated hedging derivative in offsetting changes in the cash flows associated with each hedged item.

The Group has invested in certain foreign operations whose net assets are exposed to foreign currency risk.

INTEREST RATE RISK

The Group is exposed to interest rate risk on its borrowings. Borrowings initially contracted at variable rates expose the Group to the risk of changes in future cash flows. Borrowings initially contracted at fixed rates expose the Group to the risk of changes in fair value. The Group adapts its policy in respect of hedging of interest rate risk according to the evolution of interest rates and of its borrowings. These hedges are mainly swaps and caps.

CREDIT RISK

Credit risk may be defined as the exposure to loss as a result of the failure of a customer, or of the counterparty to a financial instrument, to honor its contractual obligations. The risk is essentially associated with trade receivables (see note 4.5), investments (see note 11.2) and derivative financial instruments with asset balances (see note 11.6.1).

The Group does not have material exposure to credit risk. It has implemented policies that enable it to ensure that customers purchasing its products present appropriate credit credentials. Similarly, a bank counterparties policy is defined. It aims to spread its invested funds and derivatives in a targeted manner, with first-class banks and financial institutions. It aims to avoid being exposed to significant concentrations of financial risks.
The allowance for expected losses on trade receivables is measured using the aged trial balance, an assessment of the credit risk and credit insurance policies.

LIQUIDITY RISK

Liquidity risk arises when certain counterparties are liable not to discharge their obligations for financing or investment. In terms of financing, the Group ensures its liquidity via a policy of confirmed medium and long-term facilities (see note 11.5) which are only partially used. In terms of investment, liquidity is ensured by limiting recourse to non-monetary investments (see note 11.4).

CAPITAL MANAGEMENT

The Group's policy consists in maintaining a level of equity adequate to preserving the confidence of investors, creditors and the market and to sustaining the future development of its businesses.

Group employees hold 4.89% of the Company's shares via a corporate savings plan.

The Group occasionally purchases its own shares in the market. The rhythm of purchases is conditioned by its capital management requirements and by the Company's share price. Decisions as to purchase and sale are taken on an ad hoc basis.

No changes were made to the Group's capital management policy during the 2022 financial year.

Neither the parent company nor its subsidiaries are subject to any specific external requirements in respect of capital.

Derivative financial instruments

The Group uses derivative financial instruments to manage its business exposure to foreign currency risk, interest rate risk and certain commodity price risks.

The principal derivatives utilized by the Group are firm or optional forward exchange contracts, raw material forward purchases or options and contracts providing for the exchange of foreign currencies or interest rates.

All derivative financial instruments are measured at their fair value. Fair value is based on:

• the prices quoted in an active market; or

• the use of appropriate option valuation or discounted cash flow modeling techniques incorporating market data; or

• the use of other valuation techniques integrating parameters estimated by the Group, in the absence of observable data.

In certain circumstances, hedge accounting may be applied to financial instruments which are designed to compensate, wholly or partly, for changes in the fair value of recognized assets or liabilities or unrecognized firm commitments. Hedge accounting may also be applied to derivatives hedging against a specific risk associated with a recognized asset or liability or a highly probable future transaction, or as a hedge on a net investment in a foreign operation. The effectiveness of hedges is assessed at regular intervals and at least once per quarter.

Fair value hedges comprise derivatives designed to hedge exposure to foreign currency and/or interest rate risk. The gain or loss from revaluing such hedging instruments at fair value at the end of the reporting period is recognized immediately in profit or loss. The hedged item is adjusted in the balance sheet by factoring in the hedged risk, and changes in the fair value of the hedged risk are also immediately recognized in profit or loss.

Derivatives may also be used to hedge the exposure to variability in cash flows of future transactions such as export sales, purchases of plant and equipment denominated in foreign currencies, commodity purchases (whether in terms of price variability or foreign currency risk) and transactions subject to interest rate risk. Gains or losses relating to the effective portion of such hedges are recognized in other comprehensive income, whilst the ineffective portion of such gains or losses is recognized in profit or loss. The ineffective portion of such gains or losses is recognized immediately in profit or loss. When the hedged forecast transaction subsequently results in the recognition of a financial asset or financial liability, the associated gains or losses that were recognized in other comprehensive income are reclassified as part of the cost of acquisition of the asset or liability.

Derivatives are equally used to reduce the exposure to foreign currency risk of net investments in foreign operations. Changes in the fair value of such instruments are recognized directly in other comprehensive income until such time as the foreign operation is disposed of.

Trading derivatives include derivatives used in accordance with the Group's hedging policies, but to which hedge accounting is not applied. Derivatives acquired in order to achieve targeted returns on investment portfolios are included in this category of derivatives. Changes in the fair value of such derivatives are recognized in profit or loss.

The Group uses derivative financial instruments to manage its exposure to market risks and in particular, to interest rate risk in respect of its borrowings and to foreign currency risk in respect of its future commercial transactions.

For fair value hedges on interest rate swaps and commodities, the hedges were 100% effective. There was therefore no income or expense recognized on the ineffective portion.

Currency and interest rate hedging instruments are accounted for under IFRS as trading instruments.

The main sources of non-effectiveness of the Group's hedging relationships are:

- for interest rate hedging, the risk for the counterparty and the Group with regard to the fair value of swaps that is not reflected in the change in fair value of the hedged cash flows attributable to changes in interest rates and to timing differences between the rate refixing dates of the swaps and loans;
- for foreign exchange hedging, the risk for the counterparties and the Group with regard to the fair value of forward currency contracts that is not reflected in the change in fair value of the hedged cash flows attributable to changes in foreign exchange rates and in the timing of the hedged transactions.

11.6.1. Derivatives financial instruments - Assets

	At December 31, 2022		Maturity 2023		Maturity > 2023	
In thousands of euro	Fair value	Underlying	Fair value	Underlying	Fair value	Underlying
Fair value hedges						
Commodity derivatives	-	-	-	-	-	-
Interest rate swaps (1)	26,274	286,724	2,340	9,375	23,934	277,349
Currency derivatives	-	-	-	-	-	-
Instruments held for trading						
Currency derivatives	6,703	137,598	6,703	137,598	-	-
Interest rate derivatives (2)	7,291	100,000	-	-	7,291	100,000
Commodity derivatives	-	-	-	-	-	-
TOTAL	**40,268**	**-**	**9,043**	**-**	**31,225**	**-**
Of which : classified as current	9,043	-	9,043	-	-	-
Of which : classified as non-current	31,225	-	-	-	31,225	-

(1) Maturity in 2023 and 2024 (9,375 per year), 2025 (49,222), 2026 (18,752), 2027 (100,000) and 2029 (100,000).
(2) Maturity in 2027 (100 000).

	At December 31, 2021		Maturity 2022		Maturity > 2022	
In thousands of euro	Fair value	Underlying	Fair value	Underlying	Fair value	Underlying
Fair value hedges						
Commodity derivatives	904	-	904	-	-	-
Interest rate swaps (1)	12,895	90,500	1,880	8,830	11,015	81,670
Currency derivatives	-	-	-	-	-	-
Instruments held for trading						
Currency derivatives	3,312	60,003	3,312	60,003	-	-
Interest rate derivatives (2)	8,184	100,000	-	-	8,184	100,000
Commodity derivatives	146	-	146	-	-	-
TOTAL	**25,441**	**-**	**6,242**	**-**	**19,199**	**-**
Of which : classified as current	6,242	-	6,242	-	-	-
Of which : classified as non-current	19,199	-	-	-	19,199	-

(1) Maturity in 2022 (8 830),2023 to 2024 (8 830 per year), 2025 (46 352) and 2026 (17 658).
(2) Maturity in 2027 (100,000).

11.6.2. Derivative financial instruments - Liabilities

	At December 31, 2022		Maturity 2023		Maturity > 2023	
In thousands of euro	Fair value	Underlying	Fair value	Underlying	Fair value	Underlying
Fair value hedges						
Commodity derivatives	349	-	349	-	-	-
Interest rate swaps	-	-	-	-	-	-
Instruments held for trading						
Currency derivatives	4,577	55,153	4,577	55,153	-	-
Interest rate derivatives (1)	6,768	100,000	-	-	6,768	100,000
Commodity derivatives	-	-	-	-	-	-
TOTAL	**11,694**	**-**	**4,926**	**-**	**6,768**	**-**
Of which: classified as current	4,926	-	4,926	-	-	-
Of which: classified as non-current	6,768	-	-	-	6,768	-

(1) Maturity in 2027.

	At December 31, 2021		Maturity 2022		Maturity > 2022	
In thousands of euro	Fair value	Underlying	Fair value	Underlying	Fair value	Underlying
Fair value hedges						
Commodity derivatives	-	-	-	-	-	-
Interest rate swaps (1)	7,186	100,000	-	-	7,186	100,000
Instruments held for trading						
Currency derivatives	5,764	254,578	5,764	254,578	-	-
Interest rate derivatives (2)	7,495	100,000	-	-	7,495	100,000
Commodity derivatives	142	-	142	-	-	-
TOTAL	**20,587**	**-**	**5,906**	**-**	**14,681**	**-**
Of which: classified as current	5,906	-	5,906	-	-	-
Of which: classified as non-current	14,681	-	-	-	14,681	-

(1) Maturity in 2027.
(2) Maturity in 2027

Interest rate hedging

Cash flow hedges have been treated as trading instruments since 2008 with three exceptions: the loan in USD, the €100 million of swaps arranged in March 2018 and the €100 million swaps set up in September 2022 which are considered as cash flow hedges and affecting other comprehensive income.
The interest rate hedging policy recommends the use of interest rate options and/or swaps classified as trading instruments.

In 2018, the Group set up interest rate swaps (up to €100 million), deferred by two years. These swaps were operational from March to May 2020 and will protect the Group from rate hike until 2027.

In 2022, the Group set up interest rate swaps (up to €100 million). These swaps were operational from September 2022 and will protect the Group from a rate hike until 2029.

The policy has the following impact on the classification of the Group's borrowings:

	Euros			Other items			Total		
Loans and financial liabilities	**Fixed rate**	**Floating rate**	**Total**	**Fixed rate**	**Floating rate**	**Total**	**Fixed rate**	**Floating rate**	**Total**
Pre-hedging	**238,840**	**648,861**	**887,701**	**103,221**	**25,836**	**129,057**	**342,061**	**674,697**	**1,016,758**
• Swap	200,000	-200,000		-	-		200,000	-200,000	
•Cap	-	-		-	-		-	-	
Post-hedging	**438,840**	**448,861**	**887,701**	**103,221**	**25,836**	**129,057**	**542,061**	**474,697**	**1,016,758**
Other current financial assets		13,675	13,675		10,344	10,344		24,019	24,019
Cash and cash equivalents		308,550	308,550		240,066	240,066		548,616	548,616
TOTAL NET CASH ACQUIRED		**322,225**	**322,225**	**-**	**250,410**	**250,410**	**-**	**572,635**	**572,635**

Analysis of sensitivity to increase in short-term interest rates at December 31, 2022:

A 1% increase in short-term rates would impact the Group's gross variable debt by €4.7 million.

This increase in short-term rates would also have an estimated impact of €5.7 million on floating-rate short-term investments. The overall impact of an increase in short-term rates on the Group's financial result would be +€1 million.

Foreign currency hedging

Forward contracts and options - latent hedge at December 31, 2022.

The Group is principally exposed to the risk of variations in the following currencies: yuan, yen, US dollar, Canadian dollar, Polish zloty, pound sterling, Swiss franc and Brazilian real.

In the following table: + currency purchase - currency sale

In thousands of currency units	**Total currency 1**		**Total currency 2**		**Cover in thousands of EUR**	**EUR amount for currency 1**		**Fixing 12/31/2022**
CAD EUR	-17,663	CAD	12,843	EUR	311	-12,232	EUR	1.4440
CHF EUR	-18,956	CHF	18,717	EUR	-655	-19,250	EUR	0.9847
CNY EUR	-149,334	CNY	19,884	EUR	-383	-20,295	EUR	7.3582
GBP EUR	-32,236	GBP	38,000	EUR	786	-36,346	EUR	0.8869
JPY EUR	-2,167,983	JPY	16,094	EUR	479	-15,413	EUR	140.6600
PLN EUR	76,348	PLN	-15,360	EUR	478	16,311	EUR	4.6808
USD EUR	-73,701	USD	70,007	EUR	1,378	-69,099	EUR	1.0666
BRL USD	-10,695	BRL	2,012	USD	33	-1,893	EUR	5.2977
CNY USD	-83,189	CNY	11,680	USD	-396	-11,306	EUR	6.8987
Other currencies					95	-23,228	EUR	-
TOTAL					**2,126**	**-192,751**	**EUR**	**-**

Currency variation sensitivity analysis: a 1% fluctuation in the main currencies (CNY, CAD, USD, GBP, BRL, JPY, PLN and CHF), based on a rate prevailing at December 31, 2022, would have an impact of €1.9 million on the Group's financial result.

In the fourth quarter of 2022, the Group replaced the yield curves linked to LIBOR (USD, JPY, CHF, GBP) used for derivatives valuations. The Risk Free Rate (RFR) curves used are in line with the evolution of the financial markets. The non-significant impact (€0.4 million) of this change in yield curves on valuations is mainly driven by the USD.

The following table discloses the carrying amounts and fair values of the Group's financial instrument assets and liabilities within each applicable category:

ASSETS

In thousands of euro	Derivative financial instruments through profit or loss (1)	Hedging derivatives (2)	Financial assets at fair value through profit or loss (2)	Loans and receivables valued at amortized cost	Carrying amount	Fair value
At December 31, 2022						
Other financial assets at fair value through profit and loss (>1 year)	-	-	12,326	-	12,326	12,326
Non-current financial assets held for trading	-	-	-	-	-	-
Non-current financial loans and receivables	-	-	-	15,751	15,751	15,751
Other non-current financial assets	**-**	**-**	**12,326**	**15,751**	**28,077**	**28,077**
Interest rate derivatives	7,291	23,934	-	-	31,225	31,225
Non-current derivative financial instruments	**7,291**	**23,934**	**-**	**-**	**31,225**	**31,225**
Trade receivables	**-**	**-**	**-**	**913,480**	**913,480**	**913,480**
Current loans & receivables	**-**	**-**	**-**	**1,198**	**1,198**	**1,198**
Commodity hedging derivatives	-	-	-	-	-	-
Other commodity derivatives	-	-	-	-	-	-
Other currency derivatives	6,703	-	-	-	6,703	6,703
Other interest rate derivatives	-	2,340	-	-	2,340	2,340
Current derivative financial instruments	**6,703**	**2,340**	**-**	**-**	**9,043**	**9,043**
Current financial assets held for trading	**-**	**-**	**13,676**	**10,343**	**24,019**	**24,019**
Financial current accounts	-	-	-	95,130	95,130	95,130
Cash	-	-	-	210,951	210,951	210,951
Cash equivalents	-	-	242,535	-	242,535	242,535
Cash and cash equivalents	**-**	**-**	**242,535**	**306,081**	**548,616**	**548,616**
TOTAL ASSETS	**13,994**	**26,274**	**268,537**	**1,246,853**	**1,555,658**	**1,555,658**

(1) Fair value based on prices quoted on an active market (level 1 instruments).
(2) Fair value based on inputs, other than the quoted prices in level 1, observable for the asset or liability, either directly or indirectly.

Fair value measurements are classified into three levels of the fair value hierarchy according to the inputs used in the valuation technique. The three levels breakdown as follows:

- Level 1: unadjusted prices exist on active markets for identical assets or liabilities, which the Group can access on the valuation date;
- Level 2: fair value based on inputs, other than the quoted prices in level 1, observable for the asset or liability, either directly or indirectly;
- Level 3 : use of non-observable data.

The Group's determination of the level 2 fair value for over-the-counter financial instruments is based on prices communicated by financial institutions. The Group verifies that those prices are reasonable and reflect the instruments' credit risk as adjusted for any factors specific to the Group or its counterparts.

During the period, the Group did not make any changes in its fair value hierarchy.

LIABILITIES

In thousands of euro	Derivative financial instruments through profit or loss (1)	Hedging derivatives (2)	Financial liabilities at fair value through profit or loss (2)	Financial liabilities measured at amortized cost	Carrying amount	Fair value
At December 31, 2022						
Bond issues	-	-	-	277,349	277,349	277,349
Other borrowings	-	-	-	58,289	58,289	58,289
Non-current financial borrowings and debts	**-**	**-**	**-**	**335,638**	**335,638**	**335,638**
Non-current debts relating to put options granted to minority shareholders	-	-	17,401	-	17,401	17,401
Other items	-	-	1	-	1	1
Other non-current liabilities	**-**	**-**	**17,402**	**-**	**17,402**	**17,402**
Other interest rate derivatives	6,768	-	-	-	6,768	6,768
Non-current derivative financial instruments	**6,768**	**-**	**-**	**-**	**6,768**	**6,768**
Trade payables	**-**	**-**	**-**	**866,639**	**866,639**	**866,639**
Guarantees deposits received	**-**	**-**	**-**	**2,557**	**2,557**	**2,557**
Current debts relating to put options granted to minority shareholders	-	-	13,967	-	13,967	13,967
Commodity hedging derivatives	-	349	-	-	349	349
Other currency derivatives	4,577	-	-	-	4,577	4,577
Current derivative financial instruments	**4,577**	**349**	**-**	**-**	**4,926**	**4,926**
Current financial liabilities	-	-	-	690,934	690,934	690,934
Financial current accounts	-	-	-	21,306	21,306	21,306
Current bank facilities	-	-	-	30,408	30,408	30,408
Current borrowings	**-**	**-**	**-**	**742,648**	**742,648**	**742,648**
TOTAL LIABILITIES	**11,345**	**349**	**31,369**	**1,947,482**	**1,990,545**	**1,990,545**

(1) Fair value based on prices quoted on an active market (level 1 instruments).
(2) Fair value based on inputs, other than the quoted prices in level 1, observable for the asset or liability, either directly or indirectly.

The Group uses derivative financial instruments to manage its exposure to market risks and in particular, to interest rate risk in respect of its borrowings and to foreign currency risk in respect of its future commercial transactions.

For fair value hedges on interest rate swaps and commodities, the hedges are 100% effective. There was therefore no income or expense recognized on the ineffective portion.

ASSETS

In thousands of euro	Derivative financial instruments through profit or loss [(1)]	Hedging derivatives [(2)]	Financial assets at fair value through in profit or loss [(2)]	Loans and receivables valued at amortized cost	Carrying amount	Fair value
At December 31, 2021						
Other financial assets at fair value through profit and loss (>1 year)	-	-	10,948	-	10,948	10,948
Non-current financial assets held for trading	-	-	1,185	-	1,185	1,185
Non-current financial loans and receivables	-	-	-	14,339	14,339	14,339
Other non-current financial assets	**-**	**-**	**12,133**	**14,339**	**26,472**	**26,472**
Interest rate derivatives	8,184	11,015	-	-	19,199	19,199
Non-current derivative financial instruments	**8,184**	**11,015**	**-**	**-**	**19,199**	**19,199**
Trade receivables	**-**	**-**	**-**	**854,287**	**854,287**	**854,287**
Current loans & receivables	**-**	**-**	**-**	**1,198**	**1,198**	**1,198**
Commodity hedging derivatives	-	904	-	-	904	904
Other commodity derivatives	146	-	-	-	146	146
Other currency derivatives	3,312	-	-	-	3,312	3,312
Other interest rate derivatives	-	1,880	-	-	1,880	1,880
Current derivative financial instruments	**3,458**	**2,784**	**-**	**-**	**6,242**	**6,242**
Current financial assets held for trading	**-**	**-**	**9,756**	**2,624**	**12,380**	**12,380**
Financial current accounts	-	-	-	70,009	70,009	70,009
Cash	-	-	-	255,974	255,974	255,974
Cash equivalents	-	-	234,257	-	234,257	234,257
Cash and cash equivalents	**-**	**-**	**234,257**	**325,983**	**560,240**	**560,240**
TOTAL ASSETS	**11,642**	**13,799**	**256,146**	**1,198,431**	**1,480,018**	**1,480,018**

(1) Fair value based on prices quoted on an active market (level 1 instruments).
(2) Fair value based on inputs, other than the quoted prices in level 1, observable for the asset or liability, either directly or indirectly.

LIABILITIES

In thousands of euro	Derivative financial instruments through profit or loss (1)	Hedging derivatives (2)	Financial liabilities at fair value through profit or loss (2)	Financial liabilities measured at amortized cost	Carrying amount	Carrying amount
At December 31, 2021						
Bond issues	-	-	-	281,670	281,670	281,670
Other borrowings	-	-	-	60,430	60,430	60,430
Non-current financial borrowings and debts	**-**	**-**	**-**	**342,100**	**342,100**	**342,100**
Non-current debts relating to put options granted to minority shareholders	-	-	31,165	-	31,165	31,165
Other items	-	-	2	-	2	2
Other non-current liabilities	**-**	**-**	**31,167**	**-**	**31,167**	**31,167**
Other interest rate derivatives	7,495	7,186	-	-	14,681	14,681
Non-current derivative financial instruments	**7,495**	**7,186**	**-**	**-**	**14,681**	**14,681**
Trade payables	**-**	**-**	**-**	**758,068**	**758,068**	**758,068**
Guarantees deposits received	**-**	**-**	**-**	**3,014**	**3,014**	**3,014**
Other commodity derivatives	142	-	-	-	142	142
Other currency derivatives	5,764	-	-	-	5,764	5,764
Current derivative financial instruments	**5,906**	**-**	**-**	**-**	**5,906**	**5,906**
Current financial liabilities	-	-	-	674,907	674,907	674,907
Financial current accounts	-	-	-	34,567	34,567	34,567
Current bank facilities	-	-	-	36,359	36,359	36,359
Current borrowings	**-**	**-**	**-**	**745,833**	**745,833**	**745,833**
TOTAL LIABILITIES	**13,401**	**7,186**	**31,167**	**1,849,015**	**1,900,769**	**1,900,769**

(1) Fair value based on prices quoted on an active market (level 1 instruments).
(2) Fair value based on inputs, other than the quoted prices in level 1, observable for the asset or liability, either directly or indirectly.

NOTE 12. OTHER NON-CURRENT LIABILITIES

Under IAS 32, when non-controlling stockholders dispose of put options in respect of their investments, those interests are reclassified as financial liabilities measured at the present value of the exercise prices for the options. Any difference between the exercise price of options granted and the historical value of the applicable non-controlling interests classified as financial liabilities is eliminated by adjusting the Group share of equity. The Group share of equity is adjusted for any subsequent changes in the estimated exercise value of options. The impact of unwinding the discounted value of the financial liability continues to be recognized in profit or loss.

Put options are classified as part of other non-current liabilities, as their amount is deemed significant at Group level (see IAS 1.58).

Other non-current liabilities are the call and put options contracted with holders of minority interests. These options are measured at the discounted present value of the option's exercise price. As of December 31, 2021, they concerned 33.33% of Bressor Alliance and 20% of Bake Plus. The change over the period corresponds to the change in fair value of the Bressor Alliance option, as well as the reclassification of Bake Plus' 20% call and put option, exercisable from March 2023, to short-term call and put options in the Suppliers and other accounts payable item (see note 4.6).

NOTE 13. RESULT ON NET MONETARY POSITION

Hyperinflation

Argentina is generally considered to have become a hyperinflationary economy since July 1, 2018.

The requirement is for the financial statements of the applicable subsidiaries, prepared in their functional currency, to be restated in accordance with the historical cost convention (subject to application of a general price index) so as to reflect the measuring unit current at the year-end. All non-monetary assets and liabilities have thus been adjusted for inflation since January 1, 2018 as if Argentina had always been hyperinflationary, to reflect changes in purchasing power at the reporting date. Comprehensive income (i.e. reflecting the income statement plus the statement of other comprehensive income) is also restated to reflect the inflation experienced during the period. Monetary items do not need to be restated, as they already reflect purchasing power at the reporting date. Adjustments for non-monetary assets and liabilities are recognized in the income statement as "gain or loss on net monetary position".

In the Group's consolidated financial statements, the financial statements for each applicable entity are then converted into euros at the applicable closing exchange rate (as per the assets, liabilities and equity, income and expenses are measured on the basis of the year-end closing exchange rate).

CHANGES IN THE PRICE INDEX IN ARGENTINA

	2011 (*)	2017.12	2018.12	2019.12	2020.12	2021.12	2022.12
Closing index	457.70	1,656.62	2,459.85	3,782.82	5,122.21	7,699.20	15,229.73
Change on 2011		262 %	437 %	726 %	1,019 %	1,582 %	3,227 %
Change on N-1			48 %	54 %	35 %	50 %	98 %

(*) Date of the Group's takeover of Milkaut.

We use the official index published by the Argentinian government (IPC NACIONAL EMPALME IPIM).

The impact of the hyperinflation adjustments on the main consolidated financial statements may be summarized as follows:

INCOME STATEMENT

	12 months	
In thousands of euro	**2022**	**2021**
Net sales	70,498	32,577
Purchases adjusted for changes in inventories	-57,298	-28,812
Personnel costs	-14,210	-6,620
Depreciation and amortization	-5,037	-3,738
Other current operating income and expenses	-7,264	-3,428
CURRENT OPERATING PROFIT	**-13,311**	**-10,021**
Other operating income and expense	257	150
OPERATING PROFIT	**-13,054**	**-9,871**
Net financial income (expense)	-83	-120
Result on net monetary position	2,725	2,745
EARNINGS BEFORE TAX	**-10,412**	**-7,246**
Income tax expense	-3,782	-3,360
Net income from continuing operations	**-14,194**	**-10,606**
NET INCOME FOR THE YEAR	**-14,194**	**-10,606**

BALANCE SHEET

In thousands of euro **ASSETS**	**At December 31, 2022**	**At December 31, 2021**
Intangible assets and property, plant and equipment	28,350	20,479
TOTAL NON-CURRENT ASSETS	**28,350**	**20,479**
Inventories and work in progress	2,108	707
TOTAL CURRENT ASSETS	**2,108**	**707**
ASSETS	**30,458**	**21,186**

In thousands of euro **EQUITY AND LIABILITIES**	**At December 31, 2022**	**At December 31, 2021**
Other reserves	33,986	24,375
Retained earnings	-14,191	-10,606
GROUP SHARE OF EQUITY	**19,795**	**13,769**
Non-controlling interests	3	2
TOTAL SHAREHOLDERS' EQUITY	**19,798**	**13,771**
Deferred tax liabilities	10,660	7,415
TOTAL NON-CURRENT LIABILITIES	**10,660**	**7,415**
TOTAL LIABILITIES	**10,660**	**7,415**
EQUITY AND LIABILITIES	**30,458**	**21,186**

NOTE 14. EQUITY

14.1. Paid in capital and other reserves

14.1.1. Paid in capital

Paid-in capital is included as part of equity. Costs directly attributable to the issue of new equity shares or options are recognized in equity, net of tax, as a deduction from the issue proceeds.

When a Group company purchases shares of the Company (treasury shares), the amount of consideration paid, including any directly attributable costs net of tax, is treated as a deduction from consolidated equity pending any cancellation, re-issue or sale. In the event of re-issue or sale, the amount of consideration received, less any directly attributable costs net of tax, is added to the amount of equity attributable to equity holders of the Company.

	Evolution of paid-in capital				
In thousands of euro	**Number of shares outstanding**	**Ordinary shares**	**Additional paid-in capital**	**Treasury shares**	**Total**
BALANCE AT 01/01/2021	**13,715,026**	**14,033**	**81,478**	**-18,460**	**77,051**
Share purchase option plan					
• Value of services rendered	-	-	-	-	-
• Sale of treasury shares	10,414	-	-	-	-
• Purchase of treasury shares	-31,640	-	-	-1,745	-1,745
BALANCE AT 12/31/2021	**13,693,800**	**14,033**	**81,478**	**-20,205**	**75,306**
Share purchase option plan					
• Value of services rendered	-	-	-	-	-
• Sale of treasury shares	-	-	-	-	-
• Purchase of treasury shares	-221,682	-	-6,255	-13,271	-19,526
BALANCE AT 12/31/2022	**13,472,118**	**14,033**	**75,223**	**-33,476**	**55,780**

The Company's share capital, fully paid-up at December 31, 2022, comprises 14,032,930 shares with a par value of €1 per share.A double voting right is attributed to shares registered in the name of the same shareholder for at least 6 years.

At December 31, 2022, SAVENCIA SA held 560,812 treasury shares (339,130 at December 31, 2021), 9,673 of which are held under the Group's liquidity contract (11,035 in 2021). Additional paid-in capital totaling €75,223 thousand at December 31, 2022 includes the legal reserve (€1,613 thousand), share and merger premiums (€73,610 thousand).

14.1.2. Other reserves

In thousands of euro	Evolution of other reserves Hedging reserves	Financial assets at fair value recognized in OCI	Actuarial gains and losses	Foreign exchange differences	Total
BALANCE AT 01/01/2021	**-7,366**	**2,875**	**-32,197**	**-162,817**	**-199,505**
Cash flow hedges					**-**
• Changes in fair value during the financial year	3,603				**3,603**
• Tax on fair value losses	-927				**-927**
Actuarial gains and losses - gross			17,486		**17,486**
Actuarial gains and losses - tax effect			-4,834		**-4,834**
Foreign exchange differences					**-**
• Group				47,926	**47,926**
• Associates			-	148	**148**
BALANCE AT 12/31/2021	**-4,690**	**2,875**	**-19,545**	**-114,743**	**-136,103**
Cash flow hedges					**-**
• Changes in fair value during the financial year	14,156				**14,156**
• Tax on fair value losses	-3,712				**-3,712**
Actuarial gains and losses - gross			29,703		**29,703**
Actuarial gains and losses - tax effect			-8,397		**-8,397**
Foreign exchange differences					**-**
• Group				18,338	**18,338**
• Associates			-	38	**38**
BALANCE AT 12/31/2022	**5,754**	**2,875**	**1,761**	**-96,367**	**-85,977**

14.2. Details by nature of other comprehensive income

	12 months					
	2022			2021		
In thousands of euro	Pre-tax amount	Tax effect	Amount net of tax	Pre-tax amount	Tax effect	Amount net of tax
Foreign exchange differences	18,120	-	18,120	47,742	-	47,742
Change in fair value of financial assets	-	-	-	-	-	-
Change in fair value of cash flow hedges	13,415	-3,521	9,894	3,399	-938	2,461
Currency basis spread	741	-191	550	204	11	215
Hyperinflation	25,517	-	25,517	14,362	-	14,362
Other transactions	-	-	-	-933	2,864	1,931
Share of associates and joint ventures in recyclable components	38	-	38	148	-	148
Total recyclable components of other comprehensive income	**57,831**	**-3,712**	**54,119**	**64,922**	**1,937**	**66,859**
Actuarial gains and losses on post-employment benefit plans	32,268	-8,931	23,337	18,726	-5,114	13,612
Other transactions	-	-	-	-	-	-
Share of associates and joint ventures in non-recyclable components	-	-	-	-	-	-
Total non-recyclable components of other comprehensive income	**32,268**	**-8,931**	**23,337**	**18,726**	**-5,114**	**13,612**
OTHER COMPREHENSIVE INCOME	**90,099**	**-12,643**	**77,456**	**83,648**	**-3,177**	**80,471**

14.3. Dividends per share

Basic earnings per share are calculated by dividing the net income attributable to shareholders of SAVENCIA SA by the number of ordinary shares outstanding during each period, excluding treasury shares purchased by the Company (see note 14.1.).

	2022	2021
Net income attributable to shareholders of SAVENCIA SA (in thousands of euro)	**68,046**	**82,939**
Weighted average number of shares in circulation	13,591,344	13,706,869
Basic earnings per share (€)	**5.01**	**6.05**

Diluted earnings per share are calculated by increasing the weighted average number of ordinary shares outstanding by the number of additional shares that would be created assuming the exercise of all outstanding share purchase options.

	2022	2021
Net income attributable to shareholders of SAVENCIA SA (in thousands of euro)	**68,046**	**82,939**
Weighted average number of shares in circulation	13,591,344	13,706,869
Dilutive effect of share purchase options	-	48,367
Adjusted weighted average number of shares	13,591,344	13,755,236
Diluted earnings per share (€)	**5.01**	**6.03**

Dividends paid out in 2022 amounted to €1.5 per share. At the Annual General Meeting to be held on April 21, the Board of Directors will propose the payment of a dividend of €1.3 per share in respect of the financial year ended December 31, 2022.

14.4. Non-controlling interests in the group activities and cash flows

Non-controlling interests break down as follows

Non-controlling interests (i.e. minority interests)

	Compagnie Laitière Européenne		Other items		TOTAL	
	12 months		12 months		12 months	
In thousands of euro	2022	2021	2022	2021	2022	2021
% voting rights	14.14%	14.14%	-	-	-	-
% held by minority shareholders	14.14%	14.14%	-	-	-	-
Share of net income	12,317	5,255	5,066	4,830	17,383	10,085
Share of other comprehensive income	1,676	1,678	141	410	1,817	2,088
Share of total comprehensive income	13,993	6,933	5,207	5,240	19,200	12,173
Cumulative non-controlling interests	198,530	188,177	35,130	31,316	233,660	219,493
Dividends paid to non-controlling interests	3,640	2,774	2,741	3,661	6,381	6,435

.

IFRS-compliant financial information (100% interest) before internal transactions

BALANCE SHEET

	Compagnie Laitière Européenne	
In thousands of euro	At December 31, 2022	At December 31, 2021
Current assets	992,147	846,071
Non-current assets	637,697	643,479
ASSETS	**1,629,844**	**1,489,550**
Equity	665,885	581,621
Current liabilities	815,407	716,517
Non-current liabilities	148,552	191,412
EQUITY AND LIABILITIES	**1,629,844**	**1,489,550**

INCOME STATEMENT

	12 months	
In thousands of euro	2022	2021
Net sales	2,809,871	2,277,756
Net Income	87,353	19,288
Net income (loss) for the period	92,027	24,067

CASH FLOW STATEMENT

	12 months	
In thousands of euro	**2022**	**2021**
Net cash flow from operating activities	110,213	95,048
Net cash flow in investing activities	-77,082	-78,401
Net cash flow from financing activities	-61,809	-66,928
Impact of foreign exchange differences	552	40
Opening cash balance	**-122,374**	**-72,133**
Closing cash balance	**-150,501**	**-122,374**
Net change in cash and cash equivalents	-28,126	-50,241

NOTE 15. OFF-BALANCE SHEET COMMITMENTS

The Group's contingent assets and liabilities comprised

- €7.6 million of equity investment commitments (2021: €13.6 million) given and received, only concerning Italian company Ferrari in 2022.
- Commitments given concerning the funding of the Company. Financial guarantees provided to Group companies totaling €100.1 million (2021: €97,8 million).
- Commitments relating to operating activities:

In respect of commitments given:

Commitments in respect of short-term leases totaled €9.3 million for 2022 (2021: €6,7 million).

Firm commitments for leases under IFRS 16 that had not started at closing totaled €5.9 million, against €1,7 million at end-2021.

Other commitments made amounted to €184 million, most of which were purchase commitments, compared with €98.6 million in 2021, an increase in line with inflation.

With regard to milk supply contracts, the Group negotiates multi-year contracts for its milk supplies, mainly in France, with producer groups, commercial companies, producer organization associations (AOP) and agricultural cooperatives. These contracts provide for reciprocal commitments on volumes produced and collected, redefined each year, enabling the Group to secure most of its milk supply volumes for the following years. In addition, purchase prices are determined for each period on the basis of price formulas that take into account the cost of raw materials, public indicators and qualitative variables depending on the composition and quality of the milk collected.

In respect of commitments received:

Other commitments received represented €47.8 million (2021: €43,4 million), including €4.9 million in respect of CO_2 quotas (2021: €6,6 million).

NOTE 16. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are only deemed to have been performed at arm's length conditions if such is demonstrably the case.

The Group is controlled by SAVENCIA Holding SCA, a French corporation which directly or indirectly holds 66.64% of the share capital. The balance is held by numerous other shareholders whose shares are dealt in on the Paris stock exchange. Certain SAVENCIA SA subsidiaries are not fully owned (see note 18 on the Group's scope of consolidation). For the most part, their minority shareholders are milk production or collection cooperatives which supply the Group and may also purchase from the Group. Those transactions constitute the Group's main related party transactions. In this respect, SAVENCIA Fromage & Dairy recognized sales to related cooperatives totaling €79.3 million in 2022 (against €72.2 million in 2021) and purchases totaling €997.3 million in 2022 (against €845.8 million in 2021).

- The Group provided logistics services to STEF for €0.5 million and purchased logistics services for €34.4 million.
- The Group handles cash management for related parties. In this respect, it received payments of €0.6 million in 2022 (€1.3million in 2021).
- Eufipar provides services for the Group for €0.2 million.
- Group sales to associates totaled €2.7 million in 2022 (2021: €7.4 million) and purchases from associates totaled €17.2 million (2021: €22 million), essentially relating to sales and purchases of dairy materials.

- Remunération packages for company directors totaled €6.1 million (€3.1 million in 2021) and includes only short-term benefits, post-employment benefits being insignificant. No other long-term benefits exist and no provision is made for compensation in the event of termination of employment contracts. No share-based payments were made in 2021 or 2022.

The main directors include the Chairman of the Board of Directors, the Chief Executive Officer and the other Board members.

NOTE 17. POST-BALANCE SHEET EVENTS

To the best of the Company's knowledge, there are no significant post-balance sheet events as at the closing date of the 2022 consolidated financial statements, that could impact the accounts.

NOTE 18. LIST OF MAIN COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Proportionately consolidated entities	Siren N°		% voting rights		% economic interest	
			12/31/2022	12/31/2021	12/31/2022	12/31/2021
France						
SAVENCIA SA	847,120,185	FRANCE	Mother company	Mother company	Mother company	Mother company
Alliance Laitière Européenne SAS	388,435,539	FRANCE	100.00	100.00	100.00	100.00
Armor Protéines SAS	679,200,287	FRANCE	100.00	100.00	85.86	85.86
B.G. SAS	331,339,275	FRANCE	99.97	99.97	99.97	99.97
Bressor Alliance SA	379,657,570	FRANCE	66.66	66.66	66.66	66.66
Bressor SA	383,228,764	FRANCE	99.74	99.74	66.48	66.48
British Cheese Masters	815,371,430	FRANCE	51.00	0.00	51.00	0.00
C.F.V.A. SAS	314,830,050	FRANCE	99.97	99.97	99.97	99.97
Compagnie des Fromages & RichesMonts	501,645,196	FRANCE	50.00	50.00	42.93	42.93
CF&R Gestion SAS	501,653,612	FRANCE	51.00	51.00	43.79	43.79
Compagnie Laitière Européenne SA	780,876,421	FRANCE	85.86	85.86	85.86	85.86
Compagnie Laitière Normandie-Bretagne SAS	349,652,560	FRANCE	100.00	100.00	85.86	85.86
Dutch Cheese Masters SAS	789,660,743	FRANCE	55.00	55.00	55.00	55.00
Elvir SAS	389,297,664	FRANCE	100.00	100.00	85.86	85.86
Etablissements L. Tessier SAS	667,180,392	FRANCE	99.71	99.71	99.71	99.71
Fromagerie Berthaut SA	316,608,942	FRANCE	100.00	100.00	100.00	100.00
Fromagerie de Vihiers SAS	350,546,719	FRANCE	100.00	100.00	100.00	100.00
Fromageries des Chaumes SAS	314,830,183	FRANCE	99.94	99.94	99.93	99.93
Fromageries du Levezou	431,566,884	FRANCE	0.00	100.00	0.00	100.00
Fromageries Lescure SAS	794,040,956	FRANCE	51.00	51.00	51.00	51.00
Fromageries Papillon SAS	391,900,917	FRANCE	100.00	100.00	100.00	100.00
Fromageries Perreault SAS	316,085,620	FRANCE	99.98	99.98	99.98	99.98
Fromageries Rambol SAS	315,130,641	FRANCE	99.95	99.95	99.95	99.95
Fromageries Saint Saviol SAS	793,801,028	FRANCE	100.00	100.00	85.86	85.86
Fromapac SAS	402,180,541	FRANCE	100.00	100.00	100.00	100.00
Fromarsac SAS	331,260,083	FRANCE	100.00	100.00	100.00	100.00
Fruisec SAS	307,963,389	FRANCE	100.00	100.00	100.00	100.00
Grand'Ouche SAS	314,815,457	FRANCE	99.83	99.83	99.83	99.83
La Compagnie des Fromages SAS	393,257,654	FRANCE	100.00	100.00	85.86	85.86
Les Fromagers Associés SAS	349,542,415	FRANCE	100.00	100.00	100.00	100.00
Les Fromagers de L'Europe SAS	428,744,973	FRANCE	100.00	100.00	100.00	100.00
Les Fromagers de Thiérache SAS	315,332,569	FRANCE	100.00	100.00	100.00	100.00
Messageries Laitières SNC	313,966,103	FRANCE	61.31	61.31	52.64	52.64
Normandie Bretagne Transports SAS (NBT)	403,128,051	FRANCE	100.00	100.00	85.86	85.86
Normandie Export Logistics	824,269,898	FRANCE	61.30	61.30	52.64	52.64
PJB Advance SA	438,355,877	FRANCE	100.00	100.00	100.00	100.00
Poitou Chèvre SAS	353,964,125	FRANCE	100.00	0.00	51.00	0.00
Prodilac SAS	389,297,714	FRANCE	100.00	100.00	100.00	100.00
SAVENCIA Fromage & Dairy Europe	351,014,352	FRANCE	100.00	100.00	100.00	100.00
SAVENCIA Fromage & Dairy Foodservice	389,330,739	FRANCE	100.00	100.00	85.86	85.86
SAVENCIA Fromage & Dairy International	402,927,628	FRANCE	100.00	100.00	100.00	100.00
SAVENCIA Normandie Services	384,557,880	FRANCE	100.00	100.00	100.00	100.00
SAVENCIA Produits Laitiers International	325,508,653	FRANCE	99.96	99.96	99.96	99.96

Proportionately consolidated entities	Siren N°		% voting rights		% economic interest	
			12/31/2022	12/31/2021	12/31/2022	12/31/2021
France						
SAVENCIA Produits Laitiers France	394,530,703	FRANCE	100.00	100.00	100.00	100.00
SAVENCIA Ressources Laitières	389,297,748	FRANCE	100.00	100.00	85.86	85.86
SB Alliance Informatique	780,876,405	FRANCE	100.00	100.00	85.86	85.86
SB Alliance SNC	409,080,538	FRANCE	84.99	84.99	84.98	84.98
SB Biotechnologies SAS	450,983,051	FRANCE	100.00	100.00	97.50	97.50
Sci du Bousquet	350,222,758	FRANCE	100.00	100.00	100.00	100.00
Société des Beurres et Crèmes des Régions d'Europe	487,220,295	FRANCE	100.00	100.00	85.86	85.86
Société Les Vergers des Coteaux du Périgord SAS	330,479,213	FRANCE	100.00	100.00	100.00	100.00
Sodilac SAS	689,806,470	FRANCE	100.00	100.00	85.86	85.86
Sofivo SAS	352,848,725	FRANCE	100.00	100.00	85.86	85.86
Sogasi SAS	315,062,224	FRANCE	100.00	100.00	100.00	100.00
Soredab SAS	317,705,267	FRANCE	97.50	97.50	97.50	97.50
Vivre Vert	817,437,643	FRANCE	100.00	100.00	100.00	100.00
Other countries						
Advanced Food Products LLC		UNITED STATES	100.00	100.00	100.00	100.00
AGRO 2000		RUSSIA	99.90	99.90	99.90	99.90
Alternative Foods LLC		UNITED STATES	100.00	100.00	100.00	100.00
Artisan Cheese Masters of America,INC		UNITED STATES	100.00	100.00	100.00	100.00
Bake Plus		SOUTH KOREA	80.00	80.00	80.00	80.00
Belebeevskiy Molochny Kombinat		RUSSIA	100.00	100.00	100.00	100.00
BEV		RUSSIA	100.00	100.00	100.00	100.00
Bonprole SA		URUGUAY	90.00	90.00	90.00	90.00
BR Investissements		LUXEMBOURG	0.00	100.00	0.00	100.00
BSI Tianjin Foods Cy Ltd		CHINA	100.00	100.00	100.00	100.00
Compagnie des Fromages & RichesMonts GmbH		GERMANY	100.00	100.00	42.93	42.93
Corman Deutschland Gmbh		GERMANY	100.00	100.00	85.86	85.86
Corman Italia Spa		ITALY	100.00	100.00	85.86	85.86
Corman Miloko Ireland Ltd		IRELAND	55.00	55.00	47.23	47.23
Corman SA		BELGIUM	100.00	100.00	85.86	85.86
Delaco Distribution		ROMANIA	100.00	100.00	100.00	100.00
Edelweiss GmbH & Co. KG		GERMANY	100.00	100.00	100.00	100.00
Edelweiss Verwaltung GmbH		GERMANY	100.00	100.00	100.00	100.00
Eurexpan BV		NETHERLANDS	100.00	100.00	100.00	100.00
Fleur de Lait East LLC		UNITED STATES	100.00	100.00	100.00	100.00
Fleur de Lait West LLC		UNITED STATES	100.00	100.00	100.00	100.00
Food Garden of Sweden		SWEDEN	100.00	100.00	100.00	100.00
Fromagers Associés Japon K.K.		JAPAN	51.00	51.00	51.00	51.00
Fromunion SA		BELGIUM	100.00	100.00	100.00	100.00
Gerard (Tianjin) Food co.ltd		CHINA	100.00	100.00	100.00	100.00
ICC Paslek ltd		POLAND	100.00	100.00	85.86	85.86
Kolb Lena INC		UNITED STATES	100.00	100.00	100.00	100.00
Mantequerias Arias SA		SPAIN	100.00	100.00	100.00	100.00
Mareco Sweetcreations B.V.		NETHERLANDS	100.00	100.00	100.00	100.00
Milkaut		ARGENTINA	99.98	99.98	99.98	99.98
Mleczarnia Turek Sp ZOO		POLAND	100.00	100.00	100.00	100.00
Mlekoprodukt		SERBIA	100.00	100.00	100.00	100.00

Proportionately consolidated entities	Siren N°	% voting rights		% economic interest	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Other countries					
Molkerei Gebr Rogge GmbH	GERMANY	92.49	92.49	92.49	92.49
Molkerei Gebr. Rogge Komplementär GmbH	GERMANY	100.00	100.00	92.49	92.49
Molkerei Sobbeke GmbH	GERMANY	80.00	80.00	80.00	80.00
Novomilk	SLOVAKIA	100.00	100.00	100.00	100.00
Palace Industries	UNITED STATES	70.00	70.00	70.00	70.00
Paturain Finance BV	NETHERLANDS	100.00	100.00	100.00	100.00
Petra SA	URUGUAY	100.00	100.00	100.00	100.00
Polenghi Industrias Alimenticias Ltda	BRAZIL	100.00	100.00	100.00	100.00
Real Fresh, Inc.	UNITED STATES	100.00	100.00	100.00	100.00
Santa Rosa Chile Alimentos Limitada	CHILE	100.00	100.00	100.00	100.00
SAVENCIA Cheese USA, LLC	UNITED STATES	100.00	100.00	100.00	100.00
SAVENCIA Fromage & Dairy Bénélux	BELGIUM	100.00	100.00	100.00	100.00
SAVENCIA Fromage & Dairy Czech Republic	REPUBLIC	100.00	100.00	100.00	100.00
SAVENCIA Fromage & Dairy Deutschland GmbH	GERMANY	100.00	100.00	100.00	100.00
SAVENCIA Fromage & Dairy Egypt SAE	EGYPT	100.00	100.00	100.00	100.00
SFD Europarticipations	NETHERLANDS	100.00	100.00	100.00	100.00
SAVENCIA Fromage & Dairy India Private Limited	INDIA	90.00	90.00	90.00	90.00
SAVENCIA Fromage & Dairy Italia S.p.A.	ITALY	100.00	100.00	100.00	100.00
SAVENCIA Fromage & Dairy Japon K.K.	JAPAN	100.00	100.00	100.00	100.00
SAVENCIA Fromage & Dairy Hong Kong Limited	HONG KONG	100.00	100.00	100.00	100.00
SAVENCIA F & D HU Zrt.	HUNGARY	100.00	100.00	100.00	100.00
SAVENCIA Fromage & Dairy Nederland B.V.	NETHERLANDS	100.00	100.00	100.00	100.00
SAVENCIA Fromage & Dairy Nordics Aps	DENMARK	100.00	100.00	100.00	100.00
SAVENCIA Fromage & Dairy Österreich	AUSTRIA	100.00	100.00	100.00	100.00
SAVENCIA Fromage and Dairy Philippines	PHILIPPINES	100.00	100.00	100.00	100.00
SAVENCIA Fromage and Dairy Singapore pte. Ltd.	SINGAPOR	100.00	0.00	100.00	0.00
SAVENCIA Fromage & Dairy SK	SLOVAKIA	100.00	100.00	100.00	100.00
SAVENCIA Fromage & Dairy Suisse	SWITZELAND	100.00	100.00	100.00	100.00
SAVENCIA Fromage & Dairy UK LTD	KINGDOM	100.00	100.00	100.00	100.00
SAVENCIA Fromage & Dairy Taiwan	PROVINCE	100.00	100.00	100.00	100.00
SAVENCIA Services Europe a.s.	REPUBLIC	100.00	100.00	100.00	100.00
SAVENCIA Training Egypt SAE	EGYPT	100.00	100.00	100.00	100.00
SAVENCIA Vallée des Fromages	RUSSIA	100.00	100.00	100.00	100.00
SB International	BELGIUM	100.00	100.00	100.00	100.00
S.B.M.S.	BELGIUM	99.98	99.98	99.98	99.98
Sinodis (Shanghai) Co., Ltd.	CHINA	100.00	100.00	100.00	100.00
Sinodis Limited	CHINA	100.00	100.00	100.00	100.00
Zausner Foods Corp.	UNITED STATES	100.00	100.00	100.00	100.00
Zvenigorodskiy	UKRAINE	100.00	100.00	100.00	100.00

Entities consolidated using the equity method	Country	% voting rights		% economic interest	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
France					
Poitou Chèvre SAS	FRANCE	0.00	48.96	0.00	24.97
Sanicoopa SARL	FRANCE	37.99	37.99	32.62	32.62
Sica Silam	FRANCE	40.16	40.16	39.82	39.82
Other countries					
Ferrari Giovanni Industria Casearia S.p.A.	ITALY	49.00	49.00	49.00	49.00
La Compagnie Fromagère SA	TUNISIA	50.00	50.00	50.00	50.00
Val d'Arve SA	SWITZERLAND	33.34	33.34	33.34	33.34

1.6. Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2022

____

This is a free translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Savencia SA Shareholders' Meeting,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Savencia SA for the year ended December 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from January 1, 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of the recoverable amount of goodwill and intangible assets with indefinite lives

Risk identified

As of December 31, 2022, the Group's net intangible assets mainly comprised trademarks with indefinite lives (€194 million) and goodwill (€303 million) allocated by cash-generating unit (CGU) or groups of CGU. Some of these assets may present an impairment risk relating to internal or external factors, whose changes may have an impact on the cash flow forecasts of the CGUs to which these assets are allocated, and therefore on the calculation of their recoverable amount.

The Group's management conducts impairment tests on these assets annually and when there is an indication of a loss in value. The impairment testing methods and the main assumptions used are presented in Note 9.1 "Intangible assets" to the consolidated financial statements. These tests gave rise to the recognition of goodwill and brand impairment in the amount of €41 million for the year.

The estimated recoverable amount of these non-financial assets and the outcome of these tests are sensitive to the assumptions used, particularly those involving significant judgment by management such as:

- primary market trends, changes in the cost of commodities, particularly the price of milk and the stock market price of butter and powder, and more generally the cash flows relating to the use of these assets;
- discount rates and long-term growth rates applied to the future cash flows;
- methods of allocating the tested assets to the CGUs or groups of CGU.

We considered the assessment of the recoverable amount of these assets, particularly those with a recoverable amount that is close to their carrying amount, to be a key audit matter due to their materiality in the consolidated balance sheet and the significant estimates and judgment required by management to determine the assumptions used in conducting the impairment tests.

How our audit addressed this risk

We obtained an understanding of the process adopted by the Group to conduct the impairment tests, and verified the consistency of the approach used by management to allocate the assets to the CGUs or groups of CGU with the management tracking set up within the Group.

We adapted our audit approach according to the materiality of the impairment risk which is higher for CGU assets with a recoverable amount close to their carrying amount.

Our procedures consisted in:

- assessing the components of the CGU recoverable amounts and their consistency with those taken into account in cash flow forecasts;
- assessing the reasonableness of the main assumptions used to determine future cash flow forecasts with regard to the economic and financial context of each CGU and the factors contributing to the price calculation of the main production cost components (milk, fat);
- analyzing the consistency of future cash flow forecasts with past results, budgets and business plans determined by Group management and our knowledge of the activities supported by interviews with the Group’s management control department;
- conducting, with the help of our valuation specialists, an independent analysis of certain key assumptions used by management in its tests, particularly those relating to the discount and perpetual growth rates used for the future cash flows, with reference to market data and analyses of comparable companies;
- testing, on a sampling basis, the mathematical accuracy of the Group’s calculations and reviewing the sensitivity analyses conducted by management in relation to our own sensitivity analyses;
- verifying that Note 9.1 “Intangible assets” to the consolidated financial statements provides appropriate disclosure on the main assumptions used and the analyses of the sensitivity of these assets’ recoverable amounts to a change in these assumptions.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the Board of Directors’ management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Other Legal and Regulatory Verifications or Information

Format of presentation of the consolidated financial statements included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of Chairman, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limits inherent to the macro-tagging of consolidated financial statements in accordance with the European single electronic format, it is possible that the content of certain tags in the notes to the consolidated financial statements are not presented in an identical manner to the accompanying consolidated financial statements.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Savencia SA by the Shareholders' Meeting of May 22, 1977 for KPMG SA and April 22, 2021 for Deloitte & Associés.

As of December 31, 2022, Deloitte & Associés and KPMG were respectively in the 2nd and 46th years of their total uninterrupted engagement, of which respectively 2 and 43 years since the company's shares were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of ethics for statutory auditors. Where appropriate, we discuss with the Audit and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 29， 2023
The Statutory Auditors

KPMG SA	Deloitte & Associés
Arnaud RINN	Emmanuel GADRET

2. Parent company financial statements 2022

2.1. Income statement

In thousands of euro	Notes	2022	2021
Operating net sales	2.1	33,202	43,533
Operating costs	2.1	-56,011	-68,258
Operating Income	2.1	**-22,809**	**-24,725**
Net financial income	2.2	37,684	28,188
Net ordinary income, pre-tax		**14,875**	**3,463**
Net extraordinary income	2.3	-990	1,138
Net income for the period, pre-tax		**13,885**	**4,601**
Income taxes	2.4	12,453	12,673
NET INCOME		**26,338**	**17,274**

2.2. Statement of cash flows

In thousands of euro	Notes	2022	2021
Gross operating income		-19,029	-29,422
Change in net working capital		-11,211	12,708
Other receipts and disbursements for operations		54,366	48,443
Net cash flow from operating activities [A]		**24,126**	**31,729**
Intangible and corporal investments		-4,182	-1,489
Financial investments		-14	-50
Other cash receipts and disbursements		23,689	135,082
Cash flow from investing activities [B]		**19,493**	**133,543**
Share capital			
Dividends paid		-20,499	-20,560
Cash from new borrowings		30,000	
Borrowings repaid		-7,325	-7,347
Cash flow from financing activities [C]		**2,176**	**-27,907**
CHANGE IN CASH [A + B + C]		**45,795**	**137,365**
Net cash and cash equivalents at beginning of period		-498,963	-636,328
Net cash and cash equivalents at end of period	3.9	-453,168	-498,963
CHANGE IN CASH		**45,795**	**137,365**

2.3. Balance sheet - Assets

In thousands of euro	Notes	Gross amounts	Depreciation, amortization and provisions	2022 Net amounts	2021 Net amounts
Intangible assets	**3.1**	**58,209**	**-36,392**	**21,817**	**23,215**
Concessions, patents and similar rights		54,446	-36,392	18,054	20,462
Goodwill		1,548		1,548	1,548
Other intangible assets		2,215		2,215	1,205
Property, plant and equipment	**3.2**	**3,183**		**3,183**	**273**
Land					
Buildings					
Structuress					
Other tangible fixed assets		273		273	273
Assets under construction		2,910		2,910	
Non-current financial assets	**3.3**	**1,546,730**	**-1,541**	**1,545,189**	**1,569,310**
Investments in subsidiaries		1,289,075	-1,540	1,287,535	1,287,947
Loans to subsidiaries	3.8	256,603		256,603	280,291
Other long-term securities		675	-1	674	809
Loans				0	
Other non-current financial assets		377		377	263
Fixed assets		**1,608,122**	**-37,933**	**1,570,189**	**1,592,798**
Current assets	**3.8**	**180,083**	**-1,564**	**178,519**	**156,098**
Trade and other receivables	3.4	51,020	-200	50,820	50,535
Marketable securities	3.5	92,470	-1,364	91,106	85,242
Cash and cash equivalents		36,593		36,593	20,321
Adjustment accounts - Debits	**3.10**	**1,022**		**1,022**	**24**
TOTAL ASSETS		**1,789,227**	**-39,497**	**1,749,730**	**1,748,920**

2.4. Balance sheet – Liabilities and Equity

In thousands of euro	Notes	2022 Before apportionment	2021 Before apportionment
Shareholders' Equity	**3.6**	**809,646**	**804,288**
Share capital		14,033	14,033
Premium		73,231	73,231
Revaluation gain		378	378
Legal reserves		1,613	1,613
Regulated reserves			
Other reserves		326,922	326,922
Retained earnings		357,270	360,495
Net income for the period		26,338	17,274
Grants related to assets			
Regulated provisions		9,861	10,342
Provisions for risks and future costs	**3.7**	**6,848**	**5,849**
Liabilities	**3.8**	**933,168**	**938,400**
Other bond loan		268,998	276,331
Borrowings from credit institutions and miscellaneous financial liabilities		646,143	636,153
Trade payables and related accounts		7,116	20,431
Tax and social liabilities		1,140	857
Payable on non-current assets and related accounts		970	16
Other liabilities		8,801	4,612
Adjustment accounts - Credits		**68**	**383**
TOTAL EQUITY AND LIABILITIES		**1,749,730**	**1,748,920**

2.5. Notes

Key events of the period

None.

NOTE 1. ACCOUNTING PRINCIPLES

The condensed financial statements have been prepared in accordance with the accounting principles, standards and methods set out in ANC Regulation 2014-03 as amended by ANC Regulations 2015-06, 2016-07, 2018-01 and 2013-02 as amended on November 5, 2021.

The basic method used to value the items recorded in the accounts is the historical cost method.

The accounting rules and methods are described below by heading.

Unless otherwise stated, amounts are expressed in thousands of euros.

1.1. Intangible assets

Intangible assets include purchased goodwill, trademarks, milk routes, licenses, patents and leasehold rights measured at their cost of acquisition.

Set-up costs, research and development costs and the expenses associated with the registration or renewal of trademarks and patents have been expensed as incurred since 2005, which is the preferred method of the ANC.

Computer software acquired or developed is amortized over 1 to 3 years in the case of office applications and 7 years in the case of industrial applications. Besides these schedules, accelerated amortization for tax purposes is taken and is reflected in extraordinary income and expense.

The principle depreciation and amortization periods are given in the following table:

The costs associated with acquiring and exploiting software licenses are capitalized. The costs of running software and keeping it running are recognized as expenses as they are incurred. Development costs rendering software acquired, or products controlled, by the Group unique are capitalized if they are expected to generate future economic benefits, in which case the expenditure is amortized over the expected useful life of the software.

The net carrying amount of other intangible assets is compared each year with their value in use, which is equal to the present value of projected future cash inflows. If the value in use is lower than the net carrying amount, the difference becomes an impairment.

1.2. Property, plant and equipment

Property, plant and equipment are measured at their cost of acquisition (the purchase price and any incidental expenses excluding interest expense) or at their cost of production.

Depreciation is charged on a straight-line basis only, by category of asset and depending on asset's useful life.

The main depreciation periods are presented in the following table:

	Period
Site preparation	10 to 20 years old
Buildings	10 to 33 years old
Building improvements	10 to 30 years old
Plant, machinery and equipment	5 to 15 years old
Office equipment, hardware and furniture	3 to 15 years old
Other fixed assets	3 to 20 years old

Besides these schedules, accelerated depreciation for tax purposes is taken and is reflected in extraordinary income and expense.

The depreciation basis of assets that are quoted on a market is reduced by the estimated residual value of the assets at the date of acquisition.

Replaceable components with useful lives differing from those of the main asset are depreciated on the basis of their specific useful lives, using the components method.

Spare parts with a useful life of more than 1 one year and a unit value of more than €500 are recognized as industrial equipment and tooling. They are depreciated over a period of 5 five years from the date of acquisition.

If a depreciable asset suffers effective and definitive impairment due to exceptional circumstances, an extraordinary depreciation expense is recognized over and above the standard one.

Any excess of carrying amount over value in use is put into an accounting provision.

Given the nature of our property, plant & equipment, no provision is made for major repairs.

1.3. Non-current financial assets

Non-current financial assets are measured at their historical cost. Securities denominated in foreign currencies are translated into euros at the exchange rates prevailing on the transaction dates.

Investments in subsidiaries are measured at their cost of acquisition excluding incidental expenses.

At year end, if the carrying amount is lower than the gross value, an impairment is recognized. In addition to the portion of the subsidiary's equity that the equity securities represent, their carrying amount also takes into account the economic and financial potential of the subsidiary in question, using discounted future cash flows or an external valuation when available.

1.4. Short-Term Investments

All short-term investments are valued at the purchase price. An impairment is measured as needed whenever the value, i.e., the closing price on the last day of the period, is lower than the purchase price. In the case of treasury shares, the purchase price is compared to the average share price over the last month of the period.

Unrealized capital gains that have not been recognized are not netted against unrealized capital losses; rather, the latter are recorded as a provision.

Bond income is recognized according to the portion of the coupons that has accrued during the period.

1.5. Foreign currency transactions

Income and expenses in foreign currencies are recorded at their exchange value on the transaction date.

Liabilities, receivables and cash in foreign currencies are shown on the balance sheet at their exchange value at the rate on the closing date. The differences resulting from the discounting of debts and receivables in foreign currencies at the latter rate are recorded in the balance sheet under “Translation adjustments.” Any unrealized foreign exchange losses (translation losses) that are not netted out are recorded as a provision.

Foreign exchange gains and losses on hedged invoices and hedging instruments, as well as the cost of hedges (term points or premiums) are reclassified to operating income.

Non-maturing instruments hedging transactions during the year are recognized in the balance sheet so as to ensure symmetrical treatment with the receivables or liabilities hedged.

1.6. Management of financial risks and financial instruments

The Company’s operations expose it to market risks, mainly currency risk and/or interest rate risk. It manages those risks so as to minimize their potentially unfavorable impact on the Company’s financial performance. Derivative financial instruments are used to hedge certain exposures.

Risk is managed in accordance with policies approved by the Company’s Board of Directors. Financial risks are identified, measured and hedged. For each category of transactions, a written procedure specifies the instruments which may be used, the maximum amounts authorized, the counterparties possible and the accounting controls to be applied.

Derivative financial instruments are used by the Company to hedge the foreign exchange and interest rate exposures that it incurs as part of its business.

The principal derivatives utilized are currency futures or options, currency swaps and interest rate swaps.

The gains and losses on these hedges are recognized symmetrically with the gains and losses recognized on the hedged items. If positions do not qualify as hedge accounting, they are measured at their market value and the resulting gains or losses are recognized in income.

1.7. Investment subsidies

Investment subsidies (including CEE - Energy Savings Certificates) are recognized in the income statement at the same rate as the depreciation charge for the assets concerned.

1.8. Regulated provisions

The application of tax incentives makes it possible to calculate tax-deductible depreciation and amortization in a different way (using value-in-use and accelerated rates) from that used for accounting purposes (using useful life and straight-line rates). However, tax regulations require that the difference between these two methods be recorded on this line.

1.9. Pension payments

The lump-sum retirement benefits provided for by the Company's collective bargaining agreement are partly funded by insurance. The calculation of the applicable benefits is performed by an independent appraiser, based on the employees present, and is updated annually.

1.10. Income taxes and determination of taxable income

Income Taxes are those payable for the financial year. Deferred taxes are not recognized. A tax consolidation agreement has been set up with the Group's French companies that are 95% or more owned, directly or indirectly. The arrangement enables offsetting the taxable profits and tax-deductible losses of the entities such that SAVENCIA S.A. is required to pay only the net due.

NOTE 2. NOTES TO THE INCOME STATEMENT

2.1. Operating income

In thousands of euro	2022	2021
Operating net sales	**33,202**	**43,533**
Operating net sales essentially comprises royalties billed to subsidiaries		
Royalties	31,319	31,009
Other income	583	524
Provisions reversal (**)	1,300	
Operating costs	**-56,011**	**-68,258**
Other purchases and external expenses (*) (**)	-48,111	-58,866
Taxes (excluding taxes on income)	-1,170	-968
Wages and salaries	-660	-303
Gross remuneration	-346	-230
Joint operations		
Other costs	-644	-588
Depreciation, amortization and provisions	-5,080	-7,303
NET OPERATING INCOME	**-22,809**	**-24,725**

*(*) *Including €962 thousands for the statutory audit of the financial statements by the statutory auditors for the year 2022. In 2021, this figure was €901 thousands, Consulting and/or service fees totaled €36 thousands. They were €47 thousands in 2021.*
(**) Other external expenses (net of provision reversals) were stable from 2021 to 2022, at €47 million.

2.2. Net financial income

In thousands of euro	2022	2021
Income from subsidiaries and other securities	**47,914**	**32,779**
Dividends received	48,410	32,241
Impairment (net)	-496	538
Net financial expenses	**-10,046**	**-4,560**
Financial Income	6,834	6,263
Financial expenses (*)	-16,880	-10,823
Foreign exchange and other	**-184**	**-31**
FINANCIAL NET INCOME	**37,684**	**28,188**

(*) Financial expenses rose significantly, due to a constant increase in the issue rates of the commercial paper issued by SAVENCIA SA.

2.3. Net extraordinary items

In thousands of euro	2022	2021
Extraordinary expenses (*)	-706	-842
Extraordinary income (*)	74	207
Net capital gains or losses on non-current assets	-167	
Additions to and reversals of accelerated amortization	481	1,279
Additions to and reversals of provisions for risks (**)	-672	494
EXTRAORDINARY NET INCOME	**-990**	**1,138**

(*) The net amount of extraordinary income and expenses for 2022 was (632) thousands of euro and largely reflects donations made.
(**) This consists mainly of an addition (charge) for intangible assets of 375 thousands of euro and a net charge of 309 thousands of euro for the tax contingencies of the tax consolidation group.

2.4. Income taxes

In thousands of euro	2022	2021
Tax credits specific to SAVENCIA SA	691	549
Tax consolidation net credits (*)	11,932	11,947
Net tax charge for prior years	-170	177
TOTAL	**12,453**	**12,673**

(*) Because of the lost in 2022 of the tax consolidation, no tax expense was recognized.

Latent taxes

Deferred taxes due to tax adjustments, such as accelerated depreciation and timing differences, represent future tax income, at a tax rate of 25%, of €1,986 thousands, as compared with a future tax expense of €1,505 thousands in 2021 : .

In thousands of euro	2022	2021
Increase	**-3,437**	**-2,585**
On accelerated amortization	-3,437	-2,585
On other tax restatements		
Decreases	**5,423**	**1,080**
On non deductible provisions	1,277	
On other non-deductible expenses	417	1,080
On loss carry forward	3,729	
FUTURE NET TAX	**1,986**	**-1,505**

NOTE 3. NOTES TO THE BALANCE SHEET

3.1. Intangible assets

In thousands of euro Headings	Change in intangible assets Value at 12/31/2021	Increases	Account Transfer	Decreases	Value at 12/31/2022
Gross values	**56,152**	**2,226**	**-**	**-169**	**58,209**
Concessions, patents and similar rights	53,399	4	1,212	-169	54,446
Goodwill	1,548				1,548
Other intangible assets (*)	1,205	2,222	-1,212		2,215
Depreciation and amortization	**-32,937**	**-3,455**	**-**	**-**	**-36,392**
Concessions, patents and similar rights	-32,937	-3,455			-36,392
Goodwill					-
Other intangible assets					-
NET INTANGIBLE ASSETS	**23,215**	**-1,229**	**-**	**-169**	**21,817**

(*) At closing, other intangible assets represent the cost of software under development.

3.2. Property, plant and equipment

In thousands of euro Headings	Change in property, plant and equipment Value at 12/31/2021	Increases	Account Transfer	Decreases	Valeurs au Value at 12/31/2022
Gross values	**273**	**2,910**	**-**	**-**	**3,183**
Land					-
Buildings					-
Machinery, equipment and tools					-
Other tangible fixed assets	273				273
Assets under construction (*)		2,910			2,910
Depreciation and amortization		**-**	**-**	**-**	**-**
Land					-
Buildings					-
Machinery, equipment and tools					-
Other tangible fixed assets					-
NET PROPERTY, PLANT AND EQUIPMENT	**273**	**2,910**	**-**	**-**	**3,183**

(*) Assets under construction at the closing date represents the cost of industrial equipment carried by SAVENCIA SA until it is put in use in the Group's subsidiaries.

3.3. Non-current financial assets

In thousands of euro Headings	Change in non-current financial assets Value at 12/31/2021	Increases	Decreases	Value at 12/31/2022
Gross values	**1,570,401**	**1,801**	**-25,472**	**1,546,730**
Investments in subsidiaries	1,288,991	84		1,289,075
Loans to subsidiaries (*)	280,291	1,603	-25,291	256,603
Other long-term securities (**)	856		-181	675
Loans	0			-
Other non-current financial assets	263	114		377
Impairment	**-1,091**	**-496**	**46**	**-1,541**
Investments in subsidiaries	-1,044	-496		-1,540
Loans to subsidiaries	0			-
Other long-term securities	-47		46	-1
Loans	0			-
Other non-current financial assets	0			-
NET NON-CURRENT FINANCIAL ASSETS	**1,569,310**	**1,305**	**-25,426**	**1,545,189**

(*) Receivables related to subsidiaries refer to loans with a term of 5 five years, of which €25 million has been repaid early
(**) Including 9,673 treasury shares held at December 31, 2022 under a liquidity contract. At the end of the previous financial year, 11,035 shares were held.

3.4. Other receivables

In thousands of euro	At December 31, 2022	at December 31, 2021
Financial current accounts	34,227	30,562
Trade, taxes and other receivables	16,593	19,973
NET OTHER RECEIVABLES	**50,820**	**50,535**

3.5. Marketable securities

In thousands of euro	At December 31, 2022	At December 31, 2021
The Company's portfolio of marketable securities comprises French securities as follows:		
Gross values	**92,470**	**85,557**
Shares in UCITS (SICAV)		1,500
Mutual Fund (FCP)		
Treasury notes, term deposits etc.	60,000	65,000
Treasury shares (*)	32,470	19,057
Impairment (**)	**-1,364**	**-315**
Shares in UCITS (SICAV)		-315
Mutual Fund (FCP)		
Treasury notes, term deposits etc.		
Treasury shares	-1,364	
NET SHORT-TERM INVESTMENTS	**91,106**	**85,242**

(*) At December 31, 2022 SAVENCIA SA held 551,139 shares of treasury stock classified as short term investments, with an acquisition value of €32,470 thousands. The average market price of SAVENCIA SA shares for the month of December was €56.44.
The overall percentage of self-owned capital was 4.00%, including 9,673 shares held under the liquidity contract. At the end of the previous financial year, SAVENCIA SA held 328,095 treasury shares. The overall percentage of self-owned capital was 2.42%, including 11,035 shares held under the liquidity contract.
(**) At the end of the year, a provision is recognized for any excess of cost over market value.

3.6. Equity

The Company's share capital of €14,032,930 is divided into 14,032,930 shares of €1.00 each, of which 9,327,176 shares carry double voting rights. At December 31, 2021, the Company's major known shareholder was SAVENCIA HOLDING SCA, which directly held 66.64% of the share capital and 80.47% of the voting rights. In addition, at February 14, 2023 the only shareholder holding more than 5% of the share capital was Silchester/Northern Trust, which held 5.11% of the share capital and 3.02% the voting rights.

STATEMENT OF CHANGES IN EQUITY

In thousands of euro	Share capital	Other paid-in capital	Revaluation reserve	Legal reserve	Regulated reserves	Other reserves	Retained earnings	Regulated provisions	Net income for the period	Total
Position at January 1, 2022 (before appropriation of earnings)	**14,033**	**73,231**	**378**	**1,613**		**326,922**	**360,495**	**10,342**	**17,274**	**804,288**
Reduction in share capital										-
Tax-driven provisions										-
Provision reversals								-2,314		-2,314
Additions for the year								1,833		1,833
Dividend payment							-21,049			-21,049
Other deductions										-
Allocation to reserves										-
Undistributed dividends (on treasury shares)							550			550
Transfert to retained earnings							17,274		-17,274	-
2022 Net income for									26,338	26,338
Position at December 31, 2022 (before appropriation of earnings)	**14,033**	**73,231**	**378**	**1,613**		**326,922**	**357,270**	**9,861**	**26,338**	**809,646**

3.7. Provisions

	Change in provisions				
	Amount at 12/31/2021	Addition	Reversal used	Reversal not used	Amount at 12/31/2022
In thousands of euro	5,849	2,463	1,464		6,848

Provisions at December 31, 2022 were affected principally by commitments made to Group employees and by disputes, particularly regarding taxes.

3.8. Payables and receivables by maturity

	Maturities			
In thousands of euro	Total amount	< 1 year	1-5 years	> 5 years
Payables				
Financial debt				
Other bond issues	268,998	7,333	65,665	196,000
Borrowings from credit institutions and miscellaneous financial	646,143	646,143		
Payable and miscellaneous liabilities	18,027	18,027		
TOTAL	**933,168**	**671,503**	**65,665**	**196,000**

Miscellaneous financial liabilities of less than one year consist of commercial paper or short-term paper drawn on banks. These means of financing are either renewed short-term et repaid through medium-term lines of credit available to SAVENCIA SA. Borrowings and interest-bearing liabilities are denominated in euros or, if not, in US dollars entirely hedged against currency risk.

	Maturities		
In thousands of euro	Total amount	< 1 year	> 1 year
Receivables			
Loans to subsidiaries	256,603	201,603	55,000
Operating, financial and miscellaneous receivables	50,820	50,820	
Cash, cash equivalents and marketable securities	127,699	127,699	
TOTAL NET OF PROVISIONS	**435,122**	**380,122**	**55,000**

3.9. Cash

Cash and cash equivalents per the cash flow statement may be reconciled as follows with the balance sheets presented:

In thousands of euro	At December 31, 2022	At December 31, 2021
Cash, cash equivalents and marketable securities	127,699	105,563
Financial current accounts - assets (*)	34,227	30,587
Bank borrowings and treasury notes	-615,094	-635,113
Financial current accounts - liabilities (*)		
NET CASH AT CLOSING	**-453,168**	**-498,963**

(*) The net balance of current accounts changes according to the cash deficit or cash surplus of the counterparties.

3.10. Adjustment and similar accounts

In thousands of euro	At December 31, 2022	At December 31, 2021
Prepaid expenses	**1,022**	**24**
Prepaid expenses consist of bank interest and commissions		
Deferred revenue	**68**	**383**
Defereed income consists of bank interest.		
Accrued revenue		
Loans, investments and hedging instruments	2,393	673
Receivable from other operating expenses		42
TOTAL ACCRUED REVENUE	**2,393**	**715**
Expenses payable		
Borrowings, miscellaneous financial liabilities and hedging instruments	1,628	1,600
Suppliers payables	2,454	5,839
Tax and social liabilities	869	693
TOTAL ACCRUED EXPENSES	**4,951**	**8,132**

3.11. Guarantees and financial commitments given and received

In thousands of euro	At December 31, 2022	At December 31, 2021
Commitments received		
Bank guarantees		
Commitments given		
Lump-sum pension benefits (*)	129	143
Credit facilities allocated to subsidiaries	98,890	97,770

(*) Pension commitments are outsourced to Eparinter. The fair value of the assets paid in this respect was €83 thousands. The future liability discounted at 3.70% comes to €129 thousands.

Expenses that may result from pending litigation relating to current operations are recognized if they are deemed probable.

3.12. Financial instruments

The nominal value of existing swaps at December 31, 2022 was €269 million, as compared to €176 million in 2021, and constitute hedging instruments. These were subscribed with a related.

3.13. Personnel

Payroll for 2022 was €660 thousands versus 303 thousands in 2021. The workforce at December 31, 2022 included two people, just as in 2021.

Compensation paid to members of the board amounted to €644 thousands, as compared with €588 thousands in 2021.

3.14. Related companies

Transactions with related parties are carried out on an arm's-length basis.

3.15. Post-closing events

No event occurred after the balance sheet date that might discredit the financial statements presented herein.

3.16. Subsidiaries and equity investments

(In thousands of euro unless stated otherwise)

Legal form	Activity	Company or group of companies	Share capital	Reserves
A. Detailed disclosures about investments with carrying amounts exceeding 1% of the share capital of the reporting Company				
1. Subsidiaries (at least 50% of their share capital held by the Company)				
France				
SAS	Study and research	SOREDAB – La Boissière École (78)	75	7,620
SAS	Service provider	SOGASI – Viroflay (78)	25,910	2,878
SAS	Holding	SAVENCIA Fromage & Dairy EUROPE – Viroflay (78)	294,760	316,698
SA	Holding	ALLIANCE LAITIERE EUROPEENNE – Paris (75)	231,900	164,688
SAS	Holding	SAVENCIA Fromage & Dairy INTERNATIONAL –Viroflay (78)	122,513	27,110
SAS	Holding	Cie DES MAITRES FROMAGERS – Viroflay (78)	75	-2
SAS	Services	SOGEPS – Condé sur Vire (50)	4,287	350
Other countries				
SARL	Holding	EUREXPAN BV – Breda (Pays-Bas)	11,469	320,502
AS	Services	SAVENCIA SERVICES EUROPE (Czech Republic)	20,000 thousand CZK	11,774 thousand CZK
2. Equity interests (10% to 50% of share capital held by the Company)				
B. Summary information about other subsidiaries and subsidiary interests not				
mentioned in paragraph A				
French entities (in aggregate)				
Foreign entities (in aggregate)				

	Carrying amount of shares held						
Shareholding %	**Gross**	**Net**	**Loans and advances granted by Savencia SA**	**Guarantees and endorsements made by SAVENCIA SA**	**Net sales excl. VAT of the last financial year**	**Net income of the last financial year**	**Gross dividends received by Company during the financial yea**
98	74	74			13,670	3,564	3,705
100	27,980	27,980			12,250	2,845	5,873
100	429,363	429,363	17,828			43,503	29,476
100	255,180	255,180	11,648			1,738	
100	313,033	313,033	4,519			35,592	
100	176	72				-3	
100	4,287	4,287			24,201	468	351
100	256,055	256,055				5,712	9,000
100	783	783			153,834 thousand CZK	7,201 thousand CZK	
	133	32	232				5
	2,011	676					

2.6. Statutory auditors' report on the financial statements

For the year ended December 31, 2022

This is a free translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Company presented in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Savencia SA Shareholders' Meeting,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Savencia SA for the year ended December 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for Opinion

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from January 1, 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

MEASUREMENT OF EQUITY INVESTMENTS

Risk description

Equity investments and related receivables were recorded in the balance sheet for a net amount of €1,288 million, representing 74% of total assets.

As stated in Note 1.3 "Non-current financial assets" to the financial statements, a provision for impairment of equity investments is recognized if, at the year-end, their gross amount exceeds their fair value. In addition to the share of the subsidiary's equity represented by the equity investments, their fair value also takes into account the economic and financial potential of the subsidiary based on discounted future cash flows or an external valuation if available.

The estimated value of the investments requires management judgment when choosing the items to be considered (historical or forecast data) and with regard to the assumptions used to determine the future cash flow forecasts, the rate used to discount the cash flows and the perpetual growth rate used for the terminal value.

The competition and economic environment faced by certain subsidiaries may result in the decline in their activity and operating income.

In this context, and given the inherent uncertainties surrounding certain items and particularly the probable realization of forecasts, we considered the correct measurement of equity investments and related receivables to be a key audit matter.

How our audit addressed this risk

To address the risk relating to the measurement of equity investments and related receivables, we reviewed the procedures implemented by Savencia to determine the value in use of these assets.

For measurements based on historical data, we verified that the equity values used were consistent with the financial statements of the entities concerned and greater than the carrying amount of the investments, and if not, that an alternative valuation was adopted or an impairment loss was recognized.

For measurements based on forecast data, we performed a critical review of the methods used by your Company to conduct the impairment test, mainly by:

- assessing the consistency of cash flow forecasts with the budget forecasts and long-term plans presented by Management to the Board of Directors and with our knowledge of the Group and its business sector;
- reviewing the reliability of the process used to determine the forecasts with regard to differences between past results and the corresponding budgets;
- verifying, with the help of our valuation department, the reasonableness of the rate used to discount the future cash flows and the terminal flow with regard to the economic context and the practices of the main participants in the Group's market.

In addition to assessing the fair values of the equity investments, our work also consisted in evaluating the recoverability of related receivables with respect to the equity investment analyses. Finally, we reviewed the disclosures in Notes 1.3 "Non-current financial assets", 3.3 "Non-current financial assets" and 3.16 "Subsidiaries and affiliates" to the financial statements.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS ADDRESSED TO SHAREHOLDERS WITH RESPECT TO THE FINANCIAL POSITION AND THE FINANCIAL STATEMENTS

We have no comments to make on the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents addressed to shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code.

REPORT ON CORPORATE GOVERNANCE

We attest that the Board of Directors' report on corporate governance contains the information required by Articles L.225-37-4, L. 22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code relating to remunerations and benefits received by or awarded to corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

FORMAT OF PRESENTATION OF THE FINANCIAL STATEMENTS INCLUDED IN THE ANNUAL FINANCIAL REPORT

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as Statutory Auditors of Savencia SA by the Shareholders' Meeting of April 22, 2021 for Deloitte & Associés and May 22, 1977 for KPMG SA.

As of December 31, 2022, Deloitte & Associés and KPMG were respectively in the 2nd and 46th years of their total uninterrupted engagement, of which respectively 2 and 43 years since the company's shares were admitted to trading on a regulated market.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report

to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of ethics for statutory auditors. Where appropriate, we discuss with the Audit and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 29, 2023

The Statutory Auditors

KPMG SA	**Deloitte & Associés**
Arnaud RINN	Emmanuel GADRET

4

CORPORATE GOVERNANCE

1. Report on corporate governance

This report, which covers financial year 2022, was prepared in accordance with the French Commercial Code and approved by the Board of Directors on March 9, 2023.

1.1. Information on the composition, operation and powers of the Board of Directors

1.1.1. Members of the Board of Directors and how they prepare and organize their work

1.1.1.1. Duties and powers of the Board

The Board of Directors determines the strategic outlines of the Company's businesses and oversees their implementation. Subject to the powers expressly granted to Shareholders' Meetings and within the limits of the corporate purpose, the Board deals with any matter involving the Company's successful operation and through its deliberations settles any issues that arise.

The Board performs audits and investigations that it deems worthwhile. Each year, it reviews the main points of the management report and other reports presented to shareholders, as well as the resolutions presented to the Shareholders' Meeting.

The Board of Directors is vested with specific powers by Law, its articles of association and its own rules of procedure.

In carrying out its duties, the Board has the following powers, which are not exhaustive.

- It sets the Company's objectives and defines its strategic orientations, in accordance with the Group's culture and values.
- It appoints the corporate officers responsible for managing the Company within the framework of the chosen strategy.
- It chooses the organizational structure i.e., the separation or combination of the positions of Chairman and Chief Executive Officer.
- It approves the parent company financial statements and prepares the annual consolidated financial statements; it monitors management and verifies the reliability and clarity of the information provided to shareholders and the markets through the financial statements or on the occasion of major transactions.
- It regularly analyzes, in connection with the strategy, the opportunities and risks in the Company's business area and the measures taken as a result.
- It ensures that the Company's financial performance is based on a long-term perspective, taking into account the sustainable development of the Group, both environmentally and socially.
- It enforces a policy of non-discrimination and diversity within the company, and seeks a balanced representation of women and men on the Executive Committee.
- It ensures that a system for the prevention and detection of corruption and influence peddling is in place and receives all the information necessary for this purpose.

It is also the responsibility of the Board of Directors, by taking the medium- and long-term view that characterizes family businesses, to guarantee the long-term independence of the Group. The Board works with the Chairman to carry out its mission in this regard.

1.1.1.2. Members of the board of directors

At December 31, 2022, the Board of Directors was composed of fifteen members:

- Mr Alex BONGRAIN;
- Mr Armand BONGRAIN;
- Mrs Anne-Marie CAMBOURIEU
- Mrs Clare CHATFIELD;
- Mr Philippe Gorce, director representing employee shareholders
- Mr Xavier GOVARE;
- Mrs Maliqua HAIMEUR
- Mrs Martine LIAUTAUD;
- Mrs Annette MESSEMER;
- Mr Christian MOUILLON;
- Mr Ignacio OSBORNE;
- Mr Vincenzo PICONE;
- Mr Robert ROEDER;
- Mrs Sophie de ROUX;
- Mr François WOLFOVSKI;
- SAVENCIA Holding, represented by Mr Xavier CRUSE.

Pascal Breton acts as a non-voting observer.

Mr. Gorce was appointed as a Board Director representing employee shareholders by the Shareholders' Meeting of April 21, 2022. Mr. Breton was re-appointed a non-voting observer by the Shareholders' Meeting of April 21, 2022.

The Board Directors represent all shareholders and act in the best interests of the Company at all times. They must master the strategic challenges of the markets in which the Company operates.

The Board of Directors regularly reviews its membership and that of its Committees with regard to the Company's shareholding structure and the representation of diversity within it.

The term of office of Board Directors was set at one year when the Company was listed on the stock market and has not changed since then. The terms ensure a turnover in membership of the Board of Directors to meet the Company's needs in terms of useful expertise and skills.

The Board of Directors pays particular attention to the selection of its members. As part of its ongoing mission, the Management and Compensation Committee (MCC) regularly reviews the membership of the Board, particularly with regard to the representation of diversity (by gender, age, skills, experience, independence, etc.) and looking ahead to its change over time.

Once the need to invite a new Director onto the Board has been felt, the Management and Compensation Committee defines the profile of the candidates. Direct appointment by the Board is preferred, but the use of an executive search firm is not ruled out. Candidates are assessed to ensure their ability to contribute to the Group's strategic challenges and integrate themselves into its culture and values. The Management and Compensation Committee presents its recommendations to the Board of Directors.

The Board of Directors strives to ensure the best possible balance in its composition and that of its Committees, which reflect a variety and complementarity of genders, national and international expertise, experience and cultures, in order to enable it to carry out its duties fully in light of the diversity of the Group's activities.

Accordingly, the Board of Directors has six women among its members: Anne-Marie Cambourieu, Clare Chatfield, Maliqua Haimeur, Martine Liautaud, Annette Messemer and Sophie de Roux, or 40% of its membership.

The Board of Directors also ensures that at least one-third of its directors are independent, in accordance with recommendations on corporate governance.

A Board Director is independent when he or she has no relationship of any kind whatsoever with the Company, its Group or its Management that could compromise the exercise of his or her freedom of judgment. Thus, an Independent Director is any non-executive corporate officer of the Company or its Group or its Management, who has no particular interest (major shareholder, employee or other) with them.

The definition of Independent Director is discussed by the Management and Compensation Committee and decided upon by the Board at the time of the appointment of a Director and annually for all Directors.

With regard to the criteria set out in article 10.5 of the AFEP-MEDEF Code, the Board of Directors found that nine directors qualified as independent as of December 31, 2022: Anne-Marie Cambourieu, Clare Chatfield, Maliqua Haimeur, Martine Liautaud, Annette Messemer, Xavier Govare, Christian Mouillon, Vincenzo Picone and Robert Roeder.

SAVENCIA SA's bylaws contain provisions designed to ensure that Board Directors have no conflicts of interest with the Company. In particular, they must declare all their offices and positions held, both in France and abroad, and refrain from holding or exercising any offices, positions or duties for the benefit of any competitor of the Group or likely to result in a conflict of interest. In addition, each member of the Board is required to prepare, at the time of his or her appointment or re-appointment by the shareholders' Meeting, a sworn statement relating to the existence, potential existence or absence of a situation of conflict of interest. In addition, when a decision on which the Board of Directors is called to deliberate is likely to place the Director in a conflict of interest, this Director must immediately so inform the Chairman and, in consultation with him, abstain from taking part in the corresponding vote, or even leave the meeting during the deliberation and the voting on this decision.

1.1.1.3. Meetings and workings of the Board of Directors

The Board sets the schedule of its meetings, which are held bimonthly unless a meeting is deemed urgent or necessary in terms of the Company's interests.

The documents to be reviewed in order for the Directors to make a decision are attached to the notice of meeting or sent in the following days and ideally no less than five days prior to the Board meeting.

The Board of Directors regularly assesses its ability to meet the expectations of the shareholders who have entrusted it with the management of the Company, by reviewing its composition, organization and operation, which also involves reviewing its Committees.

This assessment is an opportunity to take stock of the operating methods of the Board of Directors, to check that important matters are suitably prepared and discussed and to assess the effective contribution of each Director to the work of the Board.

The Board is assessed in the following manner:

- Once a year, the Board of Directors discusses its operation.
- A formal assessment is carried out at least every three years, the Board of Directors having the option, if it so chooses, to be assisted by an external consultant.

Minutes of Board meetings are prepared after each meeting and sent to all Board members, who are invited to comment. Any observations are discussed at the next Board meeting. The final draft of the preceding meeting is then submitted to the Board for approval.

The Board of Directors has approved a procedure to regularly assess whether agreements relating to ordinary transactions and concluded under normal conditions meet these conditions. This procedure encompasses several steps aimed at identifying the agreements falling within its scope and ensuring their proper classification. It specifies that directly or indirectly interested persons do not take part in the assessment and may not, where applicable, take part in the deliberations or in the voting on their authorization.

During 2022, the Board of Directors met six times.

The Board of Directors devoted most of its work to corporate governance, monitoring business activities, review of the annual and interim financial statements and regulatory information, as well as the strategy and its implementation, external development operations and the preparation of the Shareholders Meeting. It also focused on monitoring the effects of the Russia-Ukraine war and the measures taken in regard to it.

The Board of Directors heard the report on the evaluation work carried out by an external consultant in conjunction with the Management and Remuneration Committee.

In terms of regulatory information, the Board of Directors reviewed the half-yearly and annual information and sales figures for the first and third quarters of 2022. Meetings concerning the annual or interim financial statements are systematically preceded by a meeting of the Audit and Risk Committee. The Board of Directors discussed and approved the consistency of each of the press releases relating to these subjects before their distribution.

At each meeting of the Board of Directors, time is provided for discussion in the absence of the Chief Executive Officer and an update is presented on the Group's operations and financial performance.

An annual update is also made on financing put in place or renewed during the financial year.

In terms of governance, the Board of Directors determined the independence of its members by applying the criteria in the AFEP-MEDEF Code. The Board of Directors named a new Chief Executive Officer.

Directors receive compensation, the amount of which is set annually by the Shareholders Meeting and distributed by the Board of Directors. A set fee is provided for each Board of Directors meeting attended by the Director, in addition to fees for their participation on the various Committees of the Board of Directors and, where applicable, when they carry out work or services between Board meetings.

In addition to the Board of Directors' aforementioned rules of procedure set out in the Company's articles of association, the Board has adopted Internal Regulations that define the rights and duties of the Directors and specify the operating procedures of the Board of Directors and its Specialized Committees in accordance with the articles of association. The Company's internal regulations are available on the Company's website.

1.1.1.4. Preparation of the work and duties of the specialized committees

In accordance with the provisions of the articles of association and the law, the Board has set up three specialized Committees in the spirit of good corporate governance.

A. The Audit and Risk Committee

The Audit and Risk Committee is responsible for:

(i) generally assisting the Board in its work to prepare the financial statements

(ii) assessing the process of preparing financial information and, where applicable, making recommendations to ensure its integrity

(iii) analyzing the Company's procedures aimed at identifying and prioritizing the main risks incurred by the Group, ensuring the usefulness and effectiveness of the internal and external control systems

(iv) ensuring the implementation of a vigilance plan within the meaning of articles L. 225-102-4-I et seq. of the French Commercial Code, the monitoring and continuous updating of risk mapping and systems to prevent and detect corruption and influence peddling, the usefulness of the measures taken to ensure compliance with stock market ethics and the compliance of the Group's practices, in all circumstances, with applicable regulations

(v) assessing the level of security of the information systems, both in terms of risks of attack and operational reliability and

(vi) monitoring the manner in which the Statutory Auditors perform their duties.

The Audit and Risk Committee obtains all documents required to carry out these duties.

It hears the Statutory Auditors, Executive corporate officers, the Chief Financial Officer, the Legal Director, the Director of Tax, the Director of Risk, the Director of Insurance and the Director of Information Systems, without this list being exhaustive.

These hearings must be held, when the Committee so wishes, without the presence of Executive Management.

The Committee also meets with Head of Internal Auditing. It is informed of the internal audit program and receives internal audit reports or a periodic summary of these reports.

The Audit and Risk Committee heard from the head of internal auditing, a function created in 2022 and now being put into practice.

The Committee is accountable to the Board of Directors for its work, in particular by submitting reports, chiefly concerning the closing of the financial statements. It immediately informs the Board of Directors of any difficulties encountered in the performance of its duties.

The Audit and Risk Committee has at least three members, who are Directors. Its members are selected on the basis of their financial and accounting expertise and any additional professional experience useful to its work.

It may not include the Chairman or an executive corporate officer among its members. At least two thirds of the Audit and Risk Committee are Independent Directors, which is chaired by an independent Director.

All members of the Audit and Risk Committee are qualified and have significant professional experience, particularly in the financial and/or accounting and/or auditing fields.

The membership of the Committee as of December 31, 2022 was the following: Christian Mouillon (Chairman), Martine Liautaud and Annette Messemer (Independent Directors), Xavier Govare (Independent Director), François Wolfovski, members and Pierre LAVERGNE (Secretary). The Committee met 5 times in 2022.

As part of its duties in 2022, the Audit and Risk Committee examined various matters including:

- the 2022 yearly and half-yearly consolidated financial statements
- the 2023 budget
- overseeing the internal audits and the action plans requested following those audits
- the assignments given to, and work of, the Statutory Auditors and the authorization, if called for, of assignments not a direct part of their audit engagement
- a review of the major risks and of the internal control and risk management system in place. To this end, the Committee interviewed the departments named in the risk management guidelines and examined the development of the risk mapping process as well as the business continuity plans.
- the strengthening of cybersecurity.

B. The Management and Compensation Committee

This Committee is chaired by an Independent Director.

The main duties of the Compensation and Management Committee (CMC) cover the following areas:

(i) making recommendations to the Board of Directors on the appointment, re-appointment and succession planning of Directors, non-voting Observers and Executive Corporate Officers.

(ii) studying and recommending the definition of the compensation and benefits of the Executive Corporate Officers as well as allocating the total compensation allowed for the Directors and Observer

(iii) assisting the Board of Directors in its assessment of the Group's Human Resources policy.

To perform its duties, the Compensation and Management Committee may consult, among others, the Statutory Auditors, the Executive corporate officers and the Director of Human Resources. It obtains all of the necessary documentation.

Executive Management reports any difficulties it encounters in its operations or organization to this Committee.

The Compensation and Management Committee reports to the Board of Directors on its work, in particular through the submission of reports, along with any proposals called for.

The Compensation and Management Committee has at least three members, Directors or Observers. Its members may not include the Chairman of the Board of Directors nor any Executive Corporate Officer.

The membership of the Committee as of December 31, 2022 was the following:

Clare Chatfield (Independent Director, Chairwoman), Anne-Marie Cambourieu (Independent Director), Xavier Cruse, Ignacio Osborne (members) and Laurent MAREMBAUD (Secretary).

In 2022, the Committee met five times. As part of its mission and in terms of recurring topics, the Committee issued recommendations on the membership and workings of the Board of Directors, including succession plans. The Committee conducted, and referred to the Board of Directors, the search for the new Chief Executive Officer, and reported to the Board on its recommended choice and his compensation. It oversaw the smooth onboarding of the new Chief Executive Officer. Its work also focused on compensation: the key elements of the Group's compensation policy as well as the compensation of Executive Corporate Officers (methods and setting of quanta for the fixed and variable portions). The Committee set the rules for allocating the Board of Directors' compensation package. The Committee's work also focused on changes to the organization to stay consistent with the strategic plan.

The Committee surveyed the larger industrial relations picture and analyzed the results of the Great Place to Work survey.

C. The Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee has existed as a separate body since the end of April 2021. Its duties are to assist the Board of Directors in assessing the challenges of corporate social responsibility in order to anticipate associated opportunities, challenges and risks. It assesses the policies implemented for the Group as well as the progress of the corresponding main action plans for the various aspects of corporate social responsibility.

To carry out its duties, the Corporate Social Responsibility Committee may speak to, among others, the Statutory Auditors, Executive Corporate Officers, and the Directors of CSR, Compliance, Human Resources and Operations. It obtains all of the necessary documentation.

The Committee includes at least three 3 members who are Directors or Observers and is chaired by an independent Director.

The membership of the Corporate Social Responsibility Committee as of December 31, 2022 was the following: Maliqua Haimeur (Independent Director, Chairwoman), Xavier Govare, Christian Mouillon, Robert Roeder (Independent Directors), Armand BONGRAIN (members) and Fabienne BORONI (Secretary).

In 2022 the Committee met 5 times. As part of its duties, it monitored the implementation of the Oxygen corporate program, and analyzed the progress of indicators and action plans and produced a CSR benchmark. Its work also focused on updating the materiality matrix, on adapting the SNFP (statement of extra-financial performance) to the "green taxonomy" and on its consequences for the Group. The Committee's work also focused on the Group's carbon strategy and on the process of integrating non-financial criteria into the evaluation of capital improvements.

SUMMARY PRESENTATION OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

	Personal information			
	Age at the date of the meeting	Gender	Nationality	No of shares
BONGRAIN Alex Chairman of the Board of Directors	71 years old	M	French	4,306
DELAMÉA Olivier Chief Executive Officer	54 years old	M	French	–
BONGRAIN Armand	69 years old	M	French	100
CAMBOURIEU Anne-Marie	63 years old	F	French	100
CHATFIELD Clare	65 years old	F	French	100
GORCE Philippe*	59 years old	M	French	0
GOVARE Xavier	65 years old	M	French	100
HAIMEUR Maliqua	66 years old	F	French	100
LIAUTAUD Martine	72 years old	F	French	100
MESSEMER Annette	58 years old	F	German	100
MOUILLON Christian	67 years old	M	French	100
OSBORNE Ignacio	69 years old	M	Spanish	206
PICONE Vincenzo	50 years old	M	Italian	100
ROEDER Robert	58 years old	M	French-American	100
de ROUX Sophie	58 years old	F	French	100
WOLFOVSKI François	64 years old	M	French	3,008
CRUSE Xavier (representing SAVENCIA Holding)	70 years old	M	French	4,500

**Director representing employee shareholders*

Experience	Position on the Board					
Number of offices held in other listed companies	Independence	Initial date of appointment	Expiry of term of office	Years of service on the Board at the date of the meeting	Member of Board Committees	Rate of attendance at Board meetings
0	N	2004	1-year term	19 years	N	100 %
0	–	–	–	–	N	–
0	N	2004	1-year term	19 years	CSR Committee 100%	100 %
0	O	April 2019	1-year term	4 years	CMC 100 %	100 %
0	O	April 2016	1-year term	7 years	CMC Chairwoman 100%	100 %
0	N	April 2022	1-year term	1 year	No	100 %
0	O	April 2017	1-year term	6 years	Audit and CSR Committee 100%/ 100%	86 %
0	O	April 2018	1-year term	5 years	CSR Chairwoman 100%	100 %
0	O	April 2013	1-year term	10 years	Audit Committee 80%	86 %
2	O	April 2020	1-year term	3 years	Audit Committee 80%	86 %
0	O	April 2018	1-year term	5 years	Chair, Audit Committee and member, CSR Committee 100 %/100%	100 %
0	N	April 2009	1-year term	14 years	CMC 100%	100 %
0	O	April 2020	1-year term	3 years	No	100 %
0	O	April 2020	1-year term	3 years	CSR Committee 100%	100 %
0	N	April 2021	1-year term	2 years	No	100 %
0	N	April 2020	1-year term	3 years	Audit Committee 100%	100 %
0	N	April 2018	1-year term	5 years	CMC 100%	100 %

1.1.2. List of offices and positions held in any Company by each corporate officer

Alex BONGRAIN, Chairman of the Board of Directors

born on March 16, 1952 in Neuilly-sur-Seine (92) - French nationality
Director since April 2004
4,306 SAVENCIA shares

Other offices and positions held In France:

- Chairman of the Board of Directors of Bien Nourrir l'Homme
- Board Director of SODIPAG SA
- Board Director of SPAGNY SA
- Board Director of SIPARAL SAS

Other offices and positions held abroad:

- Legal Representative of SB Management & Services SA
- Legal Representative of SB International
- Legal Representative of EUFIPAR
- Legal Representative of EUREXPAN
- Legal Representative of Savencia Fromage & Dairy Europarticipations
- Legal Representative of Savencia Fromage & Dairy Nederland
- Legal Representative of Paturain Finance BV
- Legal Representative of Eurospecialties Food
- Legal Representative of Soparind
- Board Director of Zausner Foods Corp. and its subsidiaries
- Board Director of Savencia Fromage & Dairy Japan
- Board Director of Polenghi
- Board Director of Fromunion
- Board Director of Valrhona Inc.
- Board Director of LMC Inc.
- Board Director of BSI Foods
- Board Director of Villars
- Board Director of Savencia Fromage & Dairy Switzerland

Professional activities/offices held during the past 5 years but no longer held:

- Chairman of BR Investissement
- Legal Representative of Savencia Fromage & Dairy Europe
- Legal Representative of SDG SAS

Armand BONGRAIN

Born 6/09/1953 in Nancy (54) - French nationality
Member of the Corporate Social Responsibility Committee
Director since April 2004
100 SAVENCIA shares

Other offices and positions held In France:

- Chairman of Supervisory Board of Savencia Holding
- Board Director of Bien Nourrir l'Homme

Other offices and positions held abroad:

- Manager of Equateur Investments
- Board Director of Eurospecialties Foods

Professional activities/offices held during the past 5 years but no longer held:

- Managing Director of EUFIPAR SA
- Managing Director of SB Management & Services SA
- Board Director of SODIPAG SA

Anne-Marie CAMBOURIEU

Born 7/24/1959 in Aurillac (15) - French nationality
Member of the Management and Remuneration Committee
Independent Director
Board Director since April 2002
100 Savencia shares

Other offices and positions held In France:

- Chairperson and founder of Sustainable Human Resources Consulting
- Executive talent advisor of Beyond-Associés
- Member of the Advisory Board of Humans and Work

Professional activities/offices held during the past 5 years but no longer held:

- Member of the Supervisory Board of Nexans Deutschland GmbH
- HR Director of Nexans
- Board Director of the Nexans Foundation

Clare CHATFIELD

Born 12/21/1957 in Santos (Brazil) - French nationality
Chair of Management and Compensation Committee
Independent Director
Director since April 2016
100 Savencia shares

Other offices and positions held In France:

- Manager of L.E.K Consulting SARL
- Chairperson of the Board of Directors, Chairperson of the Strategy Committee and member of the Appointments Committee and CSR Committee of Chantiers de l'Atlantique

Other offices and positions held abroad:

- Managing Director of L.E.K Consulting
- Board Director and member of the audit committee GXO Logistics

Professional activities/offices held during the past 5 years but no longer held:

- Board Director and Member of the Management and Remuneration Committee of Antalis
- Board Director and member of the audit committee of Compagnie DAHER
- Member of the Board of Directors of XPO Europe

Sophie de ROUX

Born 7/27/1964 in Suresnes (92) - French nationality
Director since 2021
100 Savencia shares

Other offices and positions held In France:

- Member of Supervisory Board of Savencia Holding
- Board Director, Member of the Audit Committee, Member of the Risks Committee of AXA Assurances IARD Mutuelle
- Board Director, Member of the Audit Committee, Member of the Risks Committee AXA Assurances Vie Mutuelle
- Member of the Management Committee of AXA Millésimes SAS:
- Board Director and Treasurer of the Fondation François Sommer (Fondation RUP)
- Board Director of the non-profit PHEC
- Board Director of the non-profit APPOS

Other offices and positions held abroad:

- Board Director and member of the audit committee of Verlinvest Group (Belgium)
- Board Director of Verlinvest SA (Belgium)

Professional activities/offices held during the past 5 years but no longer held:

- Chairperson of Corporate Value Associates France
- Board Director of Microwave Vision Group
- Board Director, Chair of the Audit Committee, Member of the compensation committee of Sapec SA (Belgium)

Philippe GORCE

Born 6/25/1963 in Bergerac (24) - French nationality Board Director
representing the employee shareholders since April 2022

Other offices and positions held In France:

- Member of Supervisory Board of Savencia SA Mutual Fund
- Manager of Logistics and Milk Collection, Nouvelle Aquitaine (Savencia RL)

Other offices and positions held abroad:

- none

Professional activities/offices held during the past 5 years but no longer held:

- none

Xavier GOVARE

Born 1/18/1958 in Suresnes (92) - French nationality
Member of the Corporate Social Responsibility Committee and the Audit and Risks Committee
Independent Director
Director since April 2017
100 Savencia shares

Other offices and positions held In France:

- Board Director of Pure Salmon France
- Manager of TOKI EDER Conseils et Participations
- Manager of TOKIMMO

Professional activities/offices held during the past 5 years but no longer held:

- Chairman of the Management Board of Labeyrie Fine Foods
- Board Director of MY Moneytime
- Board Director of Logismose Meyers (DK)
- Board Director of Alliance Étiquettes
- Board Director of Family Service Groupe

Maliqua HAIMEUR

Born September 7, 1956 in Le Rove (13) - French nationality
Chairwoman of the Corporate Social Responsibility Committee
Independent Director
Director since April 2018
100 SAVENCIA shares

Other offices and positions held in France:

Chairwoman of the Board of Directors

- École Nationale Supérieure de Chimie de Rennes

Martine LIAUTAUD

Born 5/15/1950 in Rennes (35) - French nationality
Member of the Audit and Risk Committee
Independent Director
Board Director since April 2013
100 Savencia shares

Other offices and positions held In France:

- Chairperson and Founder of Liautaud & Cie
- Chairperson and Founder of the Women Business Mentoring Initiative (WBMI)
- Chairperson and Founder of the Women Initiative Foundation
- Member of the strategic orientation committee of CentraleSupelec
- Member of the strategic orientation committee of Université Paris-Saclay

Other offices and positions held abroad:

- Board Director of the Stanford GSB Alumni Association (USA)

Professional activities/offices held during the past 5 years but no longer held:

- Board Director of CentraleSupelec

Annette MESSEMER

Born 8/14/1964 in Ludwigshafen am Rhein (Germany) - German nationality
Member of the Audit and Risk Committee
Independent Director
Director since April 2002
100 Savencia shares

Other offices and positions held in France:

- Member of the Board of Directors of SOCIÉTÉ GÉNÉRALE S.A. (publicly traded)
- Member of the Board of Directors of IMERYS S.A. (publicly traded)

Other offices and positions held abroad:

- Member of the Supervisory Board of BABBEL AG (private company)

Professional activities/positions held over the past 5 years that have expired:

- Director of ESSILORLUXOTTICA S.A.
- Director of Essilor S.A.
- Member of the Executive Committee, Group Director/Director of the Corporate Clients division of Commerzbank AG in Frankfurt

Christian MOULLON

Born 9/15/1955 in Macôn (71) - French nationality
Chairman of the Audit and Risk Committee and Member of the Corporate Social Responsibility Committee
Independent Director
Director since April 2018
100 Savencia shares

Other offices and positions held in France:

- Board Director of ESCP Business School
- Chairman of the Strategic Committee of ESCP Business School
- Chief Executive Officer of CHM advisory

Other offices and positions held abroad:

- Member of the Audit Committee of ESCP Business School
- Member of the Appointments Committee of ESCP Business School
- Member of the Advisory Board of 73 Strings
- Member of Board and CFO of Cyber Volt GmbH

Ignacio OSBORNE

Born June 28, 1953 in Puerto de la Cruz (Spain) - Spanish nationality
Member of the Management and Compensation Committee
Director since April 2009
206 SAVENCIA shares

Other offices and positions held abroad:

- Chairman and Managing Director of Groupe Osborne

Professional activities/offices held during the past 5 years but no longer held:

Other

- Board Director and CEO of Groupe Osborne

Vincenzo PICONE

Born October 23, 1972 in Palermo (Italy) – Italian nationality
Independent Director
Director since April 2020
100 SAVENCIA shares

Other offices and positions held in France:

- Senior Advisor – The Boston Consulting Group
- Chairman of Vinx Partners (consulting)
- Manager of Vinx immobilier (real estate investments)

Professional activities/offices held during the past 5 years but no longer held:

- Associate Director of McKinsey & Co.
- Partner in Bain Capital Private Equity Europe

Robert ROEDER

Born 9/27/1964 in North Platte, Neb. (USA) French-American nationality
Member of the Corporate Social Responsibility Committee Independent Director
Director since April 2020
100 Savencia shares

Other offices and positions held in France:

- Co-Director and Corporate Secretary of LEDUNFLY SA
- Attorney admitted to the bars of Paris, London and New York
- Member of the Supervisory Board of DYNAES SAS
- Member of the Board of Directors of Institut Fournier
- Member of the Individual Shareholders Advisory Committee of L'OREAL

Other offices and positions held abroad:

- Chairman of LDFI SA(Switzerland)
- Chairman of LDF FDI SA (Switzerland)
- Chairman of Santa Margarita Ranch Inc. (USA)
- Board Director of CBC Services Ltd (Bahamas)
- Board Director of Domaine de La Bergerie SA (Switzerland)
- Board Director of Five Seas SA (Switzerland)
- Board Director of Foresight AG (Switzerland)
- Board Director of LDF Hospitality Collection SA (Switzerland)
- Board Director of LDFT SA (Switzerland)
- Board Director of Ladycat (Switzerland)
- Board Director of Le Cottage (Switzerland)
- Board Director of LDF Aeronautic SA (Switzerland)
- Authorized representative of Ledunfly Operations SA (Switzerland)
- Authorized representative of Ledunfly SA (Switzerland)
- Board Director of Orangetree SA (Switzerland)
- Board Director of SB Jersey GP Ltd (Jersey)
- Board Director of SCap Marine Refit Holdings SA (Switzerland)
- Board Director of SilkyBlue Jersey Ltd (Jersey)
- Board Director of Société Immobilière du Manoir SA (Switzerland)
- Board Director of W-Import SA (Switzerland)
- Board Director of YGT SA (Switzerland)

François WOLFOVSKI

Born 6/02/1958 in Paris (75) - French nationality
Member of the Audit and Risk Committee
Director since April 2002
3 008 Savencia shares

Other offices and positions held in France:

- Member of Supervisory Board of Savencia Holding
- Member of the Advisory and Oversight Committee of Bien Nourrir l'Homme (Endowment)
- Chairman and member of the Executive Committee of Fondation Guérir du Cancer, part of Fondation de France
- Member of the Supervisory Board of Financière Louis

Other offices and positions held abroad:

- Managing Director of S.B. Management & Services

Professional activities/positions held over the past 5 years that have expired:

- Legal Representative of EUFIPAR
- Legal Representative of Maison du Chocolat Japan K.K.
- Legal Representative of Valrhona Japan
- Manager of COGESTI et Compagnie SNC
- Chairman and Director of GIE SAME SAME
- Board Director of Savencia Fromage & Dairy UK Ltd
- Board Director of La Maison du Chocolat Hong-Kong Limited
- Board Director of SIPARAL Investments Partners
- Board Director of Valrhona Italia SRL
- Board Director of NOVOMILK A.S.
- Board Director of Savencia Fromage & Dairy SK A.S.
- Board Director of Zvenigorodskiy Cheese Processing Plant
- Permanent representative of Savencia SA, Board Director of Compagnie Laitière Européenne
- Member of the Supervisory Board of MLEKOPRODUKT d.o.o.
- Chairman of Alliance II
- Chairman of Vivre Vert (formerly Terre Bio)
- Member of the Supervisory Board of AgroCroisens

Xavier CRUSE

Born 3/23/1953 in Talence (33) - French nationality
Permanent representative of Savencia Holding, Vice-Chairman of the Board of Directors of Savencia SA and Member of the Management and Compensation Committee
Director since April 2018
4,500 Savencia shares

Other offices and positions held In France:

- Member of Supervisory Board of Savencia Holding
- Board Director and member of the Appointments and Compensation Committee of Groupe Bernard
- Manager of SC Bernard Participations
- Member of the Management Board of SC Domaine de Chevalier

Professional activities/offices held during the past 5 years but no longer held:

- Board Director of Savencia Trading Egypt (formerly Mashreq des produits laitiers)
- Board Director of Savencia Fromage & Dairy India
- Permanent representative of Savencia Fromage & Dairy Europe, Board Director of Arab French Company

Pascal BRETON

Born 10/16/1946 in Sargé-sur-Braye (41) - French nationality
Non-voting observer since April 2020
110 Savencia shares

Other offices and positions held in France:

- Member of Supervisory Board of Savencia Holding
- Member of the Strategic Committee of Global Baby SAS
- Co-Manager of SCEA BBC- Les Rousseaux

Professional activities/positions held over the past 5 years that have expired:

- Board Director of Savencia SA

CHIEF EXECUTIVE OFFICER

Olivier DELAMÉA

Born 4/26/1969 in Versailles (78) – French nationality
Chief Executive Officer of Savencia SA

Other offices and positions held in France:

- Chairman of CF&R Gestion
- Chairman of Fromageries Lescure
- Chairman of Fromageries Saint Saviol
- Chairman of Société de Recherche et de Développement Pour l'Innovation Verte
- Manager of PYLA-Delamea
- Chairman of the Board of Directors of Fromageries Lescure
- Chairman of the Board of Directors of CF&R Gestion

Other offices and positions held abroad:

- Legal Representative of Edelweiss Verwaltung Gmbh
- Legal Representative of Fromunion
- Legal Representative of Savencia Fromage & Dairy Benelux
- Chairman of the Board of Directors of Gerard (Tiajin) Food
- Chairman of the Board of Directors of Mantequerias Arias
- Chairman of the Board of Directors of Savencia Fromage & Dairy Italy
- Permanent representative of Edelweiss Verwatung, Board Director of Edelweiss GmbH & Co KG
- Board Director of SB International
- Board Director of Polenghi
- Board Director of BSI
- Board Director of Ferrari
- Board Director of Savencia Fromage & Dairy Singapore
- Board Director of Bonprole
- Board Director of La Compagnie Fromagère
- Chairman of the Supervisory Board of Novomilk
- Chairman of Supervisory Board of Savencia Fromage & Dairy SK
- Member of the Supervisory Board of Savencia Fromage & Dairy Hungary

Professional activities/positions held over the past 5 years that have expired:

- Board Director of Lesieur Cristal (Morocco)
- Board Director of Cristal Tunisie (Tunisia)
- Board Director of Oléosen (Senegal)
- Board Director of Copéol (Senegal)
- Board Director of GECO Algérie (Algeria)
- Chairman of the Board of Directors of Saipol (France)
- Chairman of the Board of Directors of Lesieur (France)
- Chairman of the Board of Directors of Costa d'Oro (Italy)
- Chairman of the Board of Directors of Expur (Romania)
- Chairman of the Board of Directors of Kerfoot (UK)

1.1.3. Table summarizing the securities transactions of senior management and corporate officers in FY2022

NONE

1.1.4. Senior Management: organization - limitations of powers

As part of the separation of the functions of Chairman and Chief Executive Officer in effect since 2016, Olivier Delamea was appointed Chief Executive Officer as of September 1, 2022, replacing Jean-Paul Torris.

The Chief Executive Officer is vested with the broadest powers to act in the Company's name in all circumstances, yet within the restrictions of Company rules.

The Company bylaws include various provisions intended to promote informed decision-making regarding major or strategic operations. Thus, the Board of Directors is informed prior to decisions relating to strategic commitments and/or commitments of greater than €15 million and, in general, any significant transaction falling outside the announced strategy of the Company.

1.1.5. AFEP-MEDEF Corporate Governance Code

The Board of Directors adheres to the AFEP-MEDEF Corporate Governance Code.

The AFEP-MEDEF Corporate Governance Code is accessible on the website www.medef.fr.

1.1.6. Summary of delegations granted by the shareholders' Meeting to the Board of Directors with regard to capital increases

Decisions	Operations	Duration	Observations
SM of 4/21/2022 = Resolution 29 of the Combined Shareholders' Meeting	**Issuance of ordinary shares** Authorization granted to the Board of Directors to issue ordinary shares, ordinary shares providing access to ordinary shares or the allocation of debt securities and/or securities providing access to ordinary shares, maintaining shareholders' preferential subscription rights, for a maximum of: €5 million for ordinary shares to be issued and €200 million for debt securities to be issued.	26 months	Not used in 2022 Expires in June 2024
SM of 4/21/2022 = Resolution 28 of the Combined Shareholders' Meeting	**Capital increase by incorporation of reserves, profits and/or bonuses** Authorization granted to the Board of Directors to proceed with capital increases in cash by incorporation of reserves,profits and/or premiums and/or other amounts, for a maximum of €5 million	26 months	Not used in 2022 Expires in June 2024
SM of 4/21/2022 = Resolution 30 of the Combined Shareholders' Meeting	**Capital increase reserved for employees** Authorization granted to the Board of Directors to proceed with capital increases for the benefit of employees for a maximum of 3% of the capital, i.e. €462,966	26 months	Not used in 2022 Expires in June 2024
SM of 4/22/2021 = Resolution 31 of the Combined Shareholders' Meeting	**Capital increase in compensation for contributions of securities** Authorization granted to the Board of Directors to proceed with capital increases without maintenance of shareholders' preferential subscription rights, within a limit of 10% of in consideration for contributions of securities	26 months	Not used in 2022 Expires in June 2023

1.1.7. Participation by shareholders in the Shareholders' Meeting

The Shareholders' Meetings are held at the corporate headquarters or somewhere else, even in another département of France specified in the notice of meeting.

The right to participate in the Meeting is evidenced by the registration of shares in the name of the shareholder or of the intermediary registered on the shareholder's behalf pursuant to the seventh paragraph of Article L. 228-1, by midnight, Paris time, of the second business day prior to the meeting, either in the registered share accounts held by the Company or in the bearer share accounts held by an intermediary mentioned in Article L. 211-3 of the French Monetary and Financial Code.

Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a Director specifically appointed for this purpose by the Board of Directors. Failing this, the meeting itself elects its Chairman.

The quorum for Extraordinary Shareholders' Meetings is 25% for the first meeting called or, failing that, 20% for the second meeting called. For Ordinary Shareholders' Meetings the quorum is 20% for the first meeting called, while no quorum is required for a new meeting. The quorum for special meetings is 33.33% on the first call and 20% on the second call.

Each member of the Shareholders' Meeting has as many votes as shares that he or she owns and represents, both personally and as a proxy, without limitation. However, voting rights double the rights attaching to other shares, compared to the percentage of share capital they represent, are granted to all fully paid-up shares for which there is proof that they have been registered in the name of the same shareholder for at least six (6) years.

In the event of an addition to equity by incorporation of reserves, profits or share premiums, the registered shares granted without cost to a shareholder on the basis of old shares for which he or she benefits from this right, will also have double voting rights.

Any share converted to bearer form or that changes ownership loses its double voting rights.

Nevertheless, a transfer as a result of inheritance, liquidation of community property between spouses, or an inter vivos gift to a spouse or relatives close enough to be heirs shall not result in loss of the right acquired nor interrupt the aforementioned holding period of six (6) years.

The merger of the Company has no effect on the double voting right, which may be exercised within the acquiring Company if so provided by the Company's articles of association.

1.2. Compensation policy for corporate officers

On the recommendation of the Management and Compensation Committee, the Board of Directors has established a compensation policy for the Company's corporate officers in line with its corporate interests, contributing to its sustainability and in line with its business strategy aimed at ensuring the sustainable development of the Company and its stakeholders. To this end, the Board of Directors has set the compensation policy for the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer, should one be appointed, in respect of these factors, specifically by setting criteria for their variable compensation that are linked to their execution of this business strategy in the Company's interest.

No component of compensation of any kind whatsoever may be determined, allocated or paid by the Company, nor any commitment corresponding to components of compensation may be made by the Company, if that component does not comply with the approved compensation policy or, in its absence, the compensation or practices existing within the Company. However, in the event of exceptional circumstances, the Board of Directors may waive the application of the compensation policy if this exemption is temporary, in line with the Company's interest and necessary to ensure the Company's sustainability or viability.

The Board of Directors determines, revises and implements the compensation policy for each of the corporate officers on the recommendation of the Management and Compensation Committee.

It is specified that interested parties shall not take part in the deliberations on these issues and, when they are also Directors of the Company, shall not take part in the vote on the components or commitments concerned.

The decision-making process followed to determine and review the compensation policy for Executive corporate officers takes into account the compensation and employment conditions of employees within the Group, and in particular takes into account the compensation policy for all employees in France.

In the event of a change in governance, the compensation policy shall be applied to the Company's new corporate officers, with any necessary adjustments.

1.2.1. Compensation policy for the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer

The compensation policy set by the Board of Directors is described below. The components of total compensation and benefits of any kind that may be granted to the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer, should one be appointed, by virtue of their position as well as their respective importance are as follows:

1.2.1.1. Fixed compensation

Fixed compensation includes a portion payable monthly, and a portion earned annually but payable on a deferred basis. It is determined according to the responsibilities and duties assumed by the person concerned as well as by the market practices for this type of position.

1.2.1.2. Compensation allocated in respect of directorship

The Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer, if the latter two are appointed as members of the Board of Directors, may receive compensation in respect of their Directorships pursuant to the compensation policy for Directors contained in Article 1.2.2.1 below.

1.2.1.3. Annual variable compensation:

The Board of Directors may decide to grant variable annual compensation, the payment of which may, in cases, be deferred.

The objectives-based bonus is tied to the achievement of objectives set at the beginning of the year. The target variable portion is expressed as a percentage of the fixed portion and is equal to 50% of the fixed compensation for the Chairman of the Board of Directors and the Chief Executive Officer and 40% of the fixed compensation for the Chief Operating Officer.

Sixty percent of it is tied to the Company's financial performance. The financial criteria include growth targets for ROC and ROCE.

Forty percent of the variable portion also includes measurable individual qualitative criteria, including criteria relating to social and environmental responsibility.

These criteria for variable compensation support the objectives of the compensation policy, which seeks to recognize the contribution made to operating performance, the profitability of investments and the sustainable development of Savencia SA and its stakeholders. They can be in keeping with climate objectives.

The expected level of achievement of the quantitative criteria is set in advance by the Board of Directors but is not made public for reasons of confidentiality.

Compensation regarding the variable portion is equal to the target amount when the objectives are met. If the financial objectives are exceeded, the variable compensation target may be increased up to the limit approved by the Board of Directors.

1.2.1.4. Multi-year variable compensation

The Board of Directors may grant multi-year variable compensation and set its terms and conditions.

1.2.1.5. In-kind benefits

The Chairman of the Board of Directors, the Chief Executive Officer and the Chief Operating Officer are entitled to customary perquisites such as a company car and the payment of entertainment expenses in connection with their professional activities.

1.2.1.6. Extraordinary compensation

The Board of Directors may grant the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer extraordinary compensation in respect of very specific, justifiable circumstances such as the completion of a major transaction or out-performing objectives over one or more financial years.

1.2.1.7. Disclosure of appointments and/or employment and/or service contracts between executive corporate officers and the Company

None.

1.2.1.8. Conditional commitments and rights:

The Chairman of the Board of Directors and the Chief Executive Officer benefit from the following commitments:

CHAIRMAN OF THE BOARD OF DIRECTORS

Commitments made by the Company or by a controlled or controlling company	Main features of the commitments	Granting criteria if the entitlements or commitments are conditional	Commitment termination conditions
Defined-benefit retirement commitments	Article 39: vesting of an annuity of 0.5% of the gross annual compensation for the most recent year of service, capped at 2.5% Provision terminated on 12/31/2008*	NA	Be employed by the Company at the time of retirement
Defined-contribution retirement commitments	Mandatory Retirement Savings Plan (PERO) funded by the Company at 3.5% of gross annual compensation (1)	NA	NA

(1) the PERO replaced article 83 as July 1, 2021

CHIEF EXECUTIVE OFFICER: JEAN PAUL TORRIS UNTIL AUGUST 31,2022

Commitments made by the Company or by a controlled or controlling company	Main features of the commitments	Granting criteria if rights or commitments are conditional	Conditions for terminating the commitment
Non-compete compensation	50% of average gross monthly compensation for two years	Departure from the company for whatever reason, with the exception of retirement	NA
Defined-benefit retirement commitments	Article 39: vesting of an annuity of 0.5% of the gross annual compensation for the most recent year of service, capped at 2.5% Provision terminated on 12/31/2008*	NA	Be employed by the Company at the time of retirement
Defined-contribution retirement commitments	Mandatory retirement savings plan (PERO) funded by the Company at 3.5% of gross annual compensation (1)	NA	NA

(1) the PERO replaces article 83 as July 1, 2021
(*) Description of the defined-benefit retirement plan:
With regard to the information on pension commitments or other lifetime benefits made by the Company for the benefit of its corporate officers (pursuant to Article D. 225-104 created by Decree 2016-182 of February 23, 2016)
(a) title of the commitment in question: defined-benefit retirement plan;
(b) legal standard: article 39 of the French General Tax Code and article 137-11 of the French Social Security Code
(c) eligibility conditions:
be an executive, as defined in the Group's agreements as to compensatory time, have an employment contract and perform his or her work in France, or be an executive with an employment contract under French law who performs his or her work abroad and has secondment or expatriate status as understood in the Group
have received annual compensation in excess of 5.5 times the annual Social Security caps for two consecutive years. The plan was closed to all new Group employees on December 31, 2006 and ended on December 31, 2008.
(d) methods for determining compensation:
The baseline salary is defined as the average compensation over the 36 last months of activity (basis plus objectives-based bonuses), adjusted according to changes in the INSEE index.
(e) rate of vesting:
Conditions to be met simultaneously to obtain pension rights:
have reached the age of 60 years ;
effectively end one's salaried activity in one of the Group's companies at the time of one's voluntary of compulsory retirement
have liquidated all one's retirement pensions under the basic Social Security and supplementary pension plans (ARRCO and AGIRC TB). SP (supplementary pension) = 0.5% x N x S where:
N = number of years of service with the Group, calculated as the difference between:
he year of retirement
and the year of initial employment by the Group or the year in which the employee joined the plan, if that was later. The number so obtained is rounded up to the next whole number.
For potential beneficiaries of this plan, the entitlement earned as of January 1, 2009 (arising solely from the portion financed by the employer, if any) under the "Article 83" defined contribution plan previously set up within the Group, is deducted from the supplementary pension (SP) previously calculated.
(f) The possibility of a cap: The number of years (N) may not exceed five (5):
Thus, the amount of the supplementary pension (SP) is equal to a maximum of the Baseline Salary (S) for all potential beneficiaries of the plan. Potential beneficiaries who have not reached this cap as of December 31, 2006 continue to acquire seniority (N) up to a maximum of five years, until the cap is 2.5% reached.
(g) How the entitlement is funded: the total commitment is outsourced in an insurance policy.
(h) Social security charges and taxes paid by the Company: 24% of the contributions

CHIEF EXECUTIVE OFFICER: OLIVIER DELAMÉA SINCE SEPTEMBER 1, 2022

Commitments made by the Company or by a controlled or controlling company	Main features of the commitments	Granting criteria if the rights or commitments are conditional	Conditions for terminating the commitment
Non-compete compensation	50% of monthly gross compensation over 2 years	Leaving the company for any reason except retirement	N/A
Defined-contribution retirement commitments	Mandatory retirement savings plan (PERO) funded by the Company at 3.5% of gross annual compensation1	N/A	N/A

(1) the PERO replaced Article 83 as of July 1, 2021

1.2.2. Compensation policy for the Members of the Board of Directors

1.2.2.1. Compensation

The Shareholders' Meeting of April 23, 2020 set the compensation for the members of the Board as an annual sum of €900,000 valid for the financial year 2020 and subsequent financial years until decided otherwise.

The criteria for the distribution of the annual fixed sum allocated by the shareholders' Meeting to the members of the Board are as follows:

- a set sum tied to attendance, for each Board of Directors meeting attended by the Director;
- a fixed sum tied to membership of one or more Committees of the Board of Directors, for each meeting of the Committee of which the Director is a member;
- a fixed sum determined on the basis of half a day's work, when the Director performs work or services between meetings of the Board of Directors.

The Board of Directors determines the amount of these sums and may also award special compensation for extraordinary assignments in the manner set by regulations.

1.2.2.2. Disclosure concerning the terms of office and/or employment contracts and/or service agreements of Members of the Board of Directors entered into with the Company and on the agreements entered into between one of the corporate officers or shareholders with a percentage of voting rights greater than 10% and a company in the scope of consolidation (with the exception of agreements relating to recurring transactions and entered into under normal conditions)

None.

1.2.2.3. Conditional commitments and rights

Armand BONGRAIN benefits from the following commitments:

Commitments made by the Company or by a controlled or controlling company	Main features of the commitments	Granting criteria if the rights or commitments are conditional	Conditions for terminating the commitment
Defined-benefit retirement commitments	Article 39: vesting of an annuity of 0.5% of the gross annual compensation for the most recent year of service, capped at 2.5% Provision terminated on 12/31/2008*	NA	Be employed by the Company at the time of retirement
Defined-contribution retirement commitments	Mandatory Retirement Savings Plan (PERO) funded by the Company at 3.5% of gross annual compensation (1)	NA	NA

(1) the PERO replaced article 83 as of July 1, 2021

1.3. Consultation on the components of compensation under the say on pay provisions submitted for approval by the shareholders' Meeting

The Ordinary Shareholders' Meeting of April 22, 2022 approved by a majority the draft resolution concerning the disclosures described in Article L. 22-10-34 I of the French Commercial Code.

Senior Management

Alex BONGRAIN

	Amounts awarded on the basis of FY2022	Amounts paid in FY2022	Amounts paid in FY2021
Fixed compensation	€733,262	€65,3262	€633,035
Annual variable compensation	€416,781	€495,033	€349,835
Multi-year variable compensation in cash	N	N	N
Extraordinary compensation	N	€800,000	N
Stock options, performance shares or other securities allocated	None allocated	None allocated	None allocated
Compensation in respect of the Directorship	The Chairman of the Board of Directors does not receive compensation for his position as director	The Chairman of the Board of Directors does not receive compensation for his position as director	The Chairman of the Board of Directors does not receive compensation for his position as director
In-kind benefits	€20,822	€20,822	€19891
Supplemental pension	€7,618	€7,618	€7,618
Personal insurance	€4,556	€4,556	€4,556

(1) Relating to the extraordinary commitment and performance achieved.

Jean-Paul TORRIS

	Amounts awarded on the basis of FY2022	Amounts paid in FY2022	Amounts paid in FY2021
Fixed compensation	€462,289	€462,289	€671915
Annual variable compensation	€294,940	€525,438	€366144
Multi-year variable compensation in cash	N	N	N
Extraordinary compensation		€1,600,000 (1)	€200,000
Stock options, performance shares or other securities allocated	None allocated	None allocated	None allocated
In-kind benefits	€5,084	€5,084	€7,626
Supplemental pension	€6,719	€6,719	€10,078
Personal insurance	€4,017	€4,017	€6,027

(1) Relating to the extraordinary commitment and performance achieved.

Olivier DELAMÉA

	Amounts awarded on the basis of FY2022	Amounts paid in FY2022	Amounts paid in FY2021
Fixed compensation	€200,963	€200,963	NA
Annual variable compensation	€128,214	€0	NA
Multi-year variable compensation in cash	€200,000	N	NA
Extraordinary compensation	N	N	NA
Stock options, performance shares or other securities allocated	None allocated	None allocated	NA
In-kind benefits	€2,181	€2,181	NA
Supplemental pension	€2,520	€2,520	NA
Personal insurance	€2,008	€2,008	NA

Directors/Observer

		Amounts paid in 2022	Amounts paid in 2021
Armand BONGRAIN (1)(2)	Other fixed/variable compensation (2)	€251,506	€246,080
Pascal BRETON (3)	Directorship/Censor compensation	€40,250	€26,250
Anne-Marie CAMBOURIEU	Directorship compensation	€43,750	€42,000
Clare CHATFIELD	Directorship compensation	€54,250	€61,250
Xavier CRUSE (4)	Directorship compensation	€43,750	€40,250
Philippe GORCE (5)	Directorship compensation	€0	€0
Xavier GOVARE	Directorship compensation	€50,750	€50,750
Maliqua HAIMEUR	Directorship compensation	€50,750	€52,500
Martine LIAUTAUD	Directorship compensation	€35,000	€35,000
Annette MESSEMER	Directorship compensation	€45,500	€36,750
Christian MOUILLON	Directorship compensation	€64,750	€52,500
Ignacio OSBORNE	Directorship compensation	€43,750	€36,750
Vincenzo PICONE	Directorship compensation	€33,250	€31,500
Robert ROEDER	Directorship compensation	€50,750	€40,250
Sophie de ROUX	Directorship compensation	€42,000	€33,250
François WOLFOVSKI	Directorship compensation	€45,500	€40,250

(1) The estimated amount of the annual annuity at the closing date was €13,775.
(2) Mr. Armand Bongrain, who is also linked by an employment contract to a subsidiary of the Group, receives compensation.
(3) Censor.
(4) Permanent Representative of SAVENCIA Holding, Director.
(5) Mr. Philippe Gorce receives no compensation for his position as director representing employee shareholders

EQUITY RATIOS (SCOPE: SAVENCIA Fromage & Dairy FRANCE)

	Chairman of the Board of Directors	Chief Executive Officer	Chief Executive Officer
2022 financial year		(01/01/22 to 08/31/22)	(09/01/22 to 12/31/22)
Average compensation of employees excluding corporate officers (1)	€46,977	€46,977	€46,977
Median compensation of employees excluding corporate officers (1)	€36,423	€36,423	€36,423
Compensation of the executive corporate officer (2)	€1,916,756	€2,604,105	€207,951
Change in the compensation of the executive corporate officer vs Year N-1	88%	106%	
Change in the Company's performance vs Year N-1(4)	-5%	-5%	-5%
Ratio of compensation of the executive corporate officer/ Average compensation of employees (3)	40.8	55.4	4.4
Ratio of compensation of the executive corporate officer/ Median compensation of employees (3)	52.6	71.5	5.7
2021 financial year			
Average compensation of employees excluding corporate officers (1)	€41,851	€41,851	
Median compensation of employees excluding corporate officers (1)	€34,725	€34,725	
Compensation of the executive corporate officer (2)	€1,019,249	€1,266,863	
Change in the compensation of the executive corporate officer vs Year N-1	-1%	8%	
Change in the Company's performance vs Year N-1(4)	16%	16%	
Ratio of compensation of the executive corporate officer/ Average compensation of employees (3)	24.3	30.3	
Ratio of compensation of the executive corporate officer/ Median compensation of employees (3)	29.4	36.5	
2020 financial year			
Average compensation of employees excluding corporate officers (1)	€40,298	€40,298	
Median compensation of employees excluding corporate officers (1)	€33,565	€33,565	
Compensation of the executive corporate officer (2)	€1,027,766	€1,173,931	
Change in the compensation of the executive corporate officer vs Year N-1	3%	14%	
Change in the Company's performance vs Year N-1(4)	10%	10%	
Ratio of compensation of the executive corporate officer/ Average compensation of employees (3)	25.5	29.1	
Ratio of compensation of the executive corporate officer/ Median compensation of employees (3)	30.6	35.0	
2019 financial year			
Average compensation of employees excluding corporate officers (1)	€39,288	€39,288	
Median compensation of employees excluding corporate officers (1)	€32,334	€32,334	
Compensation of the executive corporate officer (2)	€993,911	€1,033,120	
Change in the compensation of the executive corporate officer vs Year N-1	6%	4%	
Change in the Company's performance vs Year N-1(4)	8%	8%	
Ratio of compensation of the executive corporate officer/ Average compensation of employees (3)	25.3	26.3	
Ratio of compensation of the executive corporate officer/ Median compensation of employees (3)	30.7	32.0	

	Chairman of the Board of Directors	Chief Executive Officer	Chief Executive Officer
2018 financial year			
Average compensation of employees excluding corporate officers (1)	€38,877	€38,877	
Median compensation of employees excluding corporate officers (1)	€32,008	€32,008	
Compensation of the executive corporate officer (2)	€936,130	€996,274	
Change in the compensation of the executive corporate officer vs Year N- 1	- 14%	2%	
Change in the Company's performance vs Year N-1(4)	3%	3%	
Ratio of compensation of the executive corporate officer/ Average compensation of employees (3)	24.1	25.6	
Ratio of compensation of the executive corporate officer/ Median compensation of employees (3)	29.2	31.1	

(1) In accordance with article L. 225-37-3 of the French Commercial Code, compensation includes fixed compensation, variable compensation, exceptional compensation, benefits in kind, profit-sharing, employer contributions to healthcare, life insurance and supplementary pension plans (article 83/PERO) and the Company's contributions to employee savings plans (PEG and PERCO). Compensation has been calculated on a full-time equivalent basis (for 2018 and prior years, only fixed and variable compensation have been recalculated on a full-time equivalent basis). The notion of "employee" includes employees on permanent and fixed-term contracts and employees on secondment "continuously present" during the financial year, i.e. employed without interruption between January 1 and December 31 of the financial year. As certain variable components (target bonuses, profit-sharing) are calculated on the basis of the time spent in office in year N-1, the employees in question must prove that they have served at least three months during financial year N-1. For these employees, the variable components are recalculated on the basis of a full year of service in year N-1. The compensation presented corresponds to the compensation paid during the year.

(2) Compensation includes fixed compensation, variable compensation, exceptional compensation, benefits in kind, profit-sharing, employer contributions to healthcare, life insurance and supplementary pension plans (article 83/PERO) and the Company's contributions to employee savings plans (PEG and PERCO). The compensation presented corresponds to the compensation paid during the year.

(3) For the Chairman of the Board of Directors, the Chief Executive Officer and all Deputy Chief Executive Officers, the ratios are calculated between the level of compensation of each of these executives and, on the one hand, the average compensation on a full-time equivalent basis of Company employees other than corporate officers and, on the other hand, the median compensation on a full-time equivalent basis of Company employees other than corporate officers.

(4) The Company's performance corresponds to the current operating income of the Fromage & Dairy activity.

1.4. Information that could have an impact in the event of a tender offer

- The share capital structure as of February 9, 2023, the date of the last Identifiable Bearer Securities statement:
  - registered shares = 10,183,807 representing 19,870,891 net voting rights (excluding non-voting shares),
  - bearer shares = 3,849,123 representing 3,369,102 net voting rights (excluding non-voting shares);
- Restrictions in the articles of association or corporate bylaws on the exercise of voting rights and on share transfers:
  - Shareholders must declare to the Company the upward or downward crossing of a threshold of 1% of the share capital, as well as all multiples of this percentage up to the threshold of 34%, within 15 days of the registration of shares, so as not to lose their voting rights as per Article L.233-14 of the French Commercial Code.
- Direct or indirect shareholdings in the Company's share capital of which it is aware in light of Articles L.233-7 and L.233 -12 (relating in particular to threshold crossing declarations):
- The stake held by SAVENCIA Holding directly or indirectly, as of February 9, 2023 = 66.64% of the equity (i.e. 78.58% in terms of gross voting rights, including non-voting shares) and 80.47% in terms of net voting rights (excluding non-voting shares)
  - Additionally, Northern Trust held 5.11% of the share capital of Savencia SA as of February 14, 2023.
- The list of holders of any securities with special rights of control and the description thereof (resulting in particular from preference shares):
- A double voting right is granted to shares registered in the name of the same shareholder for at least 6 years;
- The control mechanisms provided for in any employee shareholding system, when control rights are not exercised by the latter (e.g. mutual funds):
  - None;
- Shareholder agreements of which the Company is aware and which may result in restrictions on the transfer of shares or the exercise of voting rights (shareholders' agreement):
  - In the event of a sale of shares resulting from the exercise of stock options, existence of a pre-emptive right in favor of Savencia SA for the buyback of its own shares.
- Rules as to the appointment and replacement of members of the Board of Directors as well as to amending the Company's articles of association:
  - Members of the Board of Directors are appointed by the Ordinary Shareholders' Meeting for renewable terms of one year. The composition of the Board of Directors aims to reflect the internationalization of the Group, and includes Independent Directors, in accordance with the principles of good corporate governance,
  - Amendments to the articles of association are made in accordance with the legal quorum and majority requirements for Extraordinary Shareholders Meetings.
- The powers of the Board of Directors, in particular regarding the issue or buyback of shares:
  - delegations granted by the Ordinary and/or Extraordinary shareholders' Meeting to the Board of Directors to:
    - Make additions to equity, on one or more than one occasion, in kind, in cash or by incorporation of reserves.
    - Buy back Company shares up to a maximum of 10% of the share capital;
- Raise new equity restricted to employees, up to a maximum of 3% of said share capital.
- Agreements entered into by the Company that would be modified or would be terminated in the event of a change of control of the Company:
  - A clause to this effect is included in the principal financing agreements. The amount of the loans concerned is approximately €1,091 million, consisting of bonds and borrowings from financial institutions. The financial ratios set out in the financing contracts are met.
- Agreements providing for compensation for members of the Board of Directors or employees, if they resign or are dismissed without real and serious cause or if their employment ends due to a tender offer (in particular, severance payments and golden parachutes):
  - none, beyond what is provided in the various collective agreements.

2. Organization of internal control and risk management

2.1. Overview

The aim of the internal control procedures in force at Savencia Fromage & Dairy is to verify that the accounting and financial information communicated to the Group's corporate bodies accurately reflects the operations and position of the companies that comprise it. They are also intended to provide reasonable assurance that the risks related to the various operational processes employed within the various Group entities are understood and controlled.

Internal control is implemented by each entity under the leadership of the Group's Executive Management and with the support of the Board of Directors and its Audit and Risk Committee as part of their duties. Their purpose is to verify that:

- the laws and regulations in force in each of the countries where the Group operates, as well as the policies governing the management of operations, are complied with;
- assets are safeguarded;
- the accounting and financial information communicated to the Group's corporate bodies accurately reflects the activity and position of the companies that comprise it in compliance with the laws and regulations in force.

They also help to prevent and detect errors and fraud.

As with any system, these internal control procedures cannot provide an absolute guarantee of the complete knowledge and control of risks.

The creation of an Internal Control Function in April 2022 is intended to strengthen the management of the overall system, with the deployment in 2023 of an Internal Control Reference Manual and a self-assessment questionnaire for all subsidiaries.

Risk management, based on an Enterprise Risk Management (ERM) approach at all levels of the Group, and risk mapping in particular, is based on a risk management strategy (operational, financial, strategic risks) to optimize:

- risk prevention methods;
- risk reduction or hedging (for example through insurance policies);
- the acceptance of certain risks.

2.2. Risk mapping

The Group maintains three risk maps, developed in coordination with management, with the aim of identifying potential risks and developing measures to minimize their scope and occurrence:

- a Group risk mapping
- a risk mapping according to the Sapin 2 law,
- and a risk mapping according to the Duty of vigilance law.

2.2.1. "Group" risk mapping

The formalization of the risk analysis approach (ERM) by the main operational entities is ongoing. The results of these local mappings complement the existing Group mapping. By 2022, 100% of the subsidiaries' mapping was completed, as well as the majority of the sites' mapping.

STAGES OF RISK MAPPING:

- risk identification: the risk represents the possible occurrence of an event whose consequences could affect the Group's people, assets, environment, objectives or reputation;
- risk severity assessment: risks are assessed according to two criteria, their likelihood of occurrence and their impact;
- risk control analysis: this stage consists of examining the prevention and protection measures in place to date and assessing the level of control of potential risks.

MAIN RISKS IDENTIFIED AT GROUP LEVEL:

In 2022 risk mapping was divided into two categories of twenty-one risk families, listed below. The two categories are risks related to the external environment and those inherent to the Group's businesses. The risks have also been classified according to their strategic or operational nature.

Category 1: Risks related to the external environment

Health crisis

Consumer confidence in the Group's brands is based on a raw material and a product of the highest quality. The Group is therefore particularly attentive to the food safety of its products. The risk of contamination predominantly has microbiological origins but can also relate to possible chemical contaminants, allergens or foreign bodies, at the various stages of product development, from the collection of milk or the purchase of raw materials to the manufacture, storage and distribution of products.

The Group's quality policy covers the purchasing, production and distribution of raw materials. It complies with the most rigorous international protocols for the diagnosis and control of food safety and is constantly updated, particularly in its new business lines such as child nutrition and parapharmaceuticals.

Geopolitical risk

Geopolitical tensions or instabilities, as well as the possible tightening of customs barriers, may impact the Group's development or lead to losses of volume.

The Group continually monitors these risks in order to anticipate changes as early as possible.

Risk of volatility in material prices

In all the markets in which it operates, the Group must deal with increasing volatility in the prices of raw materials and the trading prices of industrial products. This volatility increased in Europe from 2007, and again following 2015 the abolition in of the dairy market quota systems. In the event of a sharply upward market, the Group may not be able to increase its prices to distributor customers to the same extent and within the same time frame, which could impact its results. In the event of a sharply downward market, the Group may have to reduce its selling prices of manufactured products by a higher fraction than the price of its raw materials.

To deal with this risk, the Group is able to employ:

- a unique portfolio of international and local brands recognized in their markets, and
- the diversity of its business lines and geographical markets, which enables it to greatly offset the variety of economic conditions that drive consumption and the inputs to cost of goods.

Financial risks

- Market risk

The Group is exposed to financial risks, such as the risk of changes in interest rates, foreign exchange rates or commodity prices. These may have an adverse impact on revenue and financial results.

The Group's policy is to monitor and manage these exposures centrally and to use derivatives only for economic hedging purposes. Market transactions are governed by strict procedures. Foreign exchange risk is also limited by the Group's strategy to produce and market most of its specialties locally.

- Investment risk

The Group is exposed to counterparty risk, particularly banking risk, as part of its financial management. The Group's banking policy aims to mitigate its risks by diversifying its counterparties, prioritizing their credit quality and liquidity, and by applying limits to each of them.

- Financing risk

In recent years, the Group has had to increase its debt via short- and long-term financing. The Group's financing policy is designed to centralize and diversify its sources of financing and ensure compliance with the associated covenants.

Risk of climate change and sustainability of natural resources

With regard to climate risk, sites that have identified potential risks have addressed such risks by preparing business continuity plans and conducting specific studies.

Risk of transformation of distribution channels

The loss of a major customer could lead to significant losses in volumes and profitability over the long term, particularly in Europe (France and Germany), which accounts for a large part of the Group's earnings.

De-listing risk

The concentration of supermarket chains, our key customer in mass-market consumer channels, increases the risk of de-listings given the consolidation of sales to a reduced number of customers.

To protect itself against delisting, the Group highlights the strength of its brands, the quality of the services provided and the profitability afforded to its customers through regular innovation.

Risk of changing consumer preferences

The rise of veganism, concerns for animal welfare, as well as changes in food habits (organic, plant-based, etc.) may increase the negative perception of our manufactured products and lead to a decline in sales. Initial responses to these societal trends include an updated CSR plan, the creation of a plant-focused subsidiary and tailored communications.

Pandemic risk

A number of factors—including the globalization of trade, the interconnection of economies and constant travel by people the world over—make more likely an epidemiological hazard that could reduce or stop production at industrial or administrative sites.

The Group's business model—based as it on diversified customers (consumers, food services and food processors), local production and local brands housed at a significant number of plants located on all continents—will by its nature limit the spread of an epidemiological hazard. The same applies to its administrative sites. In addition, the Group is developing business continuity plans for all our sites, making us prepared to put any plant back in operation remotely.

Insurance risks

The insurance market has continued to tighten, with insurers withdrawing from cyber risks and civil liability for corporate executives. The agri-food sector is still considered a "bad" risk due to its exposure to the risk of fire and contamination issues, especially in the wake of the ethylene oxide crisis. The Group has managed to maintain a level of coverage equivalent to that of the previous financial year.

Risks of fraud and attacks via Information Systems

The unavailability of information systems in general constitutes a risk for the Group. Ongoing additions of information systems security staff are helping to deal with this technological risk, which requires expert personnel. The commissioning in 2021 of a Security Operation Center has strengthened the Group's protection against cyber-attacks.

Malicious acts and terrorism

The Group has a security control process in place for its subsidiaries. In 2022, eleven security audits were conducted on site in order to improve the general level of security against external threats.

Market risks (exchange rates, interest rates, commodities)

Changes in currencies, interest rates or commodity prices may have an impact on revenue and financial results. Accordingly, the Group systematically applies a market risk hedging policy.

Category 2: Risks inherent in the business

Major losses at strategic sites

Certain specialties and/or strategic ingredients are manufactured in or pass through a limited number of sites, and in some cases just one site. The occurrence of an event resulting in the total or partial destruction of one of these sites could significantly affect the production and marketing of these products.

For many years, the Group has successfully managed to secure its sites and prevent risks of fire with the support of its insurers. It has also set out improvement objectives for its main industrial sites aimed at reducing the occurrence of these risks. The Group is continuing to develop a Business Continuity Plan to be implemented in the event of a major disaster. In addition, the Group has traditionally pursued a prudent policy in terms of protecting its assets and itself against major risks such as property damage, business interruption and civil liability.

Obstruction of Messageries Laitières

A large volume of specialty products move on a daily basis through Messageries Laitières. An event causing one of these sites to shut down could have a significant effect on marketing our products.

Inability to operate sites

The Group's sites run the risk of downtime for a variety of reasons including social movements, interrupted telecommunications, software crashes, etc. The Group conducts a comprehensive risk assessment of each of its subsidiaries, in order to define the most appropriate BCP.

Human Resources

The health and safety of the men and women who work for the Group is a top priority. With a view to constantly improving workplace safety, the Group conducts an international program of mobilization, training and management called "Safety is our business!" A set of guidelines is provided for all production units, and the Golden Rules on display at all sites carry risk prevention messages. A key tool in this program, the behavioral safety inspection, raises awareness and encourages the involvement of all stakeholders: Senior executives, line managers and workers In addition, a program has been developed. to protect the safety of employees when traveling.

Environmental risks of business activities

The Group, via its Oxygen plan and its vigilance plan, considers CSR risks from a global point of view and encourages its subsidiaries to carry out actions locally.

Risks of dependence on one activity, country or supplier

Dependence on certain strategic inputs, for instance, or long-term disruptions in the sourcing of raw materials, as well as heavy reliance on a single supplier, constitute major risk factors. To reduce the impact of the above, the Group carries out a market-by-market risk assessment and implements action plans (e.g. alternative solutions, alternative qualified suppliers, formalized security through contracts; back-up inventories, etc.)

Regulatory & Compliance risks

The Group's business activities are subject to multiple changing and increasingly restrictive laws and regulations regarding food safety, consumer protection, nutrition, the environment, competition law, corruption and personal data.

The Group ensures compliance with all legal and regulatory provisions in the countries in which it operates and takes the measures it deems appropriate to ensure this compliance. In addition to continuous monitoring to identify the various regulatory changes, it develops educational programs for the employees concerned and provides ongoing training.

Major brand and company reputation

The Group's reputation and image may be undermined at any time by adverse events affecting the reputation of its products, or by the uncontrolled dissemination of harmful information in the media and on social networks relating to its business activities, production sites, brands, products and their ingredients, and its management.

To address this risk, the Group has set up a crisis management system whose purpose is to prevent crises and reduce their impact.

2.2.2. "Sapin II Law" risk mapping

The law on transparency, anti-corruption and the modernization of economic life of December 2016, known as the Sapin II law, requires the creation of a map detailing the risks of corruption and influence peddling, particularly in relation to the geographic areas in which the Group operates.

Corruption risk mapping has two sets of objectives:

- to identify, assess and prioritize corruption risks to ensure an effective and appropriate program of compliance, and
- to inform senior management and provide it with the visibility necessary for the implementation of prevention and detection measures proportionate to the issues identified.

In 2022 the Sapin II net risk mapping was extended with the deployment of corruption risk maps at the subsidiary level and the introduction of action plans at certain subsidiaries that are particularly exposed (China, Ukraine, Brazil, Argentina, Hungary and Spain). This approach will be continued in 2023.

2.2.3. Duty of Vigilance risk mapping

In accordance with the Duty of vigilance Law, the SAVENCIA Group has an established Vigilance plan designed to identify risks and prevent serious violations of Human rights and fundamental freedoms, personal and environmental health and safety, resulting from its activities, those of the companies it controls, as well as those of its subcontractors and suppliers. This Vigilance Plan is available on the savencia-fromagedairy.com website.

Note: in 2023, a unitary 2022 Group vigilance plan was drafted.

2.2.4. General Data Protection Regulation (GDPR)

The Group maintained its GDPR compliance in 2022. Almost all subsidiaries now have a personal data register. All the necessary impact analyses have now been completed.

The objective is for the great majority of subsidiaries to have achieved initial compliance (95% of their action plan completed) by May 2023.

2.3. Control procedures

Internal control and risk management (ERM) procedures are implemented taking into account the Group's values, which emphasize the subsidiarity and autonomy of its units, together with risk mapping. The Parent Company controls the business activities of its subsidiaries through:

- the Operating divisions - responsible for coordinating and supervising ERM
- the Finance Department - responsible for assessing the adequacy of the Group's financial performance and its financial balance.

The Board of Directors' Audit and Risk Committee monitors the effectiveness of these controls, drawing on the work of the Internal Audit Department and the Statutory Auditors.

As part of a multi-year plan, the Internal Audit Department, which reports to the Group's Senior Management, assesses the internal control of each entity, as well as the increasing number of cross-functional processes in operation within the Group, relying on the reference framework defined by the French Financial Markets Authority (Autorité des Marchés Financiers - AMF). This work helps to assess the major risks specific to the activity of each entity, based on the risk mapping developed as part of the ERM approach currently being rolled out within the Group. The report drawn up at the end of this work highlights areas for improvement in the internal control procedures. The entities are then required to establish and roll out action plans to implement the recommended improvements, and to report periodically on their progress. The progress of these action plans is supervised by and monitored annually by the Internal Audit Department.

With regard to financial information, the process for preparing the financial statements of each subsidiary draws on:

- a standard chart of accounts applicable to all subsidiaries;
- an accounting procedures manual aimed at harmonizing the policies implemented in this area.

On this basis, the subsidiaries prepare monthly statements that are compared to the same period of the previous financial year. They also prepare an annual profit forecast. The Group's Finance Department actively monitors the activity and results and checks the information received by the Finance Directors of each activity.

The parent company financial statements of each subsidiary and the additional information required for the preparation and restatement of half-yearly and annual consolidations are also certified by the external auditors of each subsidiary. The appointment of these auditors is part of a standardization policy established in collaboration with the Group's Statutory Auditors. In addition, the managers of each subsidiary sign a letter of representation, to the attention of the Board of Directors, on the quality and content of their financial statements.

The process for preparing the consolidated financial statements is based on a computerized system that centralizes the consolidated financial statements, as well as the additional information required for the preparation of the consolidation.

To ensure that these consolidation transactions are carried out under proper internal control, procedures have been established to guarantee the integrity of the data collected using a single application with strictly controlled access. The reliability of the consolidation processes and the fair presentation of the consolidated reports are guaranteed by procedures designed to separate tasks and ensure the supervision of transactions.

Each year, the Statutory Auditors, as part of their audit of the consolidated financial statements, review the procedures in place for their preparation and make any recommendations they deem necessary. These comments are taken into account as part of the regular improvement of the Group's existing procedures.

3. Vigilance Plan

In accordance with Law No. 2017-399 of March 27, 2017 relating to the Duty of vigilance of parent companies and contracting companies, the Vigilance Plan below presents the approach to vigilance and the report on the actions implemented within this framework at the level of the Group represented by SAVENCIA Holding (hereinafter referred to as "SAVENCIA Group," "SAVENCIA" or "the Group") for all its activities. It covers not only the activities of its subsidiary SAVENCIA Fromage & Dairy (as well as subsidiaries and sub-subsidiaries thereof), but also those of SAVENCIA Gourmet (as well as subsidiaries and sub-subsidiaries thereof).

3.1. Introduction

SAVENCIA Group is an independent family agri-food group made up of close-knit companies. The Group strives to reconcile its international agri-food business with a deep-rooted attachment to local regions, as well as the many stakeholders that contribute to value creation for sustainable and high-quality food.

Everywhere SAVENCIA Group operates, it takes care to conduct its business with respect for human rights and the environment, whether these activities are carried out directly or as part of its commercial relations.

SAVENCIA's values profoundly influence our way of working and the goals we set for ourselves: consumer satisfaction, encouragement and support for producers, suppliers and partners in implementing best practices, and a safe, ethical and sustainable environment for workers. These values guide the Group's approach to protecting and promoting human rights, as well as its commitment to the environment. They also underpin the Group's ever-more concerted action for the common good: the way we rally teams around our shared values, everywhere and every day, is a perfect illustration of this pledge.

Reference framework

As part of our quest for constant improvement, consumer and customer satisfaction stands out as a keystone of our strategy, alongside the overall satisfaction of all those who work within and for the Group. As such, respect for human rights and the environment, food safety and the fight against corruption stand out as indispensable and exacting principles that are both compatible with and contribute to optimal and lasting economic performance.

This commitment is expressed in the Group's Code of Ethics: distributed to all employees and available on the Group's internal website, this Code guides the behavior and decisions of all employees with a view to working harmoniously, ethically and responsibly within SAVENCIA.

Legal context

The SAVENCIA Vigilance Plan meets the requirements of the French law on the Duty of vigilance of parent and contracting companies.

This plan must include "reasonable vigilance measures to identify risks and prevent serious violations of human rights and fundamental freedoms, personal and environmental health and safety" that may result from the activities of the Group and its subsidiaries, as well as those of suppliers or subcontractors with which SAVENCIA has an established business relationship.

This obligation is based on five measures:

- risk-mapping;
- procedures for the regular assessment of the situation of subsidiaries, suppliers and subcontractors;
- appropriate actions to mitigate risks or prevent serious harm;
- a whistleblowing and report-processing system relating to the existence or realization of risks;
- a system to monitor the measures implemented and assess the effectiveness thereof.

The report on effective implementation for 2022 is incorporated in the Vigilance Plan, in particular through operational illustrations and monitoring indicators.

Initiatives to promote the Duty of vigilance

Beyond compliance with the law, the Vigilance Plan represents an opportunity for the Group to formalize and coordinate initiatives already in place at its various sites, subsidiaries and business partners. The Group has long exhibited an awareness of its social and environmental responsibilities towards its customers, employees and suppliers, as well as other relevant stakeholders. It considers that the requirements of the law on the Duty of vigilance are fully integrated into its ethical and societal commitments, and takes care to ensure compliance with these obligations in its operations and value chain.

Since 2003, the Group has been a signatory of the United Nations Global Compact, the world's largest sustainable development initiative, thus demonstrating its commitment to adopting an approach grounded in impact measurement and sustainable development across its entire value chain. In consonance with UN initiatives, SAVENCIA Group's principles of responsibility are based on international reference texts that set out the commitments to be respected, particularly in terms of human rights:

- the Universal Declaration of Human rights, the Sustainable Development Goals (SDGs) and the Principles of the United Nations Global Compact;
- the OECD Guidelines for Multinational Enterprises;
- the International Labor Organization (ILO) Tripartite Declaration on Multinational Enterprises;
- national legislation, particularly regarding the Due diligence to respect human rights and the environment.

As part of a growth strategy designed to reconcile meaning and performance, SAVENCIA Group has developed its approach to corporate social responsibility (CSR) on the basis of the Oxygen Plan, a roadmap focused on collaboration and innovation for an ethical and sustainable world. The Oxygen Plan incorporates the expectations expressed by the Group's stakeholders, as reflected in a materiality analysis, and strengthens the Group's CSR efforts across four major areas of progress, with global ambitions and local, subsidiary-led actions (see Chapter 2 of the Annual Report - Non-Financial Performance Statement).

3.2. Governance and stakeholders

3.2.1. Governance

Building on SAVENCIA Group's commitment to respect human rights and the environment, Management has entrusted the Risk Management and Compliance Department with the responsibility of implementing the Group's vigilance approach.

Its responsibility particularly includes coordinating the structure and content of the Vigilance Plan and issuing recommendations to the various departments involved. The Risk Management and Compliance Department regularly reports to Group Management regarding its progress. The Communication, CSR, Human Resources, Purchasing, Legal, Quality, Operations, Control and Internal Audit Departments have participated in monitoring actions and contributed to drafting the Vigilance plan. The bodies responsible for issues relating to the Duty of vigilance have their own internal steering mechanisms.

Progress in implementing the Vigilance Plan is monitored by the Group Ethics and Culture Committee, which incorporates issues relating to the Duty of vigilance. The Committee is chaired by the Group Corporate Secretary and comprises the Group's Chairman, Chief Financial Officer, General Counsel, Human Resources Director and Compliance Director. It meets at least twice a year in plenary session, and as often as required by current events. In 2022, it continued to review the progress of measures relating to the Duty of vigilance.

The Audit and Risk Committee is one of the specialized Board committees dedicated to compliance and vigilance issues. Established in 2017, it meets at least four times a year, and ensures implementation of the Vigilance Plan.

The CRS Committee, on which the Compliance Director sits, also addresses vigilance issues, consistent with its responsibility of overseeing CRS initiatives and the Oxygen Plan.

Finally, the Compliance Steering Committee is the body tasked with carrying out and monitoring vigilance actions. It meets at least twice per year and as often as required by current events and its risk monitoring responsibilities.

3.2.2. Relations with stakeholders

Firm in the belief that a collaborative approach is instrumental in building and implementing its approach to vigilance, SAVENCIA Group strives to strengthen risk prevention by ensuring the involvement of all people, structures and organizations potentially affected by its activities.

As such, stakeholders are regularly consulted, both locally and nationally, regarding the implementation of action plans and priority measures aiming to prevent risks related to the Group's activities in the fields of human rights and the environment.

Consultation with trade unions

Quality of life at work and social relations are an absolute priority for the Group, which considers them a source of fulfillment and sustainable performance. Social dialogue is thus ensured through employee representation at all levels of the Group:

- within the employee representative bodies of each subsidiary,
- through the Group Works Council for France, a representative body that meets twice a year,
- through joint committees in France, which manage systems put in place pursuant to agreements (personal risk insurance, healthcare expenses, collective pension savings plan, Group profit-sharing plan);
- and finally through the organization of a European Works Council (EWC), which meets once a year and is governed by an operating agreement in accordance with the provisions set out in Directive 2009/38/CE of the European Parliament and of the Council of May 6, 2009 and transposition thereof into French law by Order No. 2011-1328 of October 20, 2011.

In October 2022, the obligations associated with the Duty of vigilance, the risk mapping approach and the Group Vigilance Plan were presented to employee representative bodies at the annual EWC meeting.

Relations with stakeholders at the operational level

To prevent and effectively manage the impacts of its activities on human rights and the environment, SAVENCIA Group institutes and maintains dialogue with stakeholders at the operational level. These discussions reflect the Group's desire to build a lasting relationship with its ecosystem, and include concrete actions furthering its commitment to global initiatives.

To help prepare the future of the dairy industry and to share its practices, SAVENCIA Fromage & Dairy works with all the players in the value chain in France: the National Federation of Dairy Industries (FNIL), the French Milk Processors' Association (ATLA), and the French National Association of Food Industries (ANIA).

SAVENCIA Fromage & Dairy sits on the Boards of Directors of the CNIEL (French Dairy Interprofessional Organization for cow's milk), ANICAP (National umbrella organization for the French goat milk industry), France Brebis Laitière (Interprofessional Organization for sheep milk - FBL) and associated regional bodies.

At the international level, SAVENCIA Fromage & Dairy is also a signatory of the Pathways to Dairy Net Zero Declaration and an active member of the International Dairy Federation (FIL-IDF), the Sustainable Agriculture Initiative (SAI) and the Dairy Sustainability Framework (DSF).

In 2021, SAVENCIA Fromage & Dairy also became a member of the Roundtable on Sustainable Palm Oil (RSPO).

In addition, SAVENCIA Gourmet is participating, together with the companies Valrhona, Weiss and Révillon, in the Cacao Forest project, which brings together partners from a variety of backgrounds to develop a more responsible and sustainable cocoa sector.

3.3. Scope and business model

3.3.1. Value chain

Active in 120 countries on all five continents and employing more than 25,000 workers, the Group offers a portfolio of premium brands as well as a range of products and services for professionals in the F&B and industrial markets (agri-food, dietetics, health, etc.). Through its subsidiaries located throughout the world, it operates mainly in the fields of dairy and cheese (SAVENCIA Fromage & Dairy) as well as in the Charcuterie, Seafood and Chocolate sectors (SAVENCIA Gourmet).

SAVENCIA Fromage & Dairy is a major player in dairy processing and the world's fifth largest cheese group. Its portfolio of unique brands, including Caprice des Dieux, St Morêt, Tartare and Elle&Vire, brings together cheese specialties, butters and creams for the retail market, as well as creams, butters, cheeses and cheese sauces for the restaurant and bakery industries. Nutritional solutions and technical butters are also specially developed for industrial players.

SAVENCIA Gourmet is a leading international player in the field of dessert gastronomy in the F&B sector, and is present in supermarkets and hypermarkets in France with charcuterie and seafood brands. Brands include Valrhona, a top name in the Premium chocolate market serving professionals, as well as other brands such as Bordeau Chesnel and Coraya.

3.3.2. Scope of application of the Duty of vigilance

The vigilance measures set forth in this plan are implemented within the SAVENCIA Group value chain for:

- operations: all activities carried out by Group subsidiaries prior to the sale of products, essentially production or processing activities, as well as any upstream or downstream activities (e.g. transportation). All brands combined, the sites concerned are mainly located in France, although there are also sites in the United States, South America, Central Europe and Asia. The identified rights holders are the Group's employees, but rights can also extend to the environment surrounding subsidiaries' business sites, particularly local residents.
- supply chains: the activity of all suppliers and subcontractors. Within the supply chain, rights holders are the workers employed by suppliers. Externally, rights holders are the populations and the environment potentially impacted by supplier activities.
- sale and consumption: direct sales to consumers (BtoC or Business-to-Consumer activities) as well as sales to professionals (BtoB or Business-to-Business activities).

3.4. Risk analysis

Our activities and operations have an impact on our ecosystem. SAVENCIA Group, as well as its subsidiaries, takes care to monitor these impacts and to remedy the negative effects generated. The Group has thus developed a risk assessment process that takes into account local specificities and emerging issues.

In line with other risk assessment procedures carried out at Group level, the Duty of vigilance focuses specifically on the risks that SAVENCIA poses to its environment and ecosystem.

In 2022, an assessment of the risks specific to the Duty of vigilance was carried out with the support of an expert consultancy firm. With a view to complementing the insight gained through the 2018 risk analysis on the Group's five main raw materials, lines of research were identified for the 24 categories studied according to SAVENCIA's impact on rights holders throughout its value chain.

Through a documentary analysis by category based on available and relevant public resources (e.g. BHRRC, FAO, CCFD, OXFAM, etc[3].), the risks inherent to the Group's activities and sector were identified and qualified in terms of human and environmental rights, integrating the geographical areas concerned.

[3] *BHRCC: Business and Human rights resources Center; FAO: Food and Agriculture Organization; CCFD: Comité Catholique Contre la Faim et Pour le Développement; OXFAM: Oxford Committee for Famine Relief.*

The following risks have thus been analyzed in depth for the categories studied:

Issues relating to the Duty of vIgilance			
Human rights and fundamental freedoms	Personal health and safety	Environment	Local communities
Associated risks			
Union rights	Employee health and safety	Contribution to climate change	Living and housing conditions and land grabbing
Discrimination and harassment	Consumer health and safety	Use of natural resources, harm to biodiversity and animal well-being	
Forced Labor		Water, air and soil pollution	
Child labor			
Compensation and working time			
Other working conditions (formal work relationship, employer-organized housing and commuting conditions)			

The inherent risks thus identified were compared with the measures and practices in place within the Group and its subsidiaries.

This analysis made it possible to determine the Group's material risks, considering the most serious potential negative impacts of the Group's activities on human rights and the environment.

The measures to be implemented on a priority basis to mitigate and prevent the potential damage caused by these risks are reviewed together with the Group's stakeholders. All representative internal stakeholders, in particular the HR, CSR, Purchasing, Quality, Health and Safety and Environment teams, as well as employee representatives, members of the Group Works Council for France and the SAVENCIA European Works Council (EWC), were consulted in 2022 to provide input for this analysis.

Furthermore, the obligations associated with the Duty of vigilance, the risk mapping approach and the Vigilance plan were presented to employee representative bodies at the annual EWC meeting in October 2022.

3.5. Regular assessment with regard to risk analysis

In accordance with the provisions of the law on the Duty of vigilance, the compliance process is updated on the basis of internal qualitative and quantitative indicators.

The Compliance Steering Committee, which is responsible for managing the compliance approach alongside the network of Compliance Officers, thus meets at least twice a year, and more often as necessary, to monitor implementation of the vigilance mechanism.

- Qualitative monitoring

Qualitative monitoring is carried out in collaboration with the network of Subsidiary Compliance Coordinators (SCC). These agents, whose position allows for full understanding of the Group's operational reality, report to the Compliance Department any type of violation or risk of violation of human rights observed in the course of their duties. They may also report any concerns or issues raised by employees.

This continual link between the network of Compliance Coordinators and the Compliance Department allows for concrete assessments of the effectiveness of the measures taken. Feedback received from Coordinators thus serves as a primary basis for drawing up action plans and identifying areas for improvement.

- Quantitative monitoring

The various measures implemented internally are accompanied by monitoring indicators that make it possible to evaluate the effectiveness of the vigilance approach. SAVENCIA Group has at its disposal diverse tools and mechanisms to fulfill its Duty of vigilance.

Social reporting

The Group's social reporting data is analyzed in detail to assess the effectiveness of Group actions or policies, as well as to identify any changes to be made.

With respect to the Duty of vigilance, monitoring procedures focus particularly on the following:

- annual headcount (permanent and non-permanent), with details on new hires and departures,
- the age of the workforce,
- gender equality in the workplace,
- employment and integration of people with disabilities,
- working hours,
- absenteeism,
- training, as well as wages and expenses,
- social relations.

Detailed information concerning these actions and the corresponding follow-up are specified in Chapter 3.6 on risk mitigation and prevention of serious harm.

Direct employee input and measurement of well-being

The development of the #MySAVENCIA Human Resources Information System made it possible to extend the practice of Annual Employee Appraisal Interviews (AEA) to all managers as of 2022, and then gradually to all Group employees.

Furthermore, a concern for the well-being of its employees led the Group to put in place a tool intended to assess the workplace well-being of Group employees through periodic internal opinion surveys and implementation of improvement plans. This perception of well-being is monitored by way of an internal opinion survey carried out anew in June 2022 among 21,326 employees in almost all SAVENCIA subsidiaries with more than 50 employees. The survey uses the Great Place To Work (GPTW) methodology with the Trust Index questionnaire, which comprises 60 questions focused on five major factors of satisfaction: credibility, respect, fairness, pride and camaraderie (see the SAVENCIA Holding Non-Financial Performance Statement - "Employee well-being").

More generally, the various communication channels available to employees provide a means of exchanging and for expressing themselves, offering the possibility to report any difficulties, malfunctions or shortcomings.

In particular, employees have access to various mechanisms set up under an agreement with Stimulus, including an anonymous listening and support unit, and can report any problems via the Group's alert hotline (see Vigilance plan - 3.7 Whistleblowing and report-processing system).

Internal audit

In the performance of its duties, the SAVENCIA Group Internal Audit Department is required to review the resources and controls in place within the subsidiaries covered by the Vigilance plan.

The Internal Audit methodology is based on the internal control reference framework set out by the Committee of Sponsoring Organizations (COSO). The purpose of this internal control framework is to assess internal control based on 17 principles integrated into five components according to the 2013 model. These principles, assessed using a set of interview guides co-constructed with the relevant business line experts, serve to assess the risks associated with processes relating to the environment, social relations, ethics and responsible purchasing within SAVENCIA Group subsidiaries. These assessments:

- complement the audits carried out by the individual business lines (Quality, OHS, Insurance audits, etc.) and external audits;
- are cross-functional and therefore concern all subsidiary processes and activities;
- take place periodically, each subsidiary being audited every three to four years.

Nonetheless, the audit plan may be adapted according to the upstream risk assessment, including country risk assessments regarding respect for human rights and health, feedback from the Group Whistleblowing system, as well as any other relevant internal or external feedback. Feedback from audit visits is shared with the Group's Executive Management and the Compliance Department. Should particular attention be drawn to a specific point, the Compliance Department highlights uncontrolled risks that call for action plans and, in some cases, additional controls.

Group certification

SAVENCIA Group calls on an independent body to carry out an annual audit of its Human Resources processes, practices and tools, thus earning "Top Employer" certification. This certification is awarded to companies that apply best practices in the field of Human Resources. SAVENCIA is recognized for its policies and programs, particularly in terms of talent management, recruitment, onboarding, training and skills development. SAVENCIA Group has earned official Top Employer in Europe status for nine consecutive years.

The Group also boasts 2023 Top Employer certification in 14 countries: Belgium, Brazil, China, Czech Republic, France, Germany, India, Poland, Slovakia, South Korea, Spain and, for the first time, Argentina, Japan and the United States.

Finally, its subsidiaries Valrhona, República del Cacao and Rogue Creamery have earned B CORP certification, which highlights their societal and environmental commitments.

Employee health and safety

In the area of health and safety, precise indicators – number and frequency of work-related accidents, etc. – make it possible to monitor changes in the number and type of incidents at Group sites, in order to quickly plan new appropriate corrective measures (See Vigilance plan - 3.6 for detailed actions relating to employee health and safety risks).

Quality audit

Performance indicators are incorporated into the third-party assessment process. This makes it possible to measure the effectiveness of the procedure in preventing risks to human rights, health and safety, and the environment. Regular verifications and audits by certification bodies provide a way of measuring the effectiveness of the compliance system. Scores and results offer insight for the establishment of an action plan indicating the corrective measures to be prioritized (see Vigilance plan - 4.6 for detailed actions related to consumer health and safety risks).

Suppliers

The Group's Responsible Purchasing approach includes assessing the positioning of suppliers with regard to Vigilance risk mapping (see Vigilance plan - 4.6.2 Responsible Purchasing).

3.6. Risk mitigation and prevention of serious harm

This chapter presents the main measures taken by SAVENCIA to reduce the material risks generated by its activities and which could lead to serious violations of human rights and fundamental freedoms, danger to personal health and safety and severe environmental damage. It also provides information on the monitoring of corresponding results.

In addition, this chapter presents the vigilance measures regarding the activities of suppliers working with the Group and its subsidiaries in the context of an established commercial relationship.

The risks presented are not exhaustive and reflect a priority-based selection according to our detailed risk analysis.

Finally, a fundamental cross-cutting measure has been implemented throughout the Group with the roll-out of a mandatory e-learning course on the Duty of vigilance. Launched in late 2022 and translated into 17 languages, this program aims to raise employee awareness of the risks of serious harm in the fields of human rights, health and safety and respect for the environment due to the actions of the Group's subsidiaries, suppliers or subcontractors in France and throughout the world.

This training course presents the issues addressed by the measures making up the Vigilance plan, in particular the alert system concerning the actual or presumed existence of risks.

3.6.1. Group actions

This chapter presents the actions taken to prevent and remedy serious harm potentially resulting from the activities of the Group and its suppliers. For each risk identified, the measures taken and the monitoring of results are presented. Where appropriate, this monitoring includes references to the corresponding chapters and indicators of the 2022 Non-Financial Performance Statement.

3.6.1.1. Human rights and fundamental freedoms

As part of its Duty of vigilance, SAVENCIA has identified the risks posed by its activity to the human rights of women and men.

Six risks were thus defined and analyzed according to the methodology previously presented in Chapter 3.4 of the Vigilance plan.

- Child labor

Risk of child labor (with the exception of the regulated framework of educational activities and apprenticeship)

In accordance with the ILO Minimum Age Convention (No. 138) of 1973 and the ILO Worst Forms of Child Labor Convention (No. 182) of 1999, the Group prohibits the employment of minors under the age of 15. Beyond a principled refusal to engage in child labor, SAVENCIA is committed to respecting the rights of children everywhere, as enshrined in the International Convention on the Rights of the Child of 1989.

Actions implemented	Results
GROUP	
The commitments contained in the Group Charter for sustainable purchasing cover child labor.	At December 31, 2022, more than 1,045 Charters for sustainable purchasing had been signed, covering 66.8% of the Group's expenditure overseen by the Purchasing Department and carried out with major suppliers (exceeding €1 million per year) excluding agricultural raw materials.
Subsidiary HR teams systematically monitor the age of job applicants.	In 2022, the minimum age of permanent Group employees was 16; people under the age of 18 are predominantly employed through work-study contracts.
COCOA	
Child labor is a major risk faced by the cocoa sector as a whole, with production taking place mainly in countries in the Southern Hemisphere. Specific actions have been taken in SAVENCIA's cocoa subsidiaries to respond to identified human rights risks, in particular the risk of increased child labor arising from changes in cocoa prices. As part of its Live Long program, the Valrhona subsidiary has established multi-year agreements (three years or more) with all its partner producers, with an average contract duration of more than eight years. These contracts make it possible to reduce child labor by maintaining high prices.	In 2021, partnerships in Belize, Peru and Sao Tome were renewed for 10 years and 100% of cocoa purchased comes from a partnership.
In 2017, Valrhona joined the International Cocoa Initiative (ICI), a foundation dedicated to the protection of children in cocoa communities that works to ensure a better future for children and their families. In addition to implementing child protection systems at the local level, the International Cocoa Initiative Foundation has identified community development, women's empowerment and access to education as key levers to prevent child labor. One of the pillars of the Rev'cacao program implemented by Group subsidiaries Révillon, La Maison du Chocolat and De Neuville is the fight against child labor on plantations. As access to quality education is key in this context, a "sustainable cocoa" premium paid to the producer goes toward paying children's school fees.	Funding has been provided to schools in Côte d'Ivoire, Ghana and Venezuela by the Valrhona Solidarity Fund with a view to increasing school enrollment rates. On average, 60% of supplier groups have systems in place to prevent, monitor and remedy child labor.

Actions implemented	Results
NUTS The nut business faces complex supply chains, involving numerous intermediaries in fragmented and often delicate international sectors. A significant lack of distinction between work and family life (e.g. cracking nuts at home) contributes to the risk of child labor, particularly in certain Eastern European countries. The Group's subsidiaries, in both the cocoa and nuts sectors, call upon their suppliers to sign the Charter for sustainable purchasing.	

- Forced Labor

Risk of resorting to permanent, temporary or interim forced labor.

In accordance with ILO Forced Labor Convention (No. 29) of 1930 and the ILO Abolition of Forced Labor Convention (No. 105) of 1957, the Group prohibits the use of forced labor by ensuring that all work is voluntary and that employees are free to leave their jobs at any time.

Actions implemented	Results
GROUP	
The commitments contained in the Charter for sustainable purchasing cover forced labor.	At December 31, 2022, more than 1,045 Charters for sustainable purchasing had been signed, covering 66.8% of the Group's expenditure overseen by the Purchasing Department and carried out with major suppliers (exceeding €1 million per year)* excluding agricultural raw materials. See Vigilance plan - 3.6.2 Responsible Purchasing
In each subsidiary, HR teams verify that employees are provided with a formal and reciprocal commitment.	The monitoring process is currently being rolled out.
FISH	
Coraya sources wild Alaskan pollock and Pacific hake from the North Pacific. The sustainable fishing framework on which the sector's activities are based include criteria for suppliers and processors of certified seafood products, in order to ensure that products are not the result of forced or child labor.	In 2022, 100% of fish in the Coraya surimi product range came from sustainable fishing, monitored by an independent body. See the SAVENCIA Holding Non-Financial Performance Statement- "Sustainable agriculture."

- Compensation and working hours

Risk of workers not being paid in accordance with ILO Conventions and local regulations.

In accordance with ILO Equal Remuneration Convention (No. 100) of 1951, the Group upholds worker rights, and its subsidiaries comply with applicable labor laws, in particular with regard to wages, which must be at least equal to the minimum wage in the country for equivalent work, with the objective of promoting a decent wage as envisaged by the ILO.

In line with this commitment, policies and associated action plans apply for the payment of raw materials to upstream agricultural producers.

Actions implemented	Results
GROUP An annual framework memorandum sets out the principles for guaranteeing compliance with legal minimums in each country and acknowledgment of local economic conditions in establishing subsidiaries' compensation policies.	
MILK In 2022, SAVENCIA Fromage & Dairy continued its policy of promoting the dairy sector in the context of the French EGalim law. Among French cheese companies, SAVENCIA Fromage & Dairy practices milk prices among the highest in the industry and has been doing so for several years. In 2022, it continued to ensure that its partner dairy producers receive among the best remuneration packages for milk in France. As part of the roll-out of the Sustainable Milk Production diagnosis, the criteria of "Profitability of financial operations" and "Financial autonomy" are evaluated and monitored. Implementation of the plan to promote the establishment of young farmers and producer investments is continuing.	23.8% of the volume of milk collected is covered by the Sustainable Milk Production diagnosis (the volume of milk covered by the assessment is estimated on the basis of the average volume of milk collected per farm within the scope concerned, with the contractual milk supply of Compagnie des Fromages & RichesMonts - CF&R - at 37%) See the SAVENCIA Holding Non-Financial Performance Statement - "Sustainable agriculture."
MEAT Bordeau Chesnel develops sustainable partnerships with farmers, in particular by guaranteeing fairer remuneration, on average 20% higher than the average going rate for pork, and much higher for the best farms. The "Nos valeurs partagées" approach, which also applies to chicken, aims to guarantee fair compensation for farmers by taking into account production costs and ensuring long-term visibility thanks to a contractually-agreed system.	In 2022, the partnership with Bordeau Chesnel for a sustainable pork sector brought together nearly 190 farmers. Gradual implementation of this program will continue until 2025. In 2022, 60% of the supply of pork rillettes came from the "sustainable quality" supply chain and 73% of the chicken supply came from a responsible supply chain in 2022. See the SAVENCIA Holding Non-Financial Performance Statement - "Sustainable agriculture."

- Discrimination and harassment

Risk of discrimination in the SAVENCIA workforce on the basis of sex, race, age, ethnic origin, nationality, sexual orientation, state of health, political opinions or support for trade unions, and risk of any form of harassment in the workplace.

In accordance with Articles L1152-1 to L1152-6 of the French Labor Code on psychological harassment and Article 5 of the Declaration of Human Rights, the Group does not tolerate any form of harassment or violence in the workplace. In addition, with reference to ILO Discrimination (Employment and Occupation) Convention (No. 111) of 1958, the Group prohibits and rejects all forms of discrimination in employment relations, on any grounds whatsoever.

Actions implemented	Results
The Group's Ethics Charter sets out the values and principles of non-discrimination to be respected on a daily basis in all activities, particularly those relating to human resources (recruitment, promotion, management, etc.). The Charter also formally prohibits all forms of harassment.	All employees are made aware of the Ethics Charter upon joining the Group.
Harassement	
Employees undergo mandatory training on harassment upon joining the Group. Harassment officers have been appointed in each subsidiary in France (within the HR Department and the Social and Economic Committee).	In 2022, 82% of Group employees had completed an e-learning course on harassment. HR and SEC harassment officers have received training to raise awareness of the risks of harassment.
Disabilities	
The Group has established a "Disability Action" policy based on four main priorities to promote the recruitment and retention of people with disabilities: raising awareness to combat stereotypes; job security and stability; recruitment of people with disabilities; and partnerships with special facilities and support establishments. Through its network of Disability Officers, the Group implements various actions throughout the year to raise awareness and combat stereotypes.	The Spanish subsidiary Arias was awarded national "Equality in the Workplace" certification in 2021. Follow-up audits will be carried out every year to ensure that the quality having led to this certification is maintained. In 2022, 13 subsidiaries had an employment rate of over 6% for people with disabilities. The overall rate within the Group is 3.3%.
In 2022, a monthly information campaign was launched in France, focusing on a specific theme each month. For European Disability Employment Week (SEEPH) in November 2022, the Group called on its subsidiaries to raise awareness among their employees and combat stereotypes regarding disabilities through conferences, digital games, information meetings and awareness-raising workshops. During this week-long event, the subsidiaries also participated in the DUO-DAY program.	DUO-DAY brought together 38 people with disabilities, who teamed up with employees to discover the business lines and industrial or administrative activities of the Group's subsidiaries.

Actions implemented	Results
Gender equality	
The Group strives to promote gender equality in terms of qualification, training, compensation and career development, driven by a commitment to achieving gender parity by 2025. A working group made up of HR teams has been set up to accelerate the development of women's leadership. This body aims to establish an action plan based on analysis of internal and external quantitative data and interviews with employees (both men and women), as well as with the Group's Management Committee. A specific budget allocation is planned to make up for any wage gaps observed between men and women in equivalent positions. Initiatives led by subsidiaries and shared within the Group are being implemented: the subsidiary SAVENCIA Cheese USA joined the United Nations global solidarity movement "#HeforShe." This solidarity campaign aims to involve men in the fight for gender equality, encouraging them to take action against the inequalities faced by men and women. Mlekoprodukt, a Serbian subsidiary recognized last year among the companies most attentive to and involved in the fight for gender equality, is continuing to develop actions already in place and maintaining its high level of standards in this area.	In 2022, women accounted for 45.2% of the Group's managers. On average, 69.1% of women of all socio-professional categories participated in at least one training session in 2022. The Group's score on the 2022 Gender Equality Index in France is 89, and areas of improvement have been identified. (see the SAVENCIA Holding Non-Financial Performance Statement - "Employee well-being")

- Union rights

Risk of workers being denied freedom of association and collective bargaining rights in accordance with ILO Conventions and local regulations.

In accordance with the ILO Freedom of Association and Protection of the Right to Organize Convention (No. 87) of 1948, the ILO Right to Organize and Collective Bargaining Convention (No. 98) of 1949, and the ILO Workers' Representatives Convention (No. 135) of 1971, in order to prevent any form of discrimination on the grounds of union activity, the Group is committed to strict respect for the freedom of association of all its employees, with regard to union membership and responsibilities, in every country where it operates. SAVENCIA is committed to respecting the principles set out in the 1998 ILO Declaration on Fundamental Principles and Rights at Work: freedom of association and effective recognition of the right to negotiate.

Actions implemented	Results
The Group's Ethics Charter recalls that freedom of association and collective bargaining are fundamental rights.	All employees are made aware of the Ethics Charter upon joining the Group.
In the event of an internal restructuring project giving rise to significant consequences for labor, employee representative bodies are systematically informed and, where appropriate, consulted in accordance with the regulations in force in the countries concerned.	

Actions implemented	Results
Promotion of social dialogue is encouraged through local employee representation bodies within each subsidiary.	In Group subsidiaries with more than 10 employees (threshold for the establishment of SECs in France), more than 81.4% of employees have the benefit of collective employee representation bodies such as labor committees, works councils or social and economic committees (SECs). (see the SAVENCIA Holding Non-Financial Performance Statement - "Ethics and compliance").
As part of the "Promoting the social protection floor" Roadmap project, negotiations were held with employee representative bodies in France in 2022 on the topic of "Recognizing the career paths of employee representatives."	All French trade unions have agreed to sign an agreement on this subject, scheduled for January 2023.

- Other working conditions

Risk of the absence of a formal employment relationship for permanent, temporary, seasonal and interim workers, in accordance with national regulations.

Risks related to workers' living and housing conditions.

Actions implemented	Results
MILK	
In France, "Dairy Resource Coordinators" support farmers in adopting new practices to facilitate their work. Coordinators also organize working groups aimed at fighting isolation.	
In addition, the Sustainable Milk Production diagnosis includes a "Producer Quality of Life" indicator that evaluates farmers' workload and management responsibilities.	23.8% of the volume of milk collected is covered by Sustainable Milk Production diagnosis (the volume of milk covered by the assessment is estimated based on the average volume of milk collected per farm within the scope concerned, with the contractual milk supply of Compagnie des Fromages & RichesMonts - CF&R - at 37%)
In terms of the quality of production and breeding conditions, compliance with the Charter for Good Agricultural Practices is contractually required of all French suppliers of cow's milk. This charter sets out a monitoring indicator for the working conditions of employees on the farm. This requirement is gradually being extended to all milk collection systems worldwide.	In 2022, 86.8% of our worldwide milk supply in volume (compared to 85.8% in 2021) met the standards laid out in this Charter or alternative standards recognized as equivalent in the countries or sectors in question. See the SAVENCIA Holding Non-Financial Performance Statement - "Sustainable agriculture."

3.6.1.2. Human health and safety

As part of its Duty of vigilance, SAVENCIA Group is mapping the risks to which its own activity exposes its employees (permanent, temporary, seasonal and temporary workers), as well as consumers.

- Employee health and safety

Risk of workplace accidents leading to injury or incapacity for work, and risks to employee health (occupational diseases, psychosocial risks, etc.)

SAVENCIA Group brings together close-knit entities united by a strong business culture which guides their actions and those of their employees. Preservation of the health and physical integrity of the men and women working in and for the Group are an overarching priority at every level of the organization.

Actions implemented	Results
A "SAFETY is OUR business" program, based on an Occupational Health and Safety Charter co-signed by the Chairman and Vice-Chairman of SAVENCIA Group, is in place in all subsidiaries. This charter champions the target of moving towards zero workplace accidents.	The OHS Charter was distributed to all subsidiaries worldwide in 2016, along with a ready-to-install aluminum poster. Copies are sent out every year as needed (new subsidiaries, new sites, etc.) It is available in all of the Group's languages and accessible to all on the OHS digital platform.
A health and safety management system known as the "OHS Framework" is applied in all Group establishments. The approach is organized through meetings of the network of OHS coordinators with accompanying support in the field: visits to several sites in France and abroad are organized to share best practices observed at the sites and to assess the extent to which the approach is integrated and followed in the field. Since 2020, the Group has been rolling out the "10 SAVENCIA Safety Essentials" in all subsidiaries. This initiative is complemented by a roll-out and facilitation kit, specially developed in all the Group's languages, to set down all operational rules intended to prevent the risk of potentially serious accidents. Each Essential includes four clear and simple rules to be followed by everyone at all times.	An OHS audit plan is in place to assess sites' compliance with the OHS Framework. These audits were suspended during the COVID-19 pandemic and are currently being resumed in two new formats: one focused on safety maturity (starting in 2022) and one focused on safety essentials (starting in 2023), based on the Dupont methodology with a particular focus on the Bradley pyramid. The following initiatives took place in 2022: • 2 "G20 summits" with the French-speaking OHS community • 5 OHS seminars (in French and English) with the global OHS community. In 2022, 47.2% of subsidiaries reported zero accidents resulting in sick leave (permanent and temporary workers). Behavioral Safety Visits (BSV) are conducted on-site or remotely. In 2022, 20,202 such visits were carried out. (See the SAVENCIA Holding Non-Financial Performance Statement - "Employee well-being").

Actions implemented	Results
Awareness-raising and training actions include: ● The organization of Occupational Health and Safety Month, which involves all Group subsidiaries throughout the month of September, ● Mandatory training in accordance with regulations; ● Training required by the Group to meet the management needs of departments and subsidiaries, or carried out as part of specific OHS plans, ● Voluntary training in response to employee requests or scheduled to coincide with the World Week For Safety And Health At Work, ● Distribution of a monthly newsletter. Since 2021, an Occupational Health and Safety e-learning program has been part of the mandatory onboarding process for new employees. This specific course on the risk of accidents within the Group is available in several languages. It consists of a module common to all Group employees entitled "Target: Zero accidents," and a second module intended for managers. Employees receive a SAVENCIA Safety Passport upon achieving a score of 100% on the quiz taken at the end of the training program.	In 2022, Occupational health and safety training in subsidiaries accounted for 31.8% of the Group's training initiatives.
Psychological support is available via a hotline for employees in France and certain European subsidiaries, together with on-site counseling in the event of a serious incident.	
Since 2021, the Group has been rolling out an Interim Action Plan aimed at reducing the frequency and severity of accidents. The plan, drawn up in conjunction with temporary employment agencies (TEAs), sets out the measures to be implemented upon selection and onboarding of temporary workers at each site, as well as during and at the end of their assignment.	In 2022, four quarterly reviews with national TEA management teams were organized, including a review of key performance indicators, highlights and corrective measures to be taken. These reviews are supported by site visits to monitor actions and results in the field.
With regard to the prevention of musculoskeletal disorders (MSD), a survey was carried out at the French subsidiaries to launch a far-reaching cross-functional program aimed at gradually adapting and mechanizing the most vulnerable positions. This program complements the in-depth initiatives already in place in many subsidiaries in France, and is gradually being rolled out worldwide.	

- Consumer health and safety

Risks to consumer health and safety, either directly (direct sale of Group products to consumers by a subsidiary) or indirectly (products purchased by consumers via resellers).

Risks to consumer health (excluding nutritional aspects) are generally related to the potential contamination of Group products by:

- **pathogenic microorganisms responsible for food poisoning;**
- **foreign bodies;**
- **chemical contaminants (e.g. pesticides);**
- **food allergens (substances that provoke allergic reactions) identified by regulations.**

SAVENCIA Group has established an organizational structure and operating procedures intended to help avoid any serious infringement of consumer rights, in line with its mission, “Leading the way to better food” and its desire to contribute to public health objectives.

Actions implemented	Results
Consumer information	
In addition to strict compliance with regulations, the Group is careful to ensure that the information provided to consumers about its products is clear and truthful, does not suggest non-existent or exaggerated benefits, and does not mislead consumers with regard to product characteristics. Responsible communication is an important part of the Group’s CSR commitments under the Oxygen plan, and formally required by the SAVENCIA Responsible Eco-Design Charter. Subsidiaries are responsible for ensuring regulatory compliance of labels and consumer communication media of any kind, and for ensuring compliance with responsible communication commitments.	Actions are monitored by regulatory compliance managers, quality control managers, or legal experts in certain markets, assisted if necessary by the Group’s Food Law department. See the Non-Financial Performance Statement - “Healthy, delicious and responsible eating.”

<table>
<tr><th>Actions implemented</th><th>Results</th></tr>
<tr><td colspan="2">Consumer health</td></tr>
<tr><td>The Group has laid out a policy focused on preventing consumer health risks and implements quality control procedures in all the Group’s production areas:
● pre-delivery inspections: based on one or more microbiological food safety criteria, these inspections determine whether batches of SAVENCIA Group products can be released for marketing to customers;
● specific approvals: upon the launch of new products, significant modifications to an existing product, or the transfer of a product between two sites.

In terms of food safety, the Group’s certification policy specifies that each production site must be certified on the basis of an international standard recognized by the Group.
Several food safety certification standards have been implemented:
● international standard ISO 22000 (International Organization for Standardization);
● private standards, some of which correspond to the requirements of the Global Food Safety Initiative (GFSI), such as:
– FSSC (Food Safety System Certification) 22000, based on ISO 22000;
– BRCGS (Brand Reputation Compliance Global Standards);
– IFS (International Featured Standards);
● “country” certification, required in certain markets.</td><td>The Quality Department supports sites in implementing these foodstuff management systems on a case-by-case basis.

It also keeps a record of food safety certifications granted or pending.</td></tr>
<tr><td colspan="2">Managing supplier risks in terms of food safety</td></tr>
<tr><td>The Group has developed audit procedures for strategic suppliers of raw materials and MICAE (Matériaux Incorporables, Consommables, Additifs & Emballages, i.e. additional ingredients, consumables, packaging and other supplies); These audits are performed by joint purchasing/quality teams on the basis of a checklist reflecting the Group’s specific requirements; The results of these audits are monitored over time.</td><td>The health-based constraints imposed by management of the COVID-19 pandemic (including a limitation on travel) were gradually phased out during the first half of 2022, allowing for resumption of supplier audits. Moreover, as was the case last year, the annual assessments carried out by subsidiaries and shared (remotely) with suppliers confirmed quality compliance for products delivered, with corrective measures implemented where necessary, thus making it possible to continue collaboration with these suppliers.</td></tr>
</table>

3.6.1.3. Environment

The main environmental risks identified that are liable to impact the Group's ecosystems are presented below:

Water, air and soil pollution

Risks of products being released into the environment in the event of accidental spills and discharge of non-standard organic waste into the natural environment (particularly into river system around the sites).

Materialization of these risks may be of internal origin (malfunctions at facilities, fire, human error, etc.) or external (weather phenomena in particular).

<table>
<tr><th>Actions implemented</th><th>Results</th></tr>
<tr><td>To limit internal and technical causes, the Group has a policy of maintaining, renovating and adapting its wastewater production and treatment facilities, which takes into account:
● planned production volumes;
● the age of the facilities and the structural audits performed;
● COD (Chemical Oxygen Demand) tests:
– on the raw effluents entering the treatment system. Cross-checking this data with the site's production volume makes it possible to identify potential incidents affecting the facilities (rapid increase in COD), or a deterioration in their condition (slow increase in COD);
– on effluents after treatment and before discharge into the natural environment when the Group is responsible for the treatment process. COD is regulated; should an analysis reveal non-compliance, corrective actions are implemented immediately.

To limit internal human causes, subsidiaries are responsible for implementing training plans suited to employees' duties and responsibilities.</td><td>In addition to organizational measures, the Group makes significant investments:

● in wastewater treatment plants;
● in fire prevention and protection systems.</td></tr>
<tr><td>The Group takes into account noise, olfactory and air pollution (particles in the atmosphere), which are generally decreasing.</td><td>Such pollution is handled on a case-by-case basis.</td></tr>
</table>

- Use of natural resources, harm to biodiversity and animal well-being

Risk of excessive water use

Actions implemented	Results
Water plays an important role in various processes implemented by the Group's industrial subsidiaries: • as a technological aid in the manufacture of products; • for cleaning operations, to guarantee a high level of hygiene and product safety; • as a heat transfer fluid or secondary refrigerant; • in fire prevention and firefighting facilities. Certain situations of water stress are expected to become more acute due to climate change, particularly in certain countries. Close attention is paid to such phenomena, to identify and prevent risks and, where necessary, reinforce the means available to limit water abstraction from the natural environment if possible. The Group has implemented measures to reduce water abstraction: • optimization, renovation or even complete renewal of existing cleaning equipment; • training and awareness-raising on best practices for staff members in charge of manual cleaning; • evaporation or reverse osmosis to recover part of the water contained in milk or whey. This water is used as a heat transfer fluid or, after treatment, for the external cleaning of facilities. The Group is also working with the French dairy and cheese industry to devise more efficient practices and technologies for water use; this issue is considered as part of any project to renovate or renew the Group's production infrastructure.	Best-practice guides have been drawn up for industrial sites. Designed as theme-based internal guidelines, they enable production sites to optimize processes and make facilities safer and more efficient. Each subsidiary is required to comply with applicable regulations in its home country. The CSR/Industrial guide, the Energy/Water guide, the Damage Prevention guide and the PCS (Permanent Cleaning System) guide are implemented at all industrial sites.

Actions implemented	Results
In one of the Group's plants, implementation of a milk concentration process by reverse osmosis, combined with a system for recovering water from milk and a water filtration system using the water contained in milk, will eventually make it possible to avoid limiting abstraction of drinking water on the site. The estimated gains will amount to more than 200 m^3/day. The CF&R site in Ducey (Normandy) has installed new equipment, including new washing machines and a more efficient cooling tower, thereby achieving significant savings: estimated water savings of 50 m^3/d, as well as a reduction in the amount of detergents used, thus reducing the amount of phosphorus entering the treatment plant by nearly 20%. At the Hodonin site in the Czech Republic, the installation of a consumption monitoring system and the replacement of cooling pumps have resulted in significant savings (more than 40% in one year). Due to high temperatures during the summer of 2022, several of the sites experienced water stress. Thanks to the mobilization of the Group's experts in this field, immediate solutions were implemented to adapt to this constraint. Some of these measures have been made permanent to reduce water consumption outside of drought periods.	2022 Group water abstraction was down 2.3% compared to 2015, in m^3/ metric ton manufactured. It should be noted that development of products made from differentiated milks requires more frequent washing, which also results in an increase in water consumption. The working group devoted to controlling our water consumption, made up of both internal experts and operational staff, met several times in 2022. Its work focused mainly on reducing consumption and on the possibilities of reusing cow water (recovered from milk) with a view to preserving resources. See the SAVENCIA Holding Non-Financial Performance Statement - "Control water resources."

Risk of harm to biodiversity and animal well-being

Preserving biodiversity and animal populations is a necessity for the development of a sustainable farming model. In accordance with its corporate social responsibility policy and with a view to developing sustainable agriculture, the Group is committed to preserving ecosystems and promoting the development of biodiversity.

Actions implemented	Results
MILK	
One area for improvement identified as part of the Sustainable Milk Production diagnosis offered to all milk suppliers, is measured using the indicator developed by Céréopa (Study and Research Institute on the Economy and Structure of the Livestock Industry). The indicator in question takes account of the proportion of permanent pasture on the farm, areas of ecological interest (trees, hedges, bodies of water and ditches) as well as the diversity of animal and plant species on the farm.	At the end of 2022, 23.8% of our worldwide milk supply in volume (compared to 21.6% in 2021) came from farms that have carried out the Sustainable Milk Production diagnosis.
Compliance with the Charter for Good Agricultural Practices is contractually required for all French suppliers of cow's milk to guarantee the quality of production and breeding conditions. The charter was updated in 2022 and now serves as a vehicle for the roll-out of the France Terre de Lait social responsibility approach in the animal husbandry sector. The 2022 version includes an evaluation of animal welfare in dairy herds via an assessment followed by an individual progress plan established together with the producer.	In 2022, 86.8% of our worldwide milk supply in volume (compared to 85.8% in 2021) met the standards laid out in this Charter or alternative standards recognized as equivalent in the countries or sectors in question. See the SAVENCIA Holding Non-Financial Performance Statement - "Sustainable agriculture."
In 2022, SAVENCIA Fromage & Dairy drew up a worldwide Animal Welfare Charter for cattle, sheep and goats with a focus on four major issues: ● High-quality, sustainable and local food; ● Guaranteed access to the outdoors; ● Comfortable shelter; ● Better consideration of health.	In 2022, 61.5% of the Dairy Supply employees at SAVENCIA sites have been trained in animal welfare. They will subsequently carry out audits of farms worldwide, based on recognized standards, and establish action plans jointly with the farmers concerned. The first audits took place this year and will continue on a gradual basis over the next three years. See the SAVENCIA Holding Non-Financial Performance Statement - "Sustainable agriculture."
MEAT	
For each canister of Bordeau Chesnel "Les Rillettes Engagées" purchased, €0.08 is donated to a support fund for projects to improve animal welfare or reduce the environmental impact of farmers who have signed on to the "Our Shared Values" approach. The "Our Shared Values" approach has also been extended to the chicken industry since 2021. It aims to bring about better breeding practices by improving animal welfare while championing implementation of an environmental progress plan based on several factors: blending buildings into the landscape, energy production on the farm (solar panels, methanization of waste, etc.), production of natural crop fertilizers derived from breeding practices.	In 2022, the support fund helped finance three projects aimed at improving animal welfare or reducing environmental impact. In April 2022, €25,000 was raised and distributed to three young animal farmers. First prize was award to a project to build a straw-floor farrowing building where sows remain at liberty 100% of the time, allowing for maximum replication of open-air conditions without the associated climate risks. See the SAVENCIA Holding Non-Financial Performance Statement - "Sustainable agriculture."

Actions implemented	Results
FISH	
Surimi sticks are made exclusively from sustainable North-Pacific fish. Supplies are inspected by an independent organization, guaranteeing the use of fishing practices that demonstrate due regard for the sea bed, the environment, fish resources and species stocks. In addition, since 2021 Coraya has discontinued use of eggs from caged hens, in accordance with the commitments that earned the brand the 2020 "Golden Egg" prize from the NGO Compassion In World Farming (CIWF).	In 2022, 100% of the fish in the Coraya surimi product line came from sustainable fishing, verified by an independent body. Practices already exceed the commitments made for 2025. See the SAVENCIA Holding Non-Financial Performance Statement - "Sustainable agriculture."
COCOA	
The long-term partnerships concluded establish a cross-cutting collaborative framework that serves to guarantee high-quality cocoa while highlighting local products and supporting local communities.	Since 2021, the Group has met its objective of sourcing 100% of its cocoa from long-term partnerships.
In 2022, Valrhona, which boasts B Corp® certification, decided to re-launch a new three-year program in Haiti, set to run until 2024, together with the FECCANO (Federation of Cocoa Cooperatives in northern Haiti) and the French NGO Agronomes et Vétérinaires Sans Frontières. This plan aims to make cocoa crops at once ecological and profitable by reviving the creole gardens of partner producers while also outlining and spreading these approaches nationwide to allow as many families as possible to implement these actions in their plots. B Corp® certification has also enabled the Ecuadorian subsidiary República del Cacao to deliver on its commitments thanks to corporate governance evaluation criteria and actions benefiting workers, customers, communities and the environment.	In 2022, 89 new producers signed on to this project, and 31 have already regenerated their plots.
One of the pillars of the Rév'Cacao program, led by Révillon, concerns preservation of the environment and natural resources. It includes implementing good agricultural practices such as judicious use of pesticides, agroforestry, as well as awareness-raising in communities around environmental protection and biodiversity.	More than half of the funds provided by Rév'Cacao go to cocoa producers through professionalization activities and bonuses. 70% of cocoa covered by the Rév'Cacao program is traced from the producer to the cooperative or the first stage of cocoa-bean processing (2020-2021) 72% of plots are geolocated and mapped (2020-2021).
Since 2015, subsidiaries Révillon, Weiss and Valrhona have participated in the Cacao Forest program for the promotion of sustainable agroforestry models for cocoa-producing countries. Finally, Swiss subsidiary Villars continues to participate in the Swiss Platform for Sustainable Cocoa, which is pursuing a target of sustainable sourcing for at least 80% of its cocoa supplies by 2025. The other main raw materials used to make Swiss chocolate, namely milk and sugar, are sourced locally in Switzerland.	The proportion of raw cocoa materials (beans, cocoa mass and cocoa butter) certified by UTZ (part of the Rainforest Alliance) has risen significantly, coming to 75.3% in 2022. Traceability to the plantation or cooperative has also been considerably reinforced and covered 76% of cocoa bean supplies in 2022. See the SAVENCIA Holding Non-Financial Performance Statement - "Sustainable agriculture."

- Contribution to climate change

Risk of impact on climate change

Mindful of the global challenges posed by greenhouse gas emissions and the need to combat climate change and its consequences for society at large, the Group is working to reduce the environmental footprint of its activities to limit the risk of impact on climate change and adapt to a changing climate.

Actions implemented	Results
Greenhouse gases	
As part of the Oxygen plan, SAVENCIA Group is committed to: • lessening the environmental impact of its activities by reducing greenhouse gas (GHG) emissions from production and transport by 20% per metric ton produced by 2025 (based on 2015 emissions); • increasing the share of renewable energies; • reducing the carbon footprint of milk collected by 300,000 metric tons of CO_2 by 2025 (based on 2010 emissions). .	The projects initiated in 2021 continued in 2022: 13 factories have implemented various measures to reduce their energy consumption by installing energy-recovery devices or heat pumps to recover the heat produced by refrigeration equipment. Subsidiaries have also carried out other projects; see the SAVENCIA Holding Non-Financial Performance Statement - “Reducing GHGs” - for details. As a% of change versus 2015, the Group has reduced its Scope 1 & 2 GHG emissions by 11.6% in metric tons of Co_2 eq/metric ton manufactured. Direct emissions (Scope 1) include emissions related to the burning of fossil fuels, non-energy processes (linked to wastewater treatment) and refrigerant leaks. Indirect emissions (Scope 2) include emissions related to the production of electricity, steam, heat or cooling purchased and consumed by the sites, as well as line losses. Following the calculation of scope 3 (other indirect emissions) initiated in previous years for the SAVENCIA Fromage & Dairy scope, the Group has submitted its 2022 trajectory to the SBTI and is awaiting validation.

Actions implemented	Results
Energy consumption and decarbonization	
The Group is continuing its efforts to reduce GHG emissions through energy efficiency plans and major investments in the renovation of its facilities. Over the past three years, more than ten sites in France have become involved in highly significant investment programs to help reduce the Group's carbon footprint by renovating energy facilities, with a particular focus on refrigeration equipment.	
In 2022, the Group also continued to increase its use of renewable energies, seizing opportunities at the local or national level. As a result, the share of renewable energies in its energy mix is on the rise.	
Transportation	
Milk tanker fleets participate in the ADEME-certified "CO_2: Carriers Committed" initiative, and drivers receive regular training in eco-driving. In 2022, the Group's commitment to ADEME's "FREIGHT 21: Loaders Committed" approach was formally approved. In addition, the Normandie Bretagne Transports inter-plant transportation fleet has obtained "Objectif CO_2" certification in recognition of its energy and environmental performance.	The reduction in the carbon footprint of milk collection (volume of milk collected, in metric tons of cumulative Co_2 compared to 2010, in France) comes to - 311,000, exceeding the 2025 target of - 300,000 metric tons of cumulative CO_2 . CO_2 emissions from the Messageries Laitières logistics platform have been reduced by 59.6% thanks to the use of plant-based fuel.
The fleet operates with alternative fuels, in particular thanks to trucks powered by BioGNV. For one such vehicle, this fuel comes from a partnership established with a local biogas-producing farm, thus contributing to the dual aim of building a circular economy and reducing environmental impact. Trials with trucks running on biofuel and synthetic biodiesel were carried out in 2022. In France, dairy transportation providers are actively encouraged to switch to alternative fuels. Several suppliers were referenced in 2022 with a view to building an offering at preferential rates.	See the SAVENCIA Holding Non-Financial Performance Statement - "Environmental footprint."
Since 2021, the entire fleet of trucks owned by the SAVENCIA Les Messageries Laitières logistics platform, i.e. 23 trucks, has been running exclusively on Oleo 100, a French-made 100% plant-based oil that is 100% biodegradable.	
Optimization of collection rounds thanks to a tool that makes it possible to pool milk volumes according to the geographic proximity of customers makes for improved loading procedures and a reduction in distances traveled, thereby reducing fuel consumption.	

Actions implemented	Results
In Spain, the Arias subsidiary was awarded the Lean&Green prize by AECOC, a leading Spanish association of multi-sector companies that brings together all the players in the value chain, from producers and manufacturers to logistics operators and distributors. The award recognizes Arias' commitment to reducing its CO_2 emissions by 20% over five years in its logistics activity. In France, the subsidiary Les Messageries Laitières participates in working groups on alternative energies and pooling of transportation flows as part of the Club Réseau Normand Hydrogène run by the Normandy Chamber of Commerce and Industry (CCI). Discussions within this structure examine topics such as the role of hydrogen in Normandy's energy transition, all while working to organize a full-fledged industrial ecosystem. Group sites also lead initiatives among employees, including Mobility Week, a yearly tradition since 2019. This event aims to encourage as many people as possible to adopt a sustainable and civic-minded eco-friendly approach by promoting soft modes of transportation rather than car travel.	Employee mobilization efforts accounted for a reduction of 84,400 km (52,444 miles) in 2022.
MILK Improving animal welfare, through feed or living conditions, has a positive impact on reducing the environmental footprint of the upstream dairy industry. For instance, the Terroirs de Lait France 2030 program aims to secure sustainable milk from dairies and to improve the environmental footprint by applying the Sustainable Dairy Production approach. 2022 saw an acceleration in the implementation of measures within dairy farms: establishment of relevant action plans, technical and financial support for innovations and the transition as a whole. SAVENCIA Fromage & Dairy has concluded a partnership to test feed supplements that reduce bovine methane emissions.	Some 20 farms spanning milk collection areas in France and Poland have expressed willingness to participate in this program, with the food supplement trial slated for launch in 2023.

Actions implemented	Results
PACKAGING	
The Responsible design charter, developed in 2019, specifies the guidelines and procedures to be followed for eco-design of packaging. In particular, it incorporates measures for reduction at source or use of recycled materials, thus promoting the transition to a circular economy for packaging. The Oxygen Steering Committee, which focuses on eco-design of packaging and is responsible for monitoring progress towards the goals set, met three times in 2022. The drive to reduce the carbon footprint of our packaging was enriched this year with a new area of focus, for a total of six priority areas: ● reduce the use of materials at source; ● ban controversial materials; ● aim for 100% recyclability or biodegradability; ● include as many recycled materials as possible; ● promote use of renewable materials; ● reduce the carbon footprint of our packaging All subsidiaries have initiated packaging eco-design projects, building on the various objectives set out in the Responsible design charter.	According to the Group's Oxygen Plan, 84.2% of packaging was recyclable or biodegradable in 2022. 2022 was marked by a shortage in most packaging materials, with supply bottlenecks compounded by an energy crisis, resulting in delays in the implementation of optimization projects. See the SAVENCIA Holding Non-Financial Performance Statement – "Environmental footprint" – for details on the actions implemented.
WASTE MANAGEMENT	
Processing activities generate waste associated with manufacturing and packaging procedures. This waste mainly takes the form of non-hazardous industrial waste, most of which (cardboard, paper, glass, steel and aluminum) is reprocessed by recovery/recycling organizations. Hazardous industrial waste is rare and mainly concerns waste oils and electrical and electronic waste generated by maintenance operations, which are sorted for recycling by specialized contractors. To combat unnecessary use of natural resources and reduce waste treatment costs, the Group is intensifying practices of sorting and recovery of industrial waste, promoting circular solutions with the aim of reducing risks of pollution.	In 2022, 68.7% of common waste from our production sites was collected for recycling and/or recovery (material, biological or energy). The Group continued working with national operators to optimize on-site sorting and storage, with a view to identifying the best outlets for recovery and recycling.
A multitude of actions have been implemented, including: the Messageries Latières logistics platform, which was already working locally with an ESAT (Établissement et Service d'Aide par le Travail, a network that facilitates employment for disabled workers), has expanded its partnership by setting up a recycling system for damaged pallets that cannot be repaired. Pallet components that cannot be reused are crushed and repackaged as pellets, which are then provided free of charge to the ESAT to fuel its biomass boiler. The "La Consigne by Valrhona" initiative involves delivering products to chocolatiers and chefs in returnable, washable and reusable containers, limiting waste to the greatest extent possible. The project, launched in 2020 and based on the principle of the circular economy, serves to test a new packaging format: a six-kg (13.2-lb.) cocoa bean container, which is subsequently recovered, washed and reintroduced into the production circuit.	Recycling of 100% of our pallets thus ensures the heating of the horticultural greenhouses of this ESAT, as well as part of its storage building. Four metric tons of wood, i.e. approximately 300 pallets, were recycled and served as an important source of savings for this establishment. See the **SAVENCIA Holding Non-Financial Performance Statement** – "Environmental footprint" – for details on the actions implemented. In 2022, 22 metric tons of chocolate were sold under these conditions, thus avoiding 260kg (573 lb.) of waste and 2.4 metric tons of CO_2. See the SAVENCIA Holding Non-Financial Performance Statement - "Sustainable agriculture".

Actions implemented	Results
DEFORESTATION	
SAVENCIA is committed to promoting collective anti-deforestation actions linked to soy production in South America.	
SAVENCIA supports the National Strategy against Imported Deforestation (SNDI), put forth by French public authorities in 2018 with the goal of eliminating deforestation caused by French imports of non-sustainable forest or agricultural products by 2030.	
The Group is also active in national and international working groups on the issue of sustainable soy: CNIEL, Duralim, SAI Platform and DSF	The Group signed onto the Duralim approach in July 2022. It thus participates in implementing collective measures aiming for an end to deforestation by 2025.
The Sustainable Milk Production approach implemented with milk suppliers makes it possible to work on protein autonomy and maximize the protein value of fodder grown on dairy farms, among other advantages. This approach aims to limit the purchase of external protein sources such as potentially imported soy.	The Sustainable Milk Production diagnosis continued in 2022, with 23.8% of milk collected covered by this progress-oriented procedure.
The Zero Imported Deforestation platform adopted by feed manufacturers is communicated to milk suppliers along with a list of signatory feed manufacturers.	
The differentiated milk procedures initiated by SAVENCIA also make it possible to limit the use of soy products associated with deforestation: ● The "GMO-free / VLOG" network: most farmers have replaced any type of soy with other protein sources not associated with deforestation (rapeseed cake, flax, dehydrated alfalfa, etc.); ● All our PDO/PGI (Protected Designation of Origin/Protected Geographical Indication) suppliers must comply with specifications based on substantial feed autonomy with restrictions on the use of feed imported from outside the production area (including Brazilian soy). Examples include PDO butter from Charentes-Poitou, Chabichou du Poitou, Epoisses, Maroilles, Ossau Iraty, Roquefort, and PGI Soumaintrain; ● Organic Agriculture specifications give priority to the use of organic and local concentrates in feed.	

3.6.1.4. Local communities

In 2022, SAVENCIA extended the scope of its analysis to local communities, i.e., people whose living conditions could be affected by the Group's activities.

The risks previously identified with regard to human rights and the environment thus apply to local communities as well. The most significant risks concern the living and housing conditions of producers of agricultural raw materials in high-risk areas of the world.

The Group's commitments

Through the Sustainable Purchasing Charter, SAVENCIA Group calls on its suppliers to commit to including interactions with local communities, respecting property rights and ensuring that their activities do not harm the population.

Work is underway to further analyze the risks of harm to communities and to strengthen the corresponding prevention and mitigation measures.

Actions and monitoring of results

MILK

Within the framework of the Oxygen plan, the Charter for Good Agricultural Practices and the Sustainable Milk Production Assessment include indicators that measure the impacts of dairy activity on local communities (sustainable management of water resources, biodiversity, environmental protection, etc.) and thus inform corrective and progress-based actions.

COCOA

The Live Long Cacao program, implemented by Valrhona since 2015, supports the development of producer organizations and contributes to improving living conditions in local communities.

In addition, long-term partnerships establish a framework for cross-cutting collaboration that contributes to preserving communities.

In 2022, Valrhona reaffirmed its objective of sourcing 100% of its cocoa beans from long-term partnerships. The average duration of Valrhona partnerships is 8.5 years.

This undertaking is reflected in the projects implemented, particularly initiatives to promote education and access to drinking water in local communities (see the SAVENCIA Holding Non-Financial Performance Statement - "Sustainable agriculture").

One of the three pillars of the Rév'Cacao program implemented by subsidiaries Révillon, la Maison du Chocolat and De Neuville focuses on improving producers' living conditions by offering services and financing to help farmers diversify, develop professional skills and find complementary sources of income. Investments are also made in programs designed to help secure access to drinking water, working together with communities to dig wells in villages and provide water filters to schools and households in remote areas. Finally, activities are carried out to enhance the status and economic empowerment of women through training programs tailored to their needs, from literacy to financial management.

3.6.2. Responsible purchasing

Group commitments

On January 10, 2012, the Group reaffirmed its purchasing commitments by signing the "Charter for Responsible Supplier Relations," a collective initiative intended to improve relations with suppliers.

In addition, adherence to a "SAVENCIA Buyers' Code of conduct" ensures compliance with responsible and sustainable purchasing practices by setting out sustainable and solidarity-based performance and progress plans consistent with the principles of integrity and ethical business.

Finally, it should be noted that in 2022, three Group subsidiaries were awarded by EcoVadis for their CSR performance: Sodilac received the Platinium medal, Corman the Gold medal and Fruisec the Silver medal.

Supplier risk mapping methodology

SAVENCIA Group considers that the risks presented above are applicable to suppliers. These risks are addressed through the responsible purchasing approach.

Indeed, to manage purchases in accordance with obligations of transparency, prohibition of undeclared labor and prevention of corruption and violations of human and environmental rights, the Group Purchasing Department observes a comprehensive policy of vigilance on its suppliers. This policy contributes to a risk-mapping initiative focused on:

- the level of "Country" risk, determined by the Transparency International Corruption Perceptions Index (CPI);
- the level of "Purchase Category" risk determined internally on the basis of CSR and operational criteria.

Selection of sustainable and responsible suppliers

The Group selects its suppliers on the basis of quality, safety, service and competitiveness criteria, as well as their ability to provide long-term support. It favors long-term collaborations, and its relationships with suppliers contribute to a dynamic of shared progress. As such, since 2010 SAVENCIA has called upon its main suppliers to uphold its culture and values by signing a Charter for sustainable purchasing established to reflect the Group's Ethics Charter.

CSR assessment of Group suppliers

Assessment of suppliers' positioning regarding risk-mapping is based on:

- CSR assessments via EcoVadis, focused on suppliers' policies and practices.
- Monitoring of at-risk suppliers through more frequent assessments.

At December 31, 2022, more than 1,045 Charters for sustainable purchasing had been signed, covering 66.8% of the Group's expenditure overseen by the Purchasing Department and carried out with major suppliers (exceeding €1 million per year)* excluding agricultural raw materials.

The EcoVadis assessment of CSR risks was carried out for 787 suppliers. EcoVadis assessments cover 75.7% 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 53.9/100 (compared to 44.8/100 on average for the EcoVadis Food & Beverage Panel).

**Excl. Japan, India, Ukraine, Serbia, Romania, Poland and Russia, whose sourcing expenditures cannot be automatically consolidated at this time.*

The Group Purchasing Department conducted three EcoVadis assessment campaigns in 2022.

An action plan specific to the nut sector was implemented in 2022, with an EcoVadis assessment campaign for tier 1 and 2 suppliers, as well as the signature of the Charter for sustainable purchasing (17 suppliers signed the Charter in 2022).

Suppliers are reminded of the objectives to be reached, with progress reports established and transmitted to the Group's buyers every six months.

Corrective and mitigation actions

In the context of its Duty of vigilance, SAVENCIA seeks to prevent serious breaches by:

- making the commitment to adhere to its responsible purchasing policy, as expressed by the signature of the Charter for sustainable purchasing, a determining factor in the selection of suppliers and subcontractors.
- calling on buyers to monitor the implementation of corrective action plans, particularly those provided by EcoVadis.

3.7. Whistleblowing system and processing of reports

Since 2018, a single whistleblowing and reporting system has been in place all Group entities to allow all employees and external stakeholders to report violations in strict confidence.

This system consists of:

- **a hotline: + 33 1 34 58 64 14**
- **an email address: compliance@savencia.com**
- **and a postal address:**

  SAVENCIA Group Compliance Director

  42, rue Rieussec

  78 223 Viroflay Cedex FRANCE

Alerts may relate to:

- any serious violation of human rights;
- any conduct or situation contrary to the Group's health and safety commitments;
- any breach of the values described in the Group's Ethics Charter and its Anti-Corruption Code of Conduct;
- any conduct or situation contrary to the Group's environmental commitments.

Thanks to effective communication, stakeholders are aware of the whistleblowing system and are thus able to report issues where necessary.

The principle that no sanctions or retaliatory measures shall be imposed on any whistleblower reporting a breach in good faith is guaranteed by the Group and reaffirmed in its Ethics Charter and its Anti-Corruption Code of Conduct.

All reports are thus processed in accordance with the law and in such a way as to ensure an effective and appropriate response to each situation.

Appendices

FUNDAMENTAL AGREEMENTS AND DOCUMENTS

SAVENCIA Group adheres to the principles set out in the following documents:

The Universal Declaration of Human rights;

- The United Nations Global Compact;
- The OECD Guidelines for Multinational Enterprises;
- The core conventions of the International Labor Organization (ILO);

The Vigilance plan reflects previous commitments by the Group as expressed in the following documents:

- The Ethics Charter, entitled "The Group and its culture;"
- SAVENCIA's "Oxygen" CSR policy (https://www.savencia.com/en/csr/our-csr-approach);
- The Code of Conduct for Group Purchasers;
- The Charter for sustainable purchasing;
- The Workplace Health and Safety Charter;
- The SAVENCIA whistleblowing procedure

SAVENCIA Group also ensures compliance with the commitments laid out in the following public documents:

- The Charter for Good Agricultural Practices (http://www.charte-elevage.fr/en);
- The Responsible Supplier Relations Charter (https://www.economie.gouv.fr/mediateur-des-entreprises/charte-relations-fournisseurs-responsables) (in French).

5

ANNUAL SHAREHOLDERS MEETING OF APRIL 27, 2023

1. Report of the Board of Directors on the draft resolutions

Ladies and Gentlemen,

We have convened a Shareholders' Meeting to submit for your approval the draft resolutions presented below.

Prior to voting, you will hear the reports by the Statutory Auditors, Mr. Arnaud Rinn, representing KPMG SA, and Mr. Emmanuel Gadret, representing DELOITTE & ASSOCIES, on these draft resolutions.

The Statutory Auditors' reports have been made available at the head office in accordance with the conditions and within the time limits provided for by law, so that you may familiarize yourself with these documents.

1.1. Within the remit of the Ordinary shareholders' Meeting

Resolutions 1 to 3

Approval of the parent company and consolidated financial statements for the financial year ended December 31, 2022, net income for the year and proposed allocation

We ask that you approve the parent company and consolidated financial statements for the year ended December 31, 2022 as presented. We propose to allocate the profit for the financial year, amounting to €26,338,070.62, which, together with the previous retained earnings of €357,269,927.23, constitutes an available amount of €383,607,997.85, as follows:

In euro	
To the shareholders, a dividend of €1.30 per share (*)	18,242,809.00
To retained earnings	365,365,188.85
TOTAL	**383,607,997.85**

(*) *Including the dividend amount corresponding to treasury shares, which is not paid but allocated to retained earnings*

The dividend would be paid on May 18, 2023 directly to shareholders who own shares held in a pure registered account or to the financial intermediaries responsible for the management of bearer shares or shares held in an administered registered account, through UPTEVIA.

The ex-dividend date would be set for May 15, 2023.

Resolution 4

Approval of the agreements referred to in articles L. 225-38 et seq. of the French Commercial Code

We ask that you approve the new agreements presented in the Statutory Auditors' special report prepared in accordance with article L. 225-40 of the French Commercial Code.

Resolutions 5 to 19

Composition of the Board of Directors

The terms of office of all 15 Directors making up the Board of Directors expire at the end of the next Ordinary Shareholders' Meeting. We propose that you renew for a period of one year, i.e. until the end of the Ordinary Shareholders' Meeting called in 2024 to approve the financial statements for the year ended December 31, 2023, the terms of office of all Directors: Ms. Anne-Marie Cambourieu, Ms. Clare Chatfield, Ms. Martine Liautaud, Ms. Annette Messemer, Ms. Maliqua Haimeur, Ms. Sophie de Roux, Mr. Alex Bongrain, Mr. Armand Bongrain, Mr. Xavier Govare, Mr. Christian Mouillon, Mr. Ignacio Osborne, Mr. Vincenzo Picone, Mr. Robert Roeder and Mr. François Wolfovski, as well as the company SAVENCIA Holding.

Resolution 20

Renewal of the term of Mr. Philippe Gorce as Director representing employee shareholders, as recommended by the Employee Shareholding Fund (Fonds commun de placement d'entreprise or FCPE)

The Supervisory Board of the FCPE has renewed the candidacy of Mr. Philippe Gorce. We ask that you approve the renewal of his term of office.

Resolutions 21 and 22

Approval of the compensation policy for Directors, the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer (should a Deputy Chief Executive Officer be appointed)

In accordance with the "say on pay" provisions of the French Commercial Code (Article L. 22-10-8), you are asked to approve the compensation policy for Directors, the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer (should such a corporate officer be appointed), as presented in in paragraph 1.2 of the Corporate Governance Report, with effect from financial year 2023.

Resolution 23

Approval of information relating to the compensation of corporate officers set out in article L. 22-10-9(I) of the French Commercial Code

In accordance with the "say on pay" provisions of the French Commercial Code (L. 22-10-34(I)), you are asked to approve the information referred to in article L. 22-10-9(I), of the French Commercial Code for each corporate officer, as presented in paragraphs 1.2 and 1.3 of the Corporate Governance Report.

Resolutions 24 to 26

Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or allocated in respect of the past financial year to the Chairman of the Board of Directors and the Chief Executive Officer

In accordance with the provisions of article L. 22-10-34(II) of the French Commercial Code, you are asked to approve the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or allocated in respect of the past financial year to Mr. Alex Bongrain, Chairman of the Board of Directors, Mr. Jean-Paul Torris, Chief Executive Officer until August 31, 2022, and Olivier Delamea, Chief Executive Officer as of September 1, 2022, by virtue of their terms of office, as presented in paragraph 1.3 of the Corporate Governance Report.

Resolution 27

Authorization granted to the Board of Directors for the Company to buy back its own shares under the provisions of article L. 22-10-62 of the French

Commercial Code, duration of the authorization, purposes, terms and conditions, cap

We ask that you approve the renewal, for a period of 18 months, of the authorization previously granted to the Board by the Shareholders' Meeting of April 2022 for the Company to proceed with the buyback of its own shares, up to a maximum of 10% of the Company's share capital on the date of buyback, taking into account buybacks carried out in previous years.

These buybacks may be carried out for the following purposes, in accordance with the regulations in force:

- hedging of stock option and/or bonus share plans (or similar programs) for Group employees and/or corporate officers, including Economic Interest Groups (EIGs) and related companies, as well as all share allocations under a company or Group savings plan (or similar program), in the context of profit-sharing and/or any other form of share allocation to Group employees and/or corporate officers, including EIGs and related companies;
- hedging of securities granting entitlement to allocations of Company shares within the context of regulations in force;
- cancellation of some or all of these shares, in accordance with the authorization granted or to be granted by the Extraordinary Shareholders' Meeting;
- management of the secondary market or liquidity of the Company's securities, this management being carried out by an investment service provider acting under a liquidity contract in accordance with regulatory permitted practices, it being specified that in this context, the number of shares taken into account for the calculation of the aforementioned limit shall correspond to the number of shares purchased, less the number of shares resold;
- holding of said shares and their subsequent delivery in exchange or as payment in the context of potential merger, demerger, contribution or external growth transactions up to a limit of 5 % of the share capital.

1.2. Within the remit of the Extraordinary shareholders' Meeting

Resolution 28

Delegation of authority to be granted to the Board of Directors to increase the share capital through the issuance of ordinary shares and/or securities conferring access to the share capital as consideration for contributions in kind

We ask that you renew the delegation granted to the Board of Directors regarding consideration for contributions in kind granted to the company in the form of equity securities or other securities conferring access to the share capital, when the provisions of article L.22-10-54 of the French Commercial Code do not apply, by proceeding with one or more capital increases through issuance of ordinary shares in the company or securities conferring access to the share capital, up to a limit of 10% of the share capital on the date of use of the authorization.

In accordance with the law, this authorization will be granted to the Board of Directors for a period of 26 months.

Resolution 29

Authorization to be granted to the Board of Directors to cancel the shares repurchased by the Company pursuant to Article L.22-10-62 of the French Commercial Code

We ask that you renew of the authorization granted to the Board of Directors, with the option of delegation, to cancel, on one or more occasions, the shares acquired by the company pursuant to the provisions of Article L.22-10-62 of the French Commercial Code, within a limit of 10% of the share capital as calculated at the date of the decision, and to reduce the share capital accordingly.

In accordance with the law, this authorization will be granted to the Board of Directors for a period of 24 months.

2. Report of the Board of Directors on performance shares

The Extraordinary Shareholders' Meeting of April 22, 2021 authorized the Board of Directors of your Company to allocate, on one or more occasions, ordinary shares of the Company, either existing or to be issued. The same Meeting set the period of validity of this authorization at 38 months and decided that the beneficiaries of such allocations and the number of shares allocated to each would be determined by the Board of Directors from among the employees of the Company or its affiliates within the meaning of Article L.225-197-2 of the French Commercial Code, and/or the corporate officers of the Company and its affiliates.

The total number of free shares granted may not exceed 3% of the share capital.

The duration of the vesting period, the existence and duration of the minimum retention period, if any, and the criteria for final allocation of the shares will be determined by the Board of Directors.

No free shares have been allocated since the authorization granted by the Extraordinary General Meeting of April 22, 2021.

3. Report of the Statutory Auditors

3.1. Statutory Auditors' special report on regulated agreements

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2022

This is a free translation into English of the statutory auditors' special report on regulated agreements issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Savencia SA Shareholders' Meeting,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code (code de commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

AGREEMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements authorized and entered into during the year

We hereby inform you that we have not been notified of any agreements authorized during the year ended December 31, 2022 to be submitted to the Shareholders' Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements approved in previous years with continuing effect during the year

Pursuant to Article R.225-30 of the French Commercial Code, we have been advised that the following agreements, already approved in previous years by Shareholders' Meetings, have had continuing effect during the year.

Funding to Belgian company S.B.M.S. S.A.:

- Nature and purpose:

Pursuant to a Board of Directors' authorization of September 6, 2018, your Company granted a €200-million loan to Belgian company S.B.M.S. SA, maturing in five years and bearing interest at six-month Euribor plus a 0.875% mark-up.

- Terms and conditions:

The interest for 2021 came to €1,927,600.

Agreements approved in previous years without continuing effect during the year

In addition, we were advised of the following agreement, approved in previous years by the Shareholders' Meeting, which remained in force but was not implemented during the year and relates to the following pension plan that represented a regulated commitment under Article L.225-42-1 of the French Commercial Code until the adoption of French government Order No. 2019-1234 of November 27, 2019.

Supplementary pension plan

- Nature and purpose:

A pension plan governed by Article 39 of the French Tax Code was set up in 2002 providing for the payment to certain executives of a sum corresponding to 0.5% of their most recent compensation per year of service and capped at 2.5%, in addition to the basic pension plan.

Paris-La Défense, March 29, 2023

The Statutory Auditors

KPMG S.A.	Deloitte & Associés
Arnaud RINN	Emmanuel GADRET

3.2. Statutory Auditors' report on the share capital increase by issuance of ordinary shares and/or securities giving rights to the share capital in order to pay for capital contributions in kind consisting of shares or securities giving rights to the share capital

Shareholders' Meeting of 27 April 2023 – 28th resolution

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Savencia S.A. Shareholder's Meeting,

As Statutory Auditors of your Company (hereinafter the "Company"), and in accordance with article L. 228-92 of the French Commercial Code (Code de commerce), we hereby present our report on the proposal delegation of authority to the Board of Directors to issue one or several share capital increases by issuing ordinary shares and/or securities transactions giving rights to the share capital in order to pay for capital contributions in kind consisting of shares or securities giving rights to the share capital, within the limit of 10% of the share capital, on which you are asked to vote.

The maximum nominal amount of the share capital increases that may be carried out shall not be deducted from any other delegation ceiling granted by the Shareholders' Meeting.

Based on its report, the Board of Directors asks that you delegate to it, for a period of 26 months commencing at the date of this Shareholders' Meeting, the authority to issue one or several share capital increases by issuing ordinary shares and/or securities transactions giving rights to the share capital.

It is the responsibility of the Board of Directors to prepare a report in accordance with articles R.225-113 et seq. of the French Commercial Code. Our role is to express an opinion on the fair presentation of the quantified financial information extracted from the accounts, on the proposed issuance and on certain other information concerning these transactions, as set out in the report.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Aduditors (Compagnie nationale des commissaires aux comptes) relating to this assignment. These procedures consisted in verifying the content of the Board of Directors' report on these transactions and the process for determining the issue price of the future securities.

As this report does not specify the process for determining the issue price of future securities issued, we cannot express our opinion on the items used to calculate this issue price.

In addition, as the definitive terms and conditions of the issues have not been set, we do not express an opinion thereon.

Pursuant to Article R. 225-116 of the French Commercial Code, we will prepare an additional report, as required, when the Board of Directors makes uses of this delegation in the event of the issue of securities giving access to future equity securities.

The Statutory Auditors

Paris-La Défense, March 29, 2023	Paris-La Défense, March 29, 2023
KPMG S.A	**Deloitte & Associés**
Arnaud Rinn	Emmanuel Gadret
Associé	*Associé*

3.3. Statutory Auditors' Report on the share capital decrease

Shareholders' Meeting of 27 April 2023 – 29th resolution

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Savencia S.A. Shareholder's Meeting,

As Statutory Auditors of your Company and pursuant to the assignment set forth in Article L. 22-10-62 of the French Commercial Code (Code de commerce) concerning share capital decreases by cancellation of shares purchased, we hereby present our report on our assessment of the reasons for and the terms and conditions of the proposed share capital decrease.

Shareholders are requested to confer all necessary powers on the Board of Directors, for a period of 24 months commencing at the date of this Shareholders' Meeting, to cancel, up to a maximum of 10% of its share capital by 24-month period, the shares purchased by the Company pursuant to the authorization to purchase its own shares, as part of the provisions of the aforementioned article.

We conducted the procedures we deemed necessary in with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this assignment. These procedures consisted in verifying the fairness of the reasons for and the terms and conditions of the proposed decrease in share capital, which does not undermine shareholder equality.

We have no matters to report on the reasons for and the terms and conditions of the proposed share capital reduction.

The Statutory Auditors

Paris-La Défense, March 29, 2023	Paris-La Défense, March 29, 2023
KPMG Audit S.A.	**Deloitte & Associés**
Arnaud Rinn	Emmanuel Gadret
Associé	*Associé*

4. Text of the draft resolutions

4.1. Within the remit of the Ordinary shareholders' Meeting:

Resolution 1

Approval of the annual financial statements for the financial year ended December 31, 2022

The Ordinary Shareholders' Meeting, having reviewed the reports of the Board of Directors and the Statutory Auditors, approves the annual financial statements showing a profit of €26,338,070.62; these include the balance sheet, income statement and notes to the financial statements established at December 31, 2022, as presented, as well as the transactions reflected in said financial statements and summarized in said reports.

Resolution 2

Approval of the consolidated financial statements for the financial year ended December 31, 2022

The Ordinary Shareholders' Meeting, having reviewed the reports of the Board of Directors and the Statutory Auditors, approves the consolidated financial statements showing a net profit (Group share) of €68,045,348; these include the balance sheet, income statement and notes to the financial statements established at December 31, 2002, as presented, as well as the transactions reflected in said financial statements and summarized in said reports.

Resolution 3

Allocation of net income for the financial year and setting of the dividend

The Ordinary Shareholders' Meeting resolves to allocate the profit for the financial year ended December 31, 2022, in the amount of €26,338,070.62 which, when added to the €357,269,927.23 in retained earnings from prior years, constitutes an available amount of €383,607,997.85, as follows:

In euro	
To the shareholders, a dividend of €1.30 per share (*)	18,242,809.00
To retained earnings	365,365,188.85
TOTAL	**383,607,997.85**

(*) Including the dividend amount corresponding to treasury shares, which is not paid but allocated to retained earnings

The Shareholders' Meeting notes that the total gross dividend per share is set at €1.30.

When the dividend is paid to individuals domiciled for tax purposes in France, the dividend is subject either to a fixed levy at source on the gross dividend at a flat rate of 12.8% (Article 200 A of the French General Tax Code), or, at the express, irrevocable and blanket request by the taxpayer, to income tax in accordance with the progressive rate structure after application of a 40% deduction (Article 200 A, 13 and 158 of the French General Tax Code). The dividend is further subject to social security charges at a rate of 17.2%.

The dividend will be paid on May 17 directly to shareholders who own shares held in a pure registered account, or to the financial intermediaries responsible for the management of bearer shares or shares held in an administered registered account, through Uptevia.

The ex-dividend date is May 15.

It will be noted that amounts corresponding to unpaid dividends on the treasury shares held by the Company on the ex-dividend date will be allocated to retained earnings.

In accordance with legal requirements, please note that the dividends paid to shareholders in respect of the past three financial years are as follows:

Paid in	In respect of financial year	Number of shares making up the share capital	Total dividend (1)	Gross dividend per share	Discount
2020	2019	14 032 930	€ 0.00	€ 0.00	NA
2021	2020	14 032 930	€ 20,560,102.50	€ 1.50	40 %
2022	2021	14 032 930	€ 20,498,922.00	€ 1.50	40 %

(1) Excluding shares not conferring dividend rights.

The Shareholders' Meeting notes that there were no sumptuary expenses in 2022 within the meaning of Article 223 quater of the French General Tax Code.

Resolution 4

Statutory Auditors' special report on regulated agreements - approval of said agreements

The Ordinary Shareholders' Meeting, having reviewed the Statutory Auditors' special report on the agreements covered by Articles 225-38 et seq. of the French Commercial Code, successively approves each of the new agreements mentioned in said report.

Resolution 5

Renewal of the term of office of Mr. Alex Bongrain as Director

The Ordinary Shareholders' Meeting, noting that the term of office of Mr. Alex Bongrain expires at the end of this meeting, resolves to reappoint Mr. Alex Bongrain as Director for a period of one year, i.e. until the end of the Ordinary Shareholders' Meeting called in 2024 to approve the financial statements for the previous financial year.

Resolution 6

Renewal of the term of office of Mr. Armand Bongrain as Director

The Ordinary Shareholders' Meeting, noting that the term of office of Mr. Armand Bongrain expires at the end of this meeting, resolves to reappoint Mr. Armand Bongrain as Director for a period of one year, i.e. until the end of the Ordinary Shareholders' Meeting called in 2024 to approve the financial statements for the previous financial year.

Resolution 7

Renewal of the term of office of Ms. Anne-Marie Cambourieu as Director

The Ordinary Shareholders' Meeting, noting that the term of office of Ms. Anne-Marie Cambourieu expires at the end of this meeting, resolves to reappoint Ms. Anne-Marie Cambourieu as Director for a period of one year, i.e. until the end of the Ordinary Shareholders' Meeting called in 2024 to approve the financial statements for the previous financial year.

Resolution 8

Renewal of the term of office of Ms. Clare Chatfield as Director

The Ordinary Shareholders' Meeting, noting that the term of office of Ms. Clare Chatfield expires at the end of this meeting, resolves to reappoint Mrs. Clare Chatfield as Director for a period of one year, i.e. until the end of the Ordinary Shareholders' Meeting called in 2024 to approve the financial statements for the previous financial year.

Resolution 9

Renewal of the term of office of Ms. Sophie de Roux as Director

The Ordinary Shareholders' Meeting, noting that the term of office of Ms. Sophie de Roux expires at the end of this meeting, resolves to appoint Ms. Sophie de Roux as Director for a period of one year, i.e. until the end of the Ordinary Shareholders' Meeting called in 2024 to approve the financial statements for the previous financial year.

Resolution 10

Renewal of the term of office of Mr. Xavier Govare as Director

The Ordinary Shareholders' Meeting, noting that the term of office of Mr. Xavier Govare expires at the end of this meeting, resolves to reappoint Mr. Xavier Govare as Director for a period of one year, i.e. until the end of the Ordinary Shareholders' Meeting called in 2024 to approve the financial statements for the previous financial year.

Resolution 11

Renewal of the term of office of Ms. Maliqua Haimeur as Director

The Ordinary Shareholders' Meeting, noting that the term of office of Ms. Maliqua Haimeur expires at the end of this meeting, resolves to reappoint Ms. Maliqua Haimeur as Director for a period of one year, i.e. until the end of the Ordinary Shareholders' Meeting called in 2024 to approve the financial statements for the previous financial year.

Resolution 12

Renewal of the term of office of Ms. Martine Liautaud as Director

The Ordinary Shareholders' Meeting, noting that the term of office of Ms. Martine Liautaud expires at the end of this meeting, resolves to reappoint Ms. Martine Liautaud as Director for a period of one year, i.e. until the end of the Ordinary shareholders' Meeting called in 2024 to approve the financial statements for the previous financial year.

Resolution 13

Renewal of the term of office of Ms. Annette Messemer as Director

The Ordinary Shareholders' Meeting, noting that the term of office of Ms. Annette Messemer expires at the end of this meeting, resolves to reappoint Ms. Annette Messemer as Director for a period of one year, i.e. until the end of the Ordinary Shareholders' Meeting called in 2024 to approve the financial statements for the previous financial year.

Resolution 14

Renewal of the term of office of Mr. Christian Mouillon as Director

The Ordinary Shareholders' Meeting, noting that the term of office of Mr. Christian Mouillon expires at the end of this meeting, resolves to reappoint Mr. Christian Mouillon as Director for a period of one year, i.e. until the end of the Ordinary Shareholders' Meeting called in 2024 to approve the financial statements for the previous financial year.

Resolution 15

Renewal of the term of office of Mr. Ignacio Osborne as Director

The Ordinary Shareholders' Meeting, noting that the term of office of Mr. Ignacio Osborne expires at the end of this meeting, resolves to reappoint Mr. Ignacio Osborne as Director for a period of one year, i.e. until the end of the Ordinary Shareholders' Meeting called in 2024 to approve the financial statements for the previous financial year.

Resolution 16

Renewal of the term of office of Mr. Vincenzo Picone as Director

The Ordinary Shareholders' Meeting, noting that the term of office of Mr. Vincenzo Picone expires at the end of this meeting, resolves to reappoint Mr. Vincenzo Picone as Director for a period of one year, i.e. until the end of the Ordinary Shareholders' Meeting called in 2024 to approve the financial statements for the previous financial year.

Resolution 17

Renewal of the term of office of Mr. Robert Roeder as Director

The Ordinary Shareholders' Meeting, noting that the term of office of Mr. Robert Roeder expires at the end of this meeting, resolves to reappoint Mr. Robert Roeder as Director for a period of one year, i.e. until the end of the Ordinary Shareholders' Meeting called in 2024 to approve the financial statements for the previous financial year.

Resolution 18

Renewal of the term of office of Mr. François Wolfovski as Director

The Ordinary Shareholders' Meeting, noting that the term of office of Mr. François Wolfovski expires at the end of this meeting, resolves to reappoint Mr. François Wolfovski as Director for a period of one year, i.e. until the end of the Ordinary Shareholders' Meeting called in 2024 to approve the financial statements for the previous financial year.

Resolution 19

Renewal of the term of office of SAVENCIA Holding as Director

The Ordinary Shareholders' Meeting, noting that the term of office of the company SAVENCIA Holding expires at the end of this meeting, resolves to reappoint the company SAVENCIA Holding as Director for a period of one year, i.e. until the end of the Ordinary Shareholders' Meeting called in 2024 to approve the financial statements for the previous financial year.

Resolution 20

Renewal of the term of Mr. Philippe Gorce as Director representing employee shareholders, as recommended by the Employee Shareholding Fund (Fonds commun de placement d'entreprise or FCPE)

The Ordinary Shareholders' Meeting, noting that the term of office of Mr. Philippe Gorce expires at the end of this meeting, resolves to reappoint Mr. Philippe Gorce as Director representing employee shareholders, as recommended by the FCPE, in accordance with the provisions of Article 8.1 of the Articles of Association, for a period of one year, i.e. until the end of the Ordinary Shareholders' Meeting called in 2024 to approve the financial statements for the previous financial year.

Resolution 21

Approval of the compensation policy applied to Directors

The Ordinary Shareholders' Meeting, deliberating pursuant to Article L. 22-10-8 of the French Commercial Code, approves the compensation policy applied to Directors as presented in paragraph 1.2 of the Corporate Governance Report, with effect from Financial Year 2023.

Resolution 22

Approval of the compensation policy for the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer (should a Deputy Chief Executive Officer be appointed)

The Ordinary Shareholders' Meeting, deliberating pursuant to article L. 22-10-8 of the French Commercial Code, approves the compensation policy for the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer as presented in paragraph 1.2 of the Corporate Governance Report, with effect from Financial Year 2023.

Resolution 23

Approval of information relating to the compensation of corporate officers set out in article L. 22-10-9(I) of the French Commercial Code

The Ordinary Shareholders' Meeting, deliberating pursuant to article L. 22-10-34 I of the French Commercial Code, approves the information referred to in article L. 22-10-9 of the French Commercial Code concerning each corporate officer, as presented in paragraphs 1.2 and 1.3 of the Corporate Governance Report.

Resolution 24

Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the past financial year or allocated for the same financial year to Mr. Alex Bongrain, Chairman of the Board of Directors

The Ordinary Shareholders' Meeting, deliberating pursuant to article L. 22-10-34 II of the French Commercial Code, approves the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the past financial year or allocated for the same financial year to Mr. Alex Bongrain, Chairman of the Board of Directors, in respect of his term of office, as presented in paragraph 1.3 of the Corporate Governance Report.

Resolution 25

Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the past financial year or allocated for the same financial year to Mr. Jean-Paul Torris, Chief Executive Officer until August 31, 2022.

The Ordinary Shareholders' Meeting, deliberating pursuant to article L. 22-10-34 II of the French Commercial Code, approves the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the past financial year or allocated for the same financial year to Mr. Jean-Paul Torris, Chief Executive Officer until August 31, 2022, in respect of his term of office, as presented in paragraph 1.3 of the Corporate Governance Report.

Resolution 26

Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the past financial year or allocated for the same financial year to Mr. Olivier Delamea, Chief Executive Officer as of September 1, 2022.

The Ordinary Shareholders' Meeting, deliberating pursuant to article L. 22-10-34 II of the French Commercial Code, approves the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the past financial year or allocated for the same financial year to Mr. Olivier Delamea, Chief Executive Officer as of September 1, 2022, in respect of his term of office, as presented in paragraph 1.3 of the Corporate Governance Report.

Resolution 27

Authorization granted to the Board of Directors for the Company to buy back its own shares under the provisions of article L. 22-10-62 of the French Commercial Code (duration of the authorization, purposes, terms and conditions, cap).

The Ordinary Shareholders' Meeting, having reviewed the Board of Directors' report, authorizes the Board of Directors, in accordance with Articles L. 22-10-62 et seq. and L. 225-210 et seq. of the French Commercial Code, to proceed with the purchase, in one or more installments, at the times it shall determine, of Company shares, taking into account the shares already held on the day of the buyback transaction, up to a maximum of 10% of the number of shares comprising the Company's share capital on the date of completion of the buybacks, adjusted if necessary to take into account any capital increases or reductions that may take place during the duration of the program.

The Ordinary Shareholders' Meeting resolves that the objectives of these buybacks are:

- hedging of stock option plans and/or bonus share plans (or similar programs) for Group employees and/or corporate officers, including Economic Interest Groups (EIGs) and related companies, as well as all share allocations under a company or Group savings plan (or similar program), in the context of profit-sharing and/or any other form of share allocation to Group employees and/or corporate officers, including EIGs and related companies;
- hedging of securities granting entitlement to allocations of Company shares in line with applicable regulations;
- cancellation of some or all of these shares, in accordance with the authorization granted or to be granted by the Extraordinary Shareholders' Meeting;
- management of the secondary market or liquidity of the Company's securities, such management being carried out by an investment service provider acting under a liquidity contract in accordance with practices permitted by regulations, it being specified that in this context, the number of shares taken into account for the calculation of

the aforementioned limit shall correspond to the number of shares purchased, less the number of shares resold;

- holding of said shares and their subsequent delivery as a means of exchange or payment in the context of potential merger, demerger, contribution or external growth transactions up to a limit of 5% of the share capital.

The Ordinary Shareholders' Meeting resolves that the maximum amount of the transaction will be €196,461,020, the maximum share purchase price is set at €140 per share, this price per share being adjusted accordingly in the event of a capital transaction, particularly a stock split or reverse stock split or the allocation of free shares to shareholders (multiplying coefficient equal to the ratio between the number of shares comprising the share capital prior to the transaction and the number of shares following the transaction).

The Ordinary Shareholders' Meeting resolves that the Company may purchase, sell or transfer its own shares by any means on the regulated market or off-market, on one or more occasions, including through the acquisition of blocks of shares, and in particular through the use of options or derivatives, in any proportion and at any time determined by the Board of Directors.

The Company reserves the right to use options or derivatives within the framework of the applicable regulations.

The Ordinary Shareholders' Meeting grants all powers to the Board of Directors, with the option of delegation, in particular to place any stock market orders, to enter into any agreements, make any declarations, including to tax authorities, and generally to carry out all formalities for the application of this authorization.

This authorization supersedes, with immediate effect, the authorization previously granted to the Board of Directors by Resolution 27 of the Combined Shareholders' Meeting of April 21, 2022.

The authorization thus granted to the Board of Directors is valid for a period of 18 months from the date of this Meeting.

4.2. Within the remit of the Extraordinary shareholders' Meeting

Resolution 28

Delegation to be granted to the Board of Directors to increase the share capital through issuance of ordinary shares and/or securities conferring access to the share capital, within a limit of 10% of the share capital, as consideration for contributions in kind in the form of equity securities or other securities conferring access to the share capital, duration of the delegation.

The Extraordinary Shareholders' Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors and in accordance with the provisions of Articles L. 225-147, L. 22-10-53 and L. 228-92 et seq. of the French Commercial Code:

1) acting on the report of the Shares Auditor, delegates to the Board of Directors authority to proceed with one or more capital increases through issuance of ordinary shares in the Company or securities conferring access to the share capital as consideration for contributions in kind granted to the Company in the form of equity securities, when the provisions of article L.22-10-54 of the French Commercial Code do not apply;
2) resolves that the aggregate par value of ordinary shares that may be issued pursuant to this delegation may not exceed 10% of the Company's share capital on the date the Board of Directors uses this delegation, not including the par value of the capital increase required to preserve the rights of holders of rights or securities giving access to the Company's share capital, in accordance with the law and, where applicable, any contractual provisions providing for other preservation procedures;
3) resolves that this cap is independent of any other cap on delegations granted by this Shareholders' Meeting;
4) delegates full powers to the Board of Directors to approve the valuation of said contributions, to decide on the resulting capital increase, to record the completion thereof, to charge, where appropriate, all costs and duties incurred by the capital increase to the contribution premium, to deduct from the contribution premium the amounts necessary to bring the legal reserve up to 10% of the new share capital after each increase and amend the Articles of Association accordingly, and to take all necessary measures in this respect;
5) sets at 26 months the period of validity of this delegation, as of date of this Shareholders' Meeting;
6) acknowledges that this delegation cancels, as of this date, any unused portion of any previous delegation with the same purpose.

Resolution 29

Authorization to be granted to the Board of Directors to cancel the shares repurchased by the Company pursuant to Article L. 22-10-62 of the French Commercial Code

The Extraordinary Shareholders' Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report, authorizes the Board of Directors, with the option of delegation, to cancel, on one or more occasions, the shares acquired by the company pursuant to the provisions of Article L.22-10-62 of the French Commercial Code, within a limit of 10% of the share capital as calculated at the date of the decision, less any shares canceled over the preceding 24 months, and to proceed with a proportionate reduction in the share capital in accordance with applicable law and regulations.

The Ordinary Shareholders' Meeting grants all powers to the Board of Directors for the following purposes:

1) to proceed with capital reductions through cancellation of shares;
2) to set the final amount of such reductions within the maximum legal limit of 10% of the share capital at the date of the capital reduction, to determine the terms and conditions thereof and to record the completion thereof;
3) to charge the difference between the book value and par value of the canceled shares to all available reserves and premiums;
4) to amend the Articles of Association accordingly;
5) to make any declarations, including to tax authorities, carry out all formalities, and generally take all necessary measures.

The authorization thus granted to the Board of Directors is valid for a period of 24 months from the date of this Shareholders' Meeting.

4.3. Within the remit of the Ordinary shareholders' Meeting

Resolution 30

Powers for formalities

The Ordinary shareholders' Meeting grants full powers to the bearer of a copy or extract hereof to carry out all legal formalities.

SAVENCIA SA
Company with share capital €14 032 930
Head Office : « L’Alliance » - 42, rue Rieussec - 78223 Viroflay Cedex (France)
Tél : +33 (0) 1 34 58 63 00 - RCS Versailles B 847 120 185

SAVENCIA
FROMAGE & DAIRY