2023

ANNUAL GENERAL MEETING

COMBINED ORDINARY AND EXTRAORDINARY

CONVENED ON APRIL 25, 2024

SAVENCIA
FROMAGE & DAIRY

TABLE OF CONTENTS

“"SAVENCIA S.A., doing business as SAVENCIA Fromage & Dairy"”

1

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

FINANCIAL YEAR ENDED DECEMBER 31, 2023

1. The Group's business activities

Key events of the period

Follow-up to the Corman flood

A flood occurred at Corman SA in July 2021. The restoration of the site has now been completely done, and the production lines have been gradually resumed since 2022. In April 2023 the company received notification of the Walloon government's decree granting aid for repairs. Given the provisions of this decree, the aid from the Walloon Region meets the criteria of an investment grant.
Recognition of the grant as a receivable arises when the investment obligations are fulfilled, i.e. as and when the investments are booked.

Effect of the Russia-Ukraine crisis

The international geopolitical situation became tense since February 2022, with Russia's invasion of 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 combined contribution from these two countries is not significant at the Group level.

Economic climate

Over the first eight months of the year, the world market for dairy products evolved against a backdrop of falling prices for manufacture products, justified by slowing demand in an economic context worsened by inflation. A slight upward trend in manufactured product prices that began in August continued throughout the rest of the year, reflecting moderate growth in milk production in the world's major exporting regions.
Milk prices in Europe over the first two quarters were put under pressure by a decline in manufacture product prices. This decline followed on the very great increases in 2022. The trend inverted starting in September with price increases in most of the European countries.
In France, however, milk collection has run counter to the overall trend in the European Union. Milk production is down, and average annual milk prices remain higher than the year before. Because of the relative size of France, milk prices for the Group as a whole rose over the year.

The year 2023 was characterized by high inflation in all countries, affecting all production costs.

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

In Asia, China's economic slowdown continued throughout the 2023 financial year.

1.1. Scope of consolidation and accounting standards

Scope

In the 2023 financial year, the Group completed the following operations:

- Acquisition on April 3, 2023 of 100% of Sucesores de Alfredo Williner (SAW), one of Argentina's leading dairy companies. Savencia thereby broadened its brand portfolio with Ilolay, which offers a wide range of dairy products through a distribution network covering the whole of Argentina. SAW S.A. is a market leader and one of Argentina's leading milk collectors. This acquisition strengthens the presence of SAVENCIA Fromage & Dairy in Argentina and is an element of the Group's growth strategy. It has been submitted to the competition authorities for approval under local regulations.
- On April 28, 2023, the Group partially exercised its call on 15% of the equity of Bake Plus in Korea, as provided by the option contract.
- The Group acquired a 50% stake in Wiskerchen Cheese Inc on June 30, 2023 through an addition to equity. The way the entity is managed can be described as a joint-venture. It is therefore equity-accounted in the consolidated financial statements.
- On August 17, 2023, the Group exercised its option to purchase a 30% stake in Palace Industries in the USA. The Group thus owns 100% of this entity.

As reported, on March 15, 2022 the Group purchased 51.04 % of the equity in Poitou Chèvre SAS. Since 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.

Standards

The Group has applied the new standards and interpretations that are mandatory as of January 1, 2023, in particular IFRS 17, Insurance Contracts and it various related amendments (though application of this standard has no impact on the Group's operations), the amendments to IAS 1 and Practice Statement 2 on Disclosures about Accounting Policies, the amendments to IAS 8 on the Definition of Accounting Estimates, the amendments to IAS 12 on Deferred Taxes on Assets and Liabilities Arising from a Single Transaction, and the amendments to IAS 12 on International Tax Reform - Pillar 2 Model Rules.

These amendments had no impact on the statements for the period ended December 31, 2023.

The Group has not opted for early application of the standards, amendments and interpretations published by the IASB that were not mandatory in the European Union as of January 1, 2023.

Because 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, 2023

Consolidated data in € millions	2023	% of Sales	2022	% of Sales	Change in % Total	Scope	Currency	Organic
Net sales	**6,790.7**		**6,551.2**		**+3.7%**	**+2.1%**	**-10.0%**	**+11.6%**
▪Cheese Products	4,078.8	60.1%	3,820.5	58.3%	+6.8%	0.0%	-1.2%	+8.0%
▪Other Dairy Products	2,922.7	43.0%	2,928.5	44.7%	-0.2%	+5.1%	-22.3%	+17.0%
▪Other (Intercompany)	-210.8	-3.1%	-197.8	-3.0%	+6.6%	+0.2%	-14.4%	+20.8%
Current operating profit	**212.9**		**234.3**		**-9.1%**	**+2.5%**	**-11.3%**	**-0.3%**
▪Cheese Products	127.5	59.9%	81.6	34.8%	+56.3%	+0.1%	-0.2%	+56.4%
▪Other Dairy Products	120.6	56.6%	180.0	76.9%	-33.0%	+3.2%	-14.6%	-21.6%
▪Other	-35.2	-16.5%	-27.3	-11.7%	-28.4%	+0.1%	-0.3%	-28.2%
Operating margin (%)	**3.1 %**		**3.6 %**					
▪Cheese Products	3.1 %		2.1 %					
▪Other Dairy Products	4.1 %		6.1 %					

For the period ended December 31, 2023, **SAVENCIA Fromage & Dairy had consolidated net sales of €6,790.7 million,** as compared to €6,551.2 million for the previous year, an increase of +3.7%.

At constant scope[(1)] and exchange rates[(2)], the change was positive at +11.6%. However, sales growth was impacted by a negative currency effect of -10.0% mainly due to the devaluation of the Argentine peso, which was accentuated in the fourth quarter, and to trends in the Chinese, Russian and North American currencies. The +2.1% scope effect stems mainly from the consolidation of SAW S.A.'s activities as of April 3, 2023.
The share of net sales outside France will fall from 69.4 % in 2022 to 68.4 % in to 2023.

Current operating profit fell -9.1 % from 2022. It amounted to €212.9 million.

This includes a positive scope effect of +2.5% and a negative currency effect of -11.3%.

On a like-for-like basis, current operating profit was down slightly (-0.3%), demonstrating the resilience of Savencia's businesses in a turbulent environment.

Operating margin was 3.1 % as compared to 3.6 % in 2022.

1.2.1. Cheese Products

Net Sales for the Cheese division is up +6.8% on 2022, at **€4,078.8 million** representing 60.1% of total consolidated net sales of SAVENCIA Fromage & Dairy. The relative share in 2022 was 58.3%. The change in net sales breaks down as follows:

- organic growth of +8.0%, due in part to price adjustments introduced across all markets in response to high inflation worldwide. On the other it is benefiting from volume that remained high despite pressure on purchasing power and changes in consumer behavior, which are tending to favor more affordable offers in the face of inflation.
- an unfavorable foreign exchange effect of -1.2%, due largely to depreciation of the ruble, yuan and US dollar.

Current operating profit for the Cheese division was €127.5 million , up €45.9 million, or +56.3% from 2022.

The operating margin ratio in this business segment rose from 2.1% in 2022 to 3.1% in 2023. Resilient volumes, price adjustments, cost control and productivity efforts have mitigated the inflation across our production costs.

1.2.2. Other Dairy Products

Net sales from Other Dairy Products came to €2,922.7 million, a slight decrease of -0.2% compared to 2022.

This represents 43 % of total consolidated net sales of SAVENCIA Fromage & Dairy. The relative share in 2022 was 44.7%.

(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 effect of +17.0%, based on excellent volume performance in certain countries and the recovery in out-of-home food service, together with positive price effects in part of the portfolio offsetting the negative effect of falling listed prices for manufactured products (butter, powder and serum) in 2023.
- an unfavorable foreign exchange effect of -22.3%, due mainly to the depreciation of the Argentine peso and the yuan against the euro.
- a scope effect of +5.1% from the acquisition of SAW S.A. on April 3, 2023.

Current operating profit for Other Dairy Products was €120.6 million, compared with €180 million in 2022, a fall of -33.0%. **Operating margin ratio** was down from 6.1% in 2022 to 4.1% in 2023.
This is mainly due to a less favorable valuation of the Ingredients business, linked to the fall in industrial product prices, but partially offset by the recovery of the Food Service business.

1.2.3. Items not allocated to operations

Current operating profit for unallocated items amounted to € -35.2 million, as against €-27.3 million in 2022. This primarily represents the expenses of the holding and services companies.

Non-recurring items totaled -€43.6 million ,versus -€71.4 million in 2022. They include reorganization costs of -€7.6 million, asset impairment and write-offs of -€26.2 million, and other costs of -€9.8 million, including -€6.3 million for legal disputes.

Operating profit was €169.3 million, up 3.9% from 2022.

Net financial expense of SAVENCIA Fromage & Dairy **came to -€18 million in 2023**, compared with -€24.4 million in 2022, representing an improvement of 26.2%, due to a favorable variance on foreign exchange gains and interest rate hedges, which offset the negative impact of rising interest rates.

The gain on net monetary position of €3.1 million in 2023, compared with €2.7 million in 2022, reflects the application of IAS 29 regarding hyperinflation (in Argentina).

The after-tax share of income from equity-accounted investments was €1.8 million, as against €1.5 million in 2022.

Income taxes were -€50.3 million, or €7 million less than in 2022, in line with the lower non-deductible asset impairment and lower CVAE. The effective tax rate was 32.2%, against 40.1% in 2022

Net income from continuing operations rose to €105.9 million, as compared to €85.4 million in 2022.

Net income for the year attributable to shareholders of SAVENCIA Fromage & Dairy **was €96.5 million**. In 2022 the figure was €68 million.

Net income for the year attributable to non-controlling interests was €9.4 million, compared to €17.4 million in 2022. This change was due to generally poorer performance in 2023 from those subsidiaries owned less than 100% by the Group.

1.3. Capital expenditures

SAVENCIA Fromage & Dairy's **spending on physical and intangible fixed assets** are down -5.0% compered with 2022, while the Group focused on priority projects. There were €178.9 million of such expenditures in 2023, as against €188.4 million in 2022.

Capital expenditures broke down by business segment as follows:

- Cheese Products 70 %
- Other Dairy Products 26.1 %
- Unallocated 3.9%

With regard to external development, in 2023 the Group acquired 100% of SAW S.A. in Argentina and a 50% stake in Wiskerchen Cheese LLC in the United States.

1.4. Research and development

SAVENCIA Fromage & Dairy has always considered R&D spending to be 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.

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 **22,329 in 2023,** compared with 21,797 in 2022, an increase of 2.4%.

At comparable scope, the decrease was -1.7%.

The workforce was distributed as follows:

- Cheese Products 69.6 %
- Other Dairy Products 25.7 % and
- Unallocated 4.7%

1.6. Financial position

The Group's balance sheet reflects continued financial health.

Shareholders equity, at €1,817.9 million, fell €-9.3 million from 2022 or -0.5%.

Net debt[1] at -€439.1 million was up by €28.5 million. It represented 24.2% **of shareholders equity,** against 22.5% at December 31, 2022.

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

To the best of the Company's knowledge, at the date of preparation of the 2023 consolidated financial statements, there were no material post-balance sheet events that could have an impact on the financial statements.

1.8. Outlook

- Inflationary pressures, developments in the dairy economy and purchasing power levels will be major focuses of attention in the various regions where Savencia operates. In this environment, the Group will continue its efforts to improve market competitiveness, develop its international brands and adapt its product offering to changing consumer trends.
- The Group will also continue to carry out its social and environmental initiatives. In that regard, our commitment enabled us in 2023 to reduce our water consumption and greenhouse gas emissions. Savencia has obtained SBTI (Science Based Target initiatives) validation of its decarbonization trajectory (well below 2°) for its scopes 1,2 and 3.

2. The Parent Company

In 2023 your company's financial statements were prepared using the same accounting principles and policies in 2022.

2.1. Operations and performance

Operating revenue for the financial year totaled €35.7 million, consisting of royalties on industrial property paid by your subsidiaries, on a level with last year, and reversals of provisions. Operating revenue in 2022 was €33.2 million.
Operating expenses for 2023, impacted by the ongoing development of new IT solutions, amounted to €62.2 million, compared with €56.0 million in 2022.

Net financial income were €27.8 million, compared to €37.7 million in 2022.

Net extraordinary income was a gain of €0.6 million due to the reversal of accelerated tax depreciation, compared with a loss of -€1 million in 2022.

The Income Taxes line was stable and resulting from the tax consolidation regime enjoyed by 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 after depreciation, amortization and provision expense showed a profit of €13.9 million, as compared to a profit of €26.3 million in 2022.

Income statement *in millions of euro*	**Financial year 2023**	**Financial year 2022**
Operating revenue	35.7	33.2
Operating expenses	-62.2	-56.0
Operating income	-26.5	-22.8
Net financial income	27.8	37.7
Net extraordinary income	0.6	-1.0
Income taxes	12.0	12.5
NET INCOME	**13.9**	**26.3**

Summary balance sheet *in millions of euro*	**Financial year 2023**	**Financial year 2022**
Shareholders' equity	-805	-810
Net financial debt (*)	-505	-496
Other liabilities	-28	-20
Other assets including investments	1,338	1,326

(*) Changes in net debt are detailed in the cash flow statement below:

Cash flow in millions of euro	**Financial year 2023**	**Financial year 2022**
Net cash flow from operating activities	9	24
Cash flow from investing activities		-4
Dividends paid	-18	-20
Net cash flow before financing (*)	**-9**	**0**
Other cash flows not affecting net debt	-31	46
NET CASH FLOW	**-40**	**46**

During the year intangible investments, mainly in software, amounted to €1.7 million, compared to €2.2 million in 2022. Tangible investments generated a cash outflow of €1 million and a cash inflow of €2.9 million, representing repayment for the temporary assumption of industrial equipment costs in 2022.

Financial investment was not significant in 2023, just as in 2022.

The short-term investment portfolio, totaling €112 million as compared to €91 million in 2022, consisted of liquid securities and treasury shares.

2.1.1. Inter-company 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, 2023 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:

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)
	article D. 441-4 of the French Commercial Code: Invoices received, unpaid and overdue as of the balance sheet date					
(A) Portion past due						
Number of invoices concerned	81					17
Total sum (incl. taxes) of invoices concerned In thousand of euro	14,105	2,020			17	2,037
% of amount (incl. taxes) invoiced in the period	9.64%	1.38%			0.01%	1.39%
(B) Invoices excluded from (A), involving disputed debts 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 month-end or 30 days net ≤ contractual period ≤ 60 days net					

Trade receivables	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)
	article D. 441-4 of the French Commercial Code: Invoices outstanding and overdue at the balance sheet date					
(A) Portion past due						
Number of invoices concerned	102					15
Total sum (incl. taxes) of invoices concerned In thousand of euro	12,666	454	1,561		6	2,021
% of net sales for the year (incl. taxes)	10.63%	0.38%	1.31%		0.01%	1.70%
(B) Invoices excluded from (A), involving disputed debts 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 in calculating late payments	Contractual terms: 30 days net or 20 days from the end of the month					

2.1.3. Review of agreements authorized during a previous financial year and continued in 2023

The Board of Directors has reviewed the following agreements entered into during a previous financial year, the execution of which continued in 2023:

- 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 %.

This loan ended in 2023. The interest due for financial year 2023 came to €5,106,650.

- supplementary post-employment benefit plan:

A pension plan governed by Article 39 of the French Tax Code was set up in 2022, 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. This agreement was not performed on during the 2023 financial year.

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, 2023 , as presented to you, and propose that you allocate the earnings of the financial year ended December 31, 2023 of €13,957,673.78, which added to the prior retained earnings of €366,097,978.05 makes an available sum of €380,055,651.83, as follows:

In euro	
To the shareholders as a dividend per share of €1.4 (*)	19,646,102.00
To retained earnings	360,409,549.83
TOTAL	**380,055,651.83**

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

The total gross dividend per share would be set at €1.40. It would be paid on May 15, with the ex-dividend date set at 13 May.

To comply with legal requirements, it should be noted that the dividends paid to shareholders in respect of the past 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
2021	2020	14,032,930	20,560,102 €	1.50 €	40 %
2022	2021	14,032,930	20,498,992 €	1.50 €	40 %
2023	2022	14,032,930	17 510 020 €	1.30 €	40 %

(1) Excluding zero-dividend shares

We hereby confirm that in 2023 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 2023

At December 31, 2023	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	78.57 %	18,701,906	80.79 %
FCPE (1)	5.62 %	788,231	1,182,131	4.96 %	1,182,131	5.11 %
Treasury stock (2)	4.69 %	658,209	658,209	2.76 %	-	- %
Public	23.05 %	3,235,537	3,264,717	13.71 %	3,264,717	14.10 %
Total	100 %	14,032,930	23,806,963	100 %	23,148,754	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.

Since February 28, 2013 the share capital has consisted of 14,032,930 shares with a par value of €1.00 each.

2.2.2. Public trading by the Company in its own shares

The Combined Shareholders' Meeting of April 27, 2023, 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:

- There were no acquisitions or disposals.

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

- 35,048 shares were purchased at an average price of €57.96.
- 33,458 shares were sold at an average price of €56.20.
- Trading costs totaled €25,000.

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

- 95,807 shares were purchased at an average price of €54.08.
- Trading costs for 2023 totaled €19,576.

At December 31, 2023, your Company held 658,209 of its own shares representing 4.69% of the share capital with a cost value of €38,276,867 and a par value of €658,209.

However, taking into account the share buybacks made between January 1, 2024 and February 07, 2024, company holds 659,128, shares representing 4.70% of the share capital with a cost value of €38,323,849 and a par value of €659,128.

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	2019	2020	2021	2022	2023
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	28,867,056	29,639,110	31,460,675	31,823,337	33,654,014
Profit before taxes, amortization and provisions	9,021,250	-19,648,217	-2,304,472	19,530,040	4,215,894
Income taxes	-10,353,177	-13,399,201	-12,672,743	-12,453,902	-12,047,517
Profit after taxes, amortization and provisions	14,647,712	-21,618,761	17,273,779	26,338,071	13,957,674
Amount of profits distributed	0	20,560,102	20,498,992	17,510,020	
Operating earnings per share (€1 par value)					
Profit after tax but before depreciation, amortization and provisions	1.38	-0.45	0.74	2.28	1.16
Profit after taxes, depreciation, amortization and provisions	1.04	-1.54	1.23	1.88	0.99
Dividend per share		1.50	1.50	1.30	
Personnel					
Number of employees	2	2	2	2	2
Total payroll	346,579	354,812	303,404	660,302	381,137
Amount paid in respect of employee benefits (social security, social services, etc.)	271,550	274,523	229,729	345,327	290,737

2

NON-FINANCIAL PERFORMANCE STATEMENT

OUR MISSION

Leading the way to better food

Resources

22,329 EMPLOYEES committed to our common values. 62.2% men / 37.8% women.

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

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

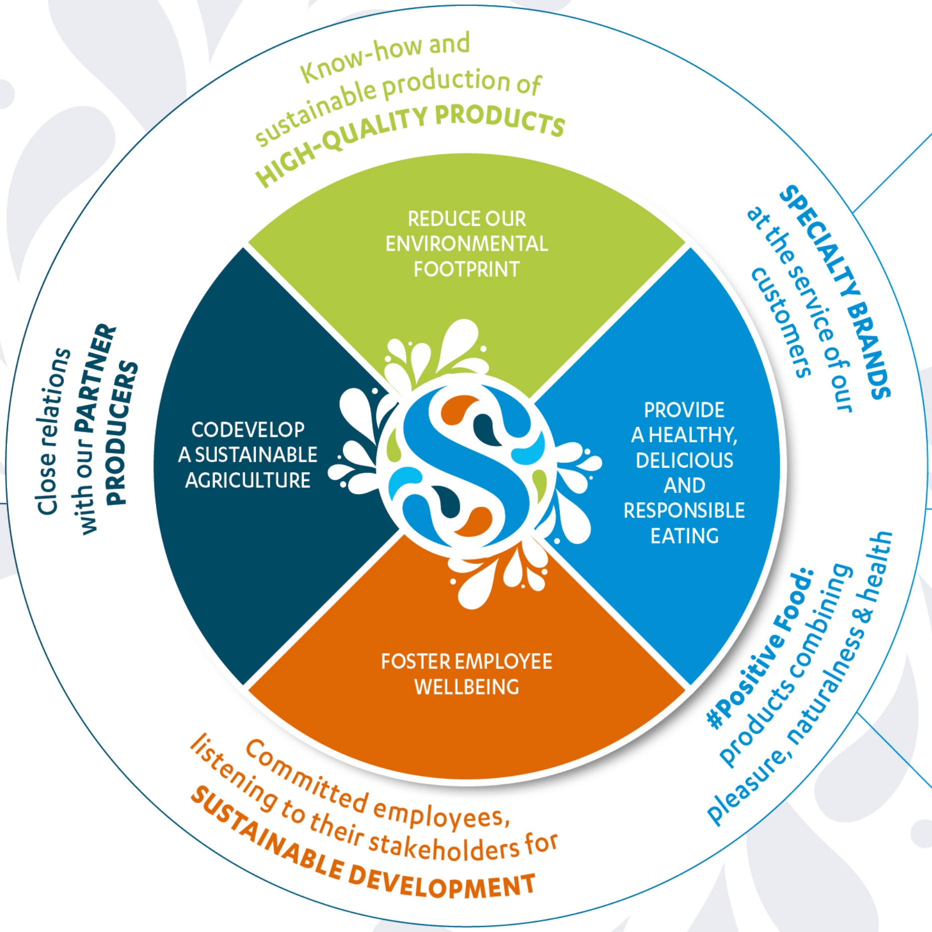
Quality, R&D and business expertise in our **PRODUCTION SITES** around the world. Continuous improvement in natural resources management.

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,

13th largest dairy group in the world
and 5th largest cheese group

OUR STRATEGY

Creating value through specialty differentiation and innovation

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 2023-2024. Commitment to youth employment with 418 apprenticeship contracts in 2023. 43% of female managers.

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

FOR CLIENTS:
Savencia, 2nd sales force of the department creamery in France in 2023.

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

FOR THE ENVIRONMENT:
-341,345T CO_2 eq between 2010 and 2023 for our milk collection. 16% reduction in our GHG emissions, scopes 1 & 2, per ton manufactured between 2015 and 2023.

FOR SOCIETY AND COMMUNITIES:
we contribute to the development of local territories. 69% of our subsidiaries support solidarity actions.

2 ZERO HUNGER · 3 GOOD HEALTH AND WELL-BEING · 5 GENDER EQUALITY · 6 CLEAN WATER AND SANITATION · 8 DECENT WORK AND ECONOMIC GROWTH · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 13 CLIMATE ACTION · 15 LIFE ON LAND · 16 PEACE, JUSTICE AND STRONG INSTITUTIONS · 17 PARTNERSHIPS FOR THE GOALS

Introduction

In terms of non-financial reporting, this year's 2023 report will truly have a flavor of its own. We are in the midst of turning a new page on the reporting process: the new European CSRD (Corporate Sustainability Reporting Directive) regulatory framework is coming into full force, making this the final edition of the Non-Financial Performance Statement. In a year's time, we will be producing our first Sustainability Report, the ambitions of which, in terms of non-financial reporting, will require us to step up our non-financial performance management. This is a real opportunity for us to transition towards a truly global performance model, coupling non-financial ambitions with financial performance.

This edition of the 2023 Non-Financial Performance Statement presents us with the opportunity to warmly thank all of the teams working towards the report's completion, both locally and around the world. Each annual report is a clear demonstration of our operating model's strength and vitality, made obvious by the wealth and diversity of our non-financial initiatives throughout all the regions in which we operate. We are making progress with each passing year, and it's a great source of pride to witness our collective growth through the compilation of this document. These initiatives form the very core of our "Leading the way to better food" mission and align with the one of the Group's overarching values that is most near and dear to us: "Serving the common good."

The initiatives that we report on and highlight here are the fruit of the labor of our employees and partners, all of whom work hard to implement our vision throughout our entire value chain. Their dedication makes possible our collective actions in favor of the health and wellbeing of our teams, the preservation of the planet and the regions in which we operate, and the future of our agricultural sector, which is currently exposed to the immense challenges of ecological transition. Last but not least, our full spate of products and solutions, via which we transmit our commitments and responsibilities to our customers and consumers, receives our undivided attention as we work to make it ever healthier and more responsible.

If we had to highlight one particularly significant event for 2023, it would undeniably be the SBTi (Science Based Target initiative) approval of our decarbonization trajectory in March 2023. This external commitment is proof of our firm dedication to mitigating climate change by limiting greenhouse gas (GHG) emissions at all levels of our organization, given that our commitment covers all target scopes (scopes 1, 2 and 3). Above and beyond this commitment, a new culture is being instilled in the company, one that emphasizes sobriety and value (rather than volume), crucial to tackling all the pressing challenges that we face in addition to carbon emissions, such as protecting global water supplies and biodiversity!

Our CSR approach

1. Governance

SAVENCIA heeds to a value-creation strategy that profits from the diversification and differentiation of its products and specialty brands.

The Group draws it strength by pairing human-scaled, autonomous subsidiaries, each one in close contact with its local markets, with global expertise shared across the entire Group. These subsidiaries play an active role in the local development of their surrounding regions and maintain regular dialog with their various stakeholders.

The synergies between Groupe SAVENCIA's core businesses (retail, food service and industry), along with its broad and diverse presence around the world, ensure that the Group remains resilient to future risks.

SAVENCIA is committed to supporting the efforts necessary to transition towards global systems that benefit our shared economic, social and technological needs, particularly:

- the transition of food systems, to encourage healthier and more sustainable food production and consumption. SAVENCIA's goal is to play a leading role in the transition towards better food systems, by offering an array of sustainable and high-quality products that meet consumer expectations and its own #PositiveFood approach, which promotes a diversified, nutritious and tasty diet composed of healthy, natural and minimally processed goods;
- the ecological transition, to mitigate climate change and its long list of associated impacts. The Group is committed to reducing the environmental impact of its own activities while helping its suppliers to evolve their agricultural practices;
- the digital transformation, which affects both our core businesses and the entirety of our value chain, from supply to distribution;
- the societal transition, with consumers and employees demanding that companies respond to society's greatest contemporary challenges.

1.1. CSR governance

To support the roll-out of its Oxygen plan, the Group has set up a dedicated governance structure that brings together the organization's most senior executives alongside corporate teams and subsidiaries.

1.1.1. Company-wide governance

The Group Ethics and Culture Committee (GECC) is comprised of the Group's Chief Executive Officer, the Secretary-General, who chairs the committee, the Chief Financial Officer, the Chief Legal Officer, the Chief Human Resources Officer, and the Chief Compliance Officer. This committee is responsible for leading the Group's compliance policies, especially with regards to matters of due diligence. It meets at least twice a year and schedules additional meetings whenever warranted by latest events.

The Group's CSR Department deploys the Oxygen plan worldwide, develops and implements the Sustainable Development strategy and assesses and manages environmental and societal risks. The Chief CSR Officer is a member of the SAVENCIA Fromage & Dairy 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 expertise and ensures that the action plans are carried out.

The Board of Directors of SAVENCIA Fromage & Dairy determines the Group's business activities' strategic direction and oversees its implementation. The Board of Directors is assisted in this effort by specialized committees, to which it provides the resources necessary to performing their respective missions, ensures support from the various departments concerned and allows to seek advice outside the Group. The Board of Directors has enlisted the help of the Social & Environmental Responsibility Committee (SERC) to examine and oversee the Group's CSR issues.

The goal of **the SAVENCIA Fromage & Dairy Corporate Social Responsibility Committee (CSR)** is to assist the Board of Directors in assessing the challenges of Corporate Social Responsibility in order to better anticipate associated opportunities, stakes, and risks. It takes into account the Group's full activities and policies as well as the progress of its principal action plans as they relate to the various aspects of Corporate Social Responsibility. In order to carry out its missions, the Corporate Social Responsibility Committee can seek counsel from the Statutory Auditors, Executive Directors, CSR, Compliance, Human Resources and Operations Directors. This list is non-exclusive. It receives all documents required to carry out its mission. The Committee is comprised of at least three members who are either Directors or Non-Voting Directors, and is chaired by an independent Director. The Corporate Social Responsibility Committee comprises six directors, one of whom is also Chairman of the Audit and Risks Committee. The Goup's CSR Director acts as secretary. In 2023, the Committee met five times. As part of its mission, it took stock of the Oxygen corporate program and shared future challenges in light of the current context. Throughout the year, Committee members collaborated in the various phases of strategic planning, particularly the diagnostic phase (specifically with regards to climate change, planetary limits, new societal expectations and new regulatory frameworks) and the analysis phase, in response to contemporary challenges, be they the reduction of our environmental footprint (water and carbon), the nature of our future products and services (including packaging) or supporting our agricultural partners, key players in our value chain.

The SAVENCIA Fromage & Dairy Audit and Risks Committee (ARC) assists the Board in closing business accounts and accompanies the preparation the Group's financial information and statements. It also ensures the continued relevance and proficiency of internal and external control systems.

The SAVENCIA Fromage & Dairy Management and Compensation Committee (MCC) assists the Board of Directors in applying the Company's Human Resources Policy and makes recommendations for appointing and re-appointing directors, non-voting members and corporate officers.

1.1.2. Subsidiaries and businesses governance

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 roll-out of commitments defined by the overarching framework.

Within each business department, operational sponsors implement the CSR framework and monitor the department's progress to ensure that the roadmap objectives are met.

This tightly-knit network, which covers every tier of the Group, places CSR at the heart of all employees' commitments and activities, thereby enabling the Company to achieve its stated objectives.

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 within local companies. A person who is specifically responsible for Due Diligence ensures coordination with the CSR department. Training on these subjects is mandatory for all Group employees.

2. Materiality assessment

SAVENCIA undertook 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 members of civil society. Their insights were subsequently used to produce a materiality assessment. This exercise was instrumental in identifying and selecting priority issues for the Group and all its stakeholders.

In 2021, the materiality assessment was updated to reflect contemporary social trends and the latest developments in our sector of activity. This process was carried out by the Oxygen Committee and involved internal experts across several departments, including Human Resources, Purchasing, Dairy Supply, Marketing, Nutrition, Quality, and Industry. Some of the challenges were reassessed, namely: climate change and net-zero carbon, animal welfare and farming practices and water management. This materiality assessment was presented to the Executive Committee and the Corporate Social Responsibility Committee.

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

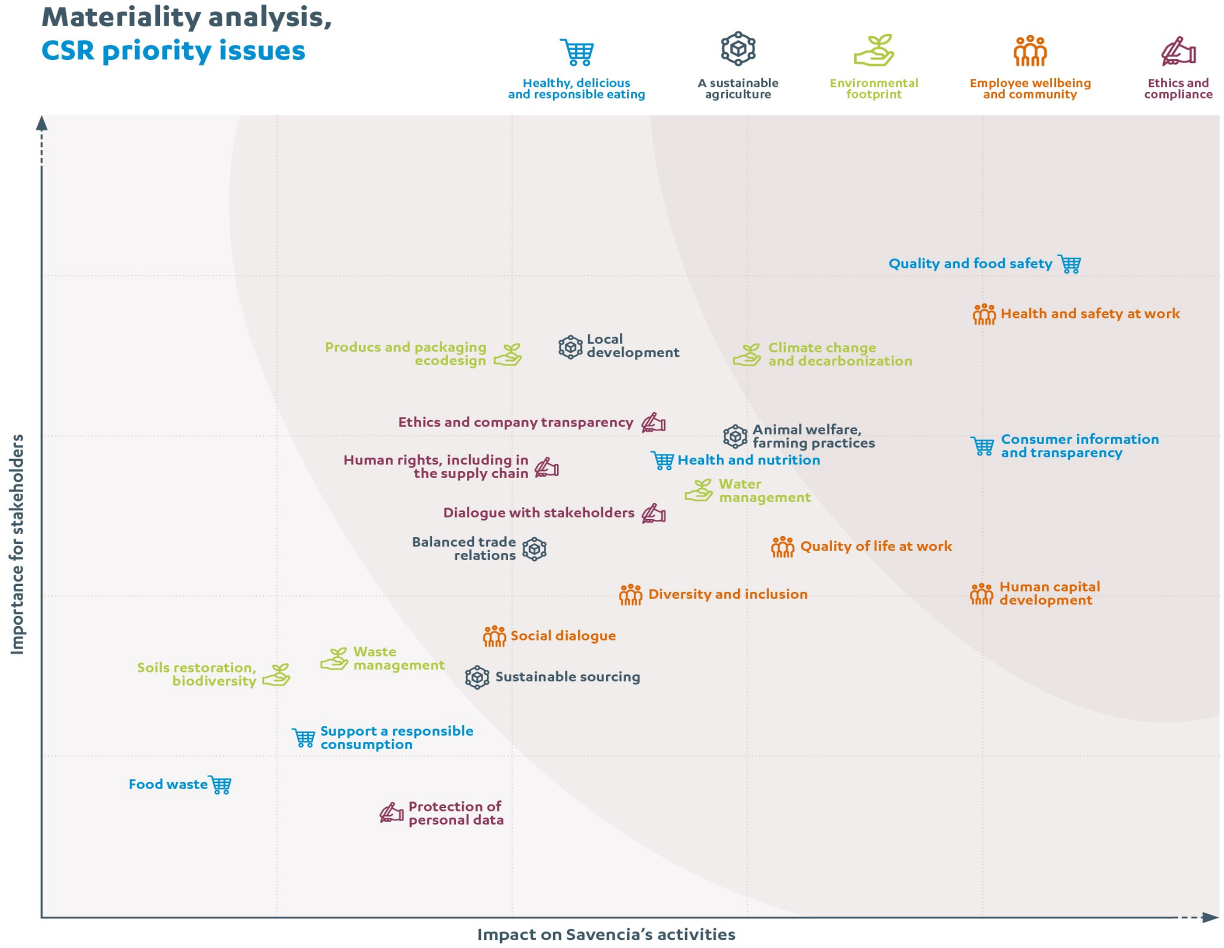
- Healthy, tasty, and responsible nutrition
- Sustainable agriculture
- Our environmental footprint
- Our employees' wellbeing

Compliance with regulations was also verified by ensuring that the required topics (social, societal, environmental, human rights, anti-bribery, and anti-tax evasion) were indeed covered, in addition to 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 and athletic 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 employed in 2021.

Within the framework of the Corporate Sustainability Reporting Directive (CSRD), which the Group will be following for the 2024 publication (to be released in the first semester of 2025), preparations are being made to undertake a double materiality assessment.

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 impacting 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 • Promoting responsible purchasing	• Risk of poor animal husbandry or 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		
• Reducing our greenhouse gas emissions • Managing our water resources • Optimizing waste management • Developing eco-design for our packaging	• Risk of activities exacerbating climate change, needing to adapt to the consequences of climate change • Risk of stressing water systems • Risk of pollution • Risk of waste over-production	6 Clean water and sanitation; 12 Responsible consumption and production; 13 Climate action; 17 Partnerships for the goals
Employee wellbeing		
• Guaranteeing our employees' safety • Improving quality of life at work • Developing skills • Our commitment to diversity and inclusion • Encouraging employee engagement with local communities	• Risk of adversely impacting employees' health and physical safety • Risk of deteriorating working conditions with negative impacts on employee wellbeing • Risk of incompetence • Risk of discrimination • Risk of limited local 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 full according with its mission "Leading the way to better food," Groupe SAVENCIA works to achieve public health goals by offering high-quality natural products that are both healthy and delicious, thus enabling consumers to maintain a diversified, healthy, and sustainable diet.

In response to consumers' growing demands for better nutrition and given the potential health impacts of poor diets, we are committed to developing high-quality products that are minimally processed and as natural as possible.

Our teams design and adhere to concrete, step-by-step progress plan with the aim of continuously improving the nutritional quality and design of our products.

In 2023, the Group continued the roll out of SAVENCIA's Charter for Responsible Design, established 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 Group's collective goals;
- facilitate the audit process and structure proposals for product and packaging improvement;
- share common methods and terminology across all teams.

The Charter has three parts:

- Responsible product design
  - ensuring the best possible nutritional content, in terms of the product's organoleptic quality and use;
  - aligning, as much as possible, the nutritional content of our products made for children with the thresholds provided by the WHO's marketing guide for children's goods;
  - preserving the natural nutritional properties of the raw ingredients (protein, calcium, and vitamins in milk).
- Eco-design of packaging

Groupe SAVENCIA's goal is to create packaging that meets fundamental requirements (containing and conserving the product's qualities; protecting the product from shocks, light, and contaminants; storing, collecting and transporting the product) while adapting to changing consumer preferences and designing for minimal environmental impact.

- Responsible communication and marketing

This approach applies to all our brands' communication, whatever the targeted group (customers, consumers, etc.) and whatever the targeted media (packaging, audiovisual media, printed and digital materials, point-of-sale advertising, etc.).

It rests on several principles: sincere commitments, transparent consumer engagement, incentivizing healthy consumption and attention to our communications' societal and environmental impacts.

We have committed to implementing a Clean Label Approach on 100% of all our brands' new products by 2025. The Clean Label Approach calls for making continuous improvements to products' contents by improving their recipes and removing certain controversial additives and substances.

1.2. Actions implemented and results

- The Clean Label component of the SAVENCIA Responsible Design Charter, which was updated at the end of last year, was rolled out across the Group in 2023. To this end, the Group's Nutrition Department has provided specific support to several of our subsidiaries to help them understand and apply the various levels of the Group's Clean Label Approach. Support was also provided to undertake the preliminary diagnosis required for the innovation and renovation of their brand-name products.
- The global network of brand ambassadors, created to ensure the success of our #PositiveFood campaign, organized several actions in 2023. This network enables best practices to be shared between subsidiaries and the various countries in which we operate. The aim of this initiative is to promote a tasty flexitarian diet, advocating for a positive dietary transition towards a diversified food-production model, with meal portions and consumption frequencies that are well-adapted to each food group.
- The Group's Nutrition Department organized meetings to convene the network of #PositiveFood ambassadors throughout 2023. These exchanges enable projects to be shared and for concrete, targeted roadmaps to be drafted to constantly improve products' nutritional content and design. Local specificities, such as gastronomic culture and culinary practices, are taken into account to develop local actions that motivate consumers to engage in healthier, more sensible and more responsible consumption.

Several brands drafted and enacted plans for progress in 2023 to optimize their products' nutritional content.

These blueprints seek to improve products' nutritional benefits by reducing sugar and fats and sometimes even adding proteins, minerals, and vitamins.

- Less sugar:
  - In the recipes of chocolate puddings sold in France and internationally, as well as the recipes for caramel pudding. Sugar was also reduced from Pribinaček, a desert pudding manufactured in the Czech Republic.

- Less fats:
  - In France, a reduction in fats across the P'tit louis product line, in the Tartare Ail et Fines herbes and in the Elle & Vire "Mon Grec" line of deserts;
  - Internationally, in Argentina: fat reduced from Milkaut's creamy yogurt base and the Crematto Classic. Fats also reduced from the Ilolay Kids yogurts, deserts, and custards, followed by an enrichment in vitamin B9 and zinc. In Germany: fats reduced from the Milkana Shane spreadable processed cheeses and from Kräuter, as well as the Brunch Balance and the Bresso der Cremige cream cheese.

New products offering multiple nutritional benefits have been launched:

- The Fol Epi Classic 5 mini slices, a source of proteins and rich in calcium, allowing for a balanced consumption;
- Ferrari's Mozzarella & Scamorza, rich in proteins;
- In the Czech Republic and Slovakia, the Liptov brand launch of a lactose-free product that is rich in proteins and calcium;
- In France, the launch of Uhaitza, lactose-free and rich in proteins and calcium;
- In Spain, the Burgo Arias Proteines Plus, with no additives.

- Several Clean Label plans for progress have also been put in place, notably:
  - Elle & Vire: elimination of artificial flavors and coloring in the Crèmes Dessert (desert puddings). Elimination of artificial flavoring and coloring throughout the entirety of the dairy-based Mon Grec and Fruits desert lines;
  - In Italy, the launch of Ferrari's preservative-free Mozzarella & Scamorza;
  - In India, several products of the Milkana line are preservative-free;

1.3. Key performance indicators

- In 2023, 88.1% % of new branded products having adopted a Clean Label approach.

	2021	2022	2023	2025 Target
% of new branded products having adopted a Clean Label approach	58.6%	75.4%	88.1%	100 %

The increase in this KPI in 2023 can be credited to the subsidiaries' greater engagement with the Clean Label approach and a more targeted focus on behalf of the R&D and marketing teams.

2. Promote responsible consumption

2.1. Issue, risk and policy

Supporting consumers and our employees alike in adopting more sensible consumption practices is a societal challenge that the Group is explicitly invested in.

As a leader of the global food industry, in line with our corporate commitments, we are striving to contribute to the attainment of the United Nations' Sustainable Development Goals (SDGs). The food safety and nutritional value of our products is of primary importance to us. In response to the risks of over-eating, which can lead to excessive weight-gain, obesity and other chronic illnesses, our goal is to positively influence the greater public's consumption by encouraging consumers and employees to adopt more sensible eating habits, consistent with the principles of a healthy and sustainable diet.

Portion sizes are an effective tool for fostering balanced and diversified dietary practices. The Group has set a goal for 100% of its branded retail products to include per-portion nutrition labeling by 2025, thereby going above and beyond local regulatory requirements.

The official recommendations issued by many countries target frequency of consumption and portion sizes for each type of food. By adding per-portion nutrition labeling on all its major retail brands, the Company seeks to provide consumers with an enhanced understanding of its products' nutritional benefits. For fixed-portion products like cheese slices, or products that display the image of a single portion, such as chocolate squares, the actual size of the unit (one or more units) is specified on the label so that consumers can identify the recommended portion and practice a wise and well-informed consumption.

For products that do not come 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 a smarter and healthier consumption of our products, most notably by adding serving size visuals directly to the product and/or packaging.

In an effort to limit food waste and combat food insecurity, Groupe SAVENCIA takes on initiatives such as food bank donation drives or designing products tailored to consumer needs (portions, resealable packages, etc.).

2.2. Actions implemented and results

2.2.1. Encouraging consumers and employees to adopt smater habits

As an active player in the transformation of our food systems, SAVENCIA encourages consumers to adopt healthier and more sensible consumption practices. In order to ensure that our nutritional policies are successfully enacted, the Nutrition Department team assists all of the Group's brands in their efforts to improve their products' nutritional content, thereby integrating them into the core of a healthy, tasty, and balanced diet.

The rollout of our #PositiveFood campaign, which embodies our commitment to responsible diets that combine pleasure and health, with natural products or as little processing as possible, continued in 2023 with numerous actions. Over 600 #PositiveFood recipes across the Group's major brands are available on our digital platforms quiveutdufromage.com, jaime-le-fromage.ch, ich-liebe-kaese.de and on our brands' web pages. These are flexitarian recipes for healthy, delicious meals. Our in-house #PositiveFood tool, which enables our brands to develop balanced recipes, has incorporated the new algorithm used to calculate a product's Nutriscore. This update has enabled us to re-evaluate the rating of certain recipes.

Several partnerships were also set into motion in 2023, of which we can cite:

- The operation, initiated by the Nutrition Department and carried out in partnership with the JOW app, aims to promote a delicious, balanced and sustainable diet. Via this app, consumers have access to #PositiveFood recipes that are rich in seasonal vegetables, in which our cheeses contribute to the well-balanced nutritional content and taste of vegetarian recipes. The app provides consumers with these flexitarian recipes and generates a list of necessary ingredients. This list is then automatically added to their shopping basket and sent to the drive-through of the store chosen by the user. Tartare, Elle & Vire, Chavroux, Saint Môret and St Agur have taken part in this initiative.

  The impact of this operation was measured by a study designed to analyze the purchasing behavior of JOW users exposed to the #PositiveFood campaign. The study showed a positive impact on purchasing behavior, with an increase in the purchase of vegetarian recipes and the sale of fresh fruits and vegetables.

  Thanks to this innovative, collaborative approach to helping consumers enjoy healthier, more sustainable food, SAVENCIA won two Sirius awards in 2023:

  - the SIRIUS Food Transition Award
  - the SIRIUS Consumer Award

The mission of the Institute of Commerce's SIRIUS awards is to shed light on the future of business by highlighting the companies and initiatives contributing to its evolution. The aim is to disseminate valuable and collaborative initiatives, thereby accelerating their implementation. They showcase how all players can work together on a project and reward the best collaborative industry-commerce initiatives responding to consumers' new societal expectations.

- Another example of successful partnership is the one carried out this year with the METRO group within the Consumer Goods Forum (CGF) collaborative platform. Along with other industry players, we took part in a multi-brand operation with the METRO group through its "Mon restaurant passe au durable" ("My restaurant goes sustainable") initiative. The aim of this initiative was to help customers, restaurateurs, and professional caterers, integrate healthier, more sustainable and more accessible recipes into their menus. Using our #PositiveFood tool, we developed multi-brand, healthy, delicious, and responsible recipes, with Nutri-Scores of A or B, that cost less than 3 euros. These recipes were promoted in their stores for a month, and the operation had a positive impact on the sale of healthier products.
- Still within the framework of partnerships, collaborative actions within the Carrefour Food Transition Pact continued throughout 2023. The operation "le meilleur du végétal" ("the veggies' very best") was set up in 22 Carrefour superstores across France to promote a flexitarian diet by recommending recipes Nutriscored A or B.
- Our Serbian subsidiary, Mlekoprodukt, continued to develop its "Biser Nutri Academy" CSR project which raises awareness around the importance of a healthy, balanced diet for children's development. In 2023, a Cheese and Vegetables initiative, involving two products from the Biser Perfetta line, was set up in Belgrade, Novi Sad and Zrenjanin. Given that fruit and vegetable consumption is lacking throughout Serbia, the aim of this operation was to encourage people to buy and eat more vegetables. On a local level, our subsidiary is a pioneer of retail activation, highlighting in particular the seasonal vegetables associated with our brands in delicious, balanced recipes prepared with cheese and vegetables.
- The Institute for a Positive Food, which promotes and advocates for a healthy and sustainable nutrition, combining taste and health, wholesomeness, and responsibility, awarded a Positive Food Innovation Prize in 2023. The jury, made up of members of the Scientific Advisory Board and a member of the Institute's Board of Directors, awarded the prizes to two winners:
  - La Picorée for its delicious and natural snacks that prevent the risk of malnutrition,
  - Alim'Mater for its project "9 mois à croquer" ("9 months to munch"), a prevention program promoting nutritionally sound and sustainable maternal diets.
- The roll-out of the ALISA (ALImentation Saine, durable et Accessible) program, launched in collaboration with the LYFE research center (formerly the Paul Bocuse Institute) and the Vivons en Forme (VIF®) program, continued in 2023. These three partners, working with local authorities, are pooling their experience and resources to implement the ALISA action program for people aged 55 and over.

In 2023, a feedback session was organized for the first participants and local employees to discuss the program during a luncheon that marked the end of the pilot project carried out in the town of Ecully. The event was attended by several participants.

This year, the program was extended to three new towns in northern France: 40 workshops were set up, enabling 60 people to benefit from the full ALISA program. The program was presented at the Salon de la 2ème jeunesse in Nogent-sur-Oise in May 2023. The aim of this trade show, dedicated to people aged 50 and over, is to enable them to discover the latest trends in health, wellbeing, leisure, and age-appropriate technologies.

The first results of the ALISA program were presented in the form of an e-poster at the Journées Francophones de Nutrition (JFN), an annual interdisciplinary and interprofessional conference devoted to all aspects of nutrition. The JFN brings together experts in nutrition, food physiology, biology, food science and animal nutrition.

2.2.2. Combating food waste

As a responsible Group that is aware of the global issues of food access and resource preservation, Groupe SAVENCIA combats food waste by implementing several types of initiatives aimed at:

- raising consumer awareness:
  - SAVENCIA Fromage & Dairy has pledged 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 Romania, our subsidiary Delaco ran a campaign to raise awareness around food waste reduction by proposing low-waste recipes: "let's make pizza" and "let's make salad." The aim of these programs was to promote the consumption of vegetables by using "fridge leftovers," proposing balanced and tasty recipes.
- encouraging donations to local organizations to combat food insecurity:
  - The Groupe SAVENCIA, which is part of the Entreprises Solidaires des Banques Alimentaires (Companies in Support of Food Banks), restated its commitment to food banks and its desire to fight food waste while helping the most disadvantaged access quality products. Several initiatives have been carried out with this goal in mind:
    - In France, many Company employees joined forces with Food Banks to partake in the November national food drive, which took place in 8,000 stores. This moment of exchange and social inclusion was particularly appreciated by our employees and Food Bank volunteers alike. This event was organized within the framework of the Company's skills sponsorship program;
    - For the third year running, we have committed to doubling the donations made by consumers as part of the Paniers solidaires (Solidarity baskets) program. These are donations made by individuals on a virtual collection platform set up by the Food Banks: monpaniersolidaire.org. The donor selects a type of basket (student, baby, family, etc.) and, in the form of a financial donation, offers it to a Food Bank recipient;
    - Product donations have continued, with an increase of 36% compared to 2022.
  - Other community organizations receive regular donations from our subsidiaries, and in 2023, 76.3% of donations made by production sites were in-kind donations.

2.3. Key performance indicators

- In 2023, 71.8% of branded retail products including per-portion nutrition labelling.

	2021	2022	2023	2025 Target
% of branded retail products including per-portion nutrition labelling	47.0%	59.6%	71.8%	100%

In 2023, this indicator advanced in large part thanks to the marketing and nutrition teams' close collaboration with subsidiaries.

Sustainable agriculture

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

1.1. Issue, risk and policy

Alongside its suppliers of agricultural raw materials, SAVENCIA is developing more sustainable and value-enhancing sourcing practices, to ensure the resilience of its dairy industry and to meet the climatic and societal challenges facing the ecosystems in which it continues to evolve.

The Group centers around strong and well-recognized brands that require flawless raw materials. It engages in long-term partnerships with its suppliers, with whom it strives to foster and maintain fair and balanced business relationships.

In order to meet our consumers' growing demands for corporate social responsibility, the dairy supply teams are committed to developing high-quality branches that respect workers' rights and, more broadly, human rights, animal welfare, and the environment, thereby avoiding the risk that poor animal husbandry or crop farming practices worsen the impacts of these activities.

These commitments rely on close collaboration with producers and partners on the ground to collectively enact more responsible and sustainable practices. Reducing greenhouse gas emissions, preserving natural resources and biodiversity, guaranteeing animal wellbeing, and imagining sustainable solutions that meet the challenges of the ongoing ecological transition are priorities for SAVENCIA.

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

- the extention of our Charter for Best Farming Practices (or its country- or sector-specific equivalent) to all our milk sourcing worldwide by the end 2025
- the deployment of our "Sustainable Milk Production" diagnostic to 50% of our milk producers by the end of 2025 and a reduction in the carbon footprint of the industries involved in the production of milk.

1.2. Actions implemented and results

In 2023, SAVENCIA Fromage & Dairy bought 5.1 billion liters of milk from cow, ewe and goat farms around the world.

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

- develop responsible dairy supply practices in collaboration with our stakeholders;
- Building the future with the "Terroirs de lait 2032" program: secure global milk supplies, sustain and assure the succession of generations of farmers and significantly improve the entire supply carbon footprint with partner producers, by activating the key drivers of sustainable dairy production and accounting for animal welfare.

Codevelopment of a more sustainable milk sourcing

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

At the heart of the Group's commitments lies the desire to engage in open dialogue with both milk producers and all of our partners, to continue to progress together, collaborate and co-construct over time.

The Group instills the right balance (quality, quantity, lead times, costs) between needs and resources in terms of liquid dairy materials. It guarantees efficient supply to its dairies through responsive and competitive high quality logistics.

Groupe SAVENCIA supports a responsible milk purchasing policy and encourages producers to form collective structures, whether they be cooperatives or producer organizations.

In 2023, SAVENCIA Fromage & Dairy continued to enhance the value of France's dairy industry, in accordance with the EGalim law.

Our processing privileges proximity to and local sourcing from our dairies' surroundings.

We thereby bring value and vitality to our sourcing and processing sites, mainly by creating activities and jobs in rural areas that are losing their attractiveness.

In terms of quality of production and 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 2023, 81.3% (compared to 86.8% in 2022) of our global volumes already met this charter's standards or those recognized as equivalent by specific countries or subsidiaries. This indicator's fluctuations are tied to the recent integration of the Williner company into the scope of consolidation in 2023. In 2024, local teams in charge of dairy sourcing will continue to implement actions initiated this year in order to apply our commitments to this new source.

This Charter for Best Farming Practices contains seven chapters: animal traceability, animal health, animal feed, clean milk production, social sustainability, the environment, and animal welfare. The charter was updated in 2022 and has become the standard tool allowing livestock farmers to implement the social responsibility framework 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 welfare of dairy herds, followed by an individual progress plan defined alongside the producer.

Our Dairy Resource Coordinators are in daily contact with producers to support them in updating their practices. They visit each of the farms at least once a year and offer technical support as needed, including quality assessments of the milk they produce. Numerous initiatives have been implemented: 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 players of the French value chain: 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 respective regional bodies.

On the 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: greenhouse gas emissions, soil nutrients, waste, water, soil quality and retention, biodiversity, animal care, working conditions, market development, rural economies, product quality & safety, respect for local legislation, human rights and the fight against deforestation.

"Terroirs de lait 2032" program: Securing milk sourcing from around our dairies and improving our environmental footprint

The Terroirs de Lait program aims to secure sustainable milk sourcing from around our dairies and to reduce their environmental footprint.

In order to deploy this approach, we have developed a program for French producers that contains financial measures and specific supports structured around three axes:

- welcome and onboard new producers: 134 farms chose to join us in 2023;
- help young producers get their farms up and running. Young farmers are provided with a "getting started pack" entitling them, among other things, to financial aid and a contractual commitment over the long term. This pack also includes technical support: a guide for conducting individual audits and a 10-day training program (operations management, environmental approach, etc.). This year, 187 young farmers benefited from this start-up support.
- build loyalty: in addition to ensuring fair prices for their milk and bolstering the investments we have made in individual farms, we have set up a number of investment support programs with various partners. This system supports projects conducted on farms through tangible (dairy machinery and livestock) and intangible (training) investments.

In 2023, SAVENCIA notably participated in several forums dedicated to helping young farmers get started, as well as many interventions in schools, mostly within high-schools specialized in agriculture and university programs specialized in agricultural engineering.

Promoting animal welfare

To strengthen its commitments to animal welfare and communicate them more widely around the world, the Group has implemented since 2021 an Animal Welfare Charter 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:

- high-quality, sustainable and locally-sourced animal feed: ensure the quantity and quality of animal feed via best practice charters and audits, use specific high-quality animal feed via differentiated supply chains (organic, GMO-free or even locally-sourced from the PDO);
- guaranteed outdoor access: promote pasture grazing for dairy cows wherever climatic conditions permit, with a target of attaining 100% of cow and ewe farms by 2025;
- comfortable housing: guarantee litter bedding for 100% of goat farms in 2025 and stalls or minimum surface areas of 10 m^2 per cow in a fully straw-covered space for 100% of dairy cows by 2030, eliminate the practice of tethering cows by 2030, limit the time spent by calves in individual pens to no more than eight weeks;
- better health: advocate for careful use of antibiotic treatments, treat the pain suffered by young cattle during disbudding and eliminate adult dehorning by 2030 throughout 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 stipulates animals' five fundamental freedoms: 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 2023, 69%, (compared to 64.5% in 2022) 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 farmers to define specific action plans.

Audits were initiated in 2023, mostly in France, Central Europe, and Argentina, and will continue to be phased in until 2025. By the end of 2023, 1,394 farms were audited for animal welfare around the world.

Improving the environmental footprint of our milk sourcing

Groupe SAVENCIA has been committed to reducing greenhouse gas emissions for more than 10 years, progressing towards this collective goal through daily collaboration with its producers.

The Company has committed to significantly improving its carbon footprint in collaboration with its producers by putting into effect the entirety of the tools at the disposal of the sustainable milk industry: herd efficiency, nutrition, livestock runoff waste treatment, and carbon sequestration.

In 2021 we proceeded to the calculation of emissions tied to our upstream milk production across all sourcing areas in France and around the world. The emissions caused by the milk production sector represented a significant portion of the Company's "scope 3" emissions, a common characteristic throughout the food and agriculture industry.

These past years have seen an acceleration in the deployment of initiatives that strike at the heart of milk production. In 2023, we thereby surpassed our set targets with a reduction of 341,345 Teq CO_2, shooting past our target of -300,000 Teq CO_2 by 2025.

SAVENCIA Fromage & Dairy has established a decarbonization roadmap that centers around three axes to be developed over a period of 5 years by partnering producers:

- accelerate the roll-out of carbon reduction initiatives on the ground, with support, in France, from the CAP2'ER milk industry diagnostic tool;
- defining ambitious action plans for with respective producers;
- support efforts for transition and innovation with producers on the ground through technical and financial tools

By the end of 2023, 25.6% of our milk supply is sourced from farms that have undergone the Sustainable Milk Production assessment (compared to 23.8% in 2022).

Over a year ago, SAVENCIA Fromage & Dairy put in place a multi-partner program to test prototypes for reducing cows' methane emissions. Some twenty farms from around France and Poland volunteered to join the program. In France, this test is part of a larger "nutritional" technical support program aiming to reduce cows' enteric methane emissions.

We are also working to reduce the carbon footprint of our dairy sourcing's transportation:

- in France, in 2023, the Savencia Ressources Laitières subsidiary was awarded the "Objective CO_2 – Carriers get involved" a national first for milk collection that made clear our commitments undertaken over the past years, certified by the Ademe. Our inter-factory transportation fleet Normandie Bretagne Transports is also certified "Objective CO2 - Carriers get involved" proof of high energy and environmental performance;
- alternative fuels are used throughout our fleet, most notably by trucks running on biofuels such as the XTL, the B 100 qnd the BioGNV. In 2023, these three fuels were rolled-out to entirety of our collection trucks, which resulted in a reduction of our carbon footprint of around 3,800 Teq CO_2. We actively encourage our partnering providers and cooperatives to transition towards alternative fuels by supporting them with topical technical expertise and more attractive rates in our call for tenders sent out to suppliers.

1.3. Key performance indicators

	2021	2022	2023	2025 Target
Expand the "Charter for Best Farming Practices" worldwide (% total milk sourced)	85.8 %	86.8 %	81.3 %	100 %
Deploy the Sustainable Milk Production diagnosis (% total milk sourced *)	21.6 %	23.8 %	25.6 %	50 %

(*)The volume of milk collected subject to the assessment is estimated based on 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%).

This indicator's change over time is tied to the integration of the Argentine Williner company in 2023. The roll-out of the Charter for Best Farming Practices and the Sustainable Milk Production Diagnosis had not yet been launched in this new collection zone by end of 2023.

If the previous years' perimeter was applied to the 2023 measurements, 88.3% of our global milk supply would meet the requirements of our Charter or equivalent standards.

	2021	2022	2023	2025 Target
% of Dairy Supply employees at SAVENCIA sites trained on animal welfare.	Information not available*	61.5 %	69.0 %	100 %

**Indicator created in 2022.*

	2021	2022	2023	2025 Target
Reduction in the carbon footprint associated with our milk sourcing (by volume of milk collected, in tons of CO_2 eq compared with 2010 in France)	-282,000	-311,000	-341,345	-300,000

1.4. Acting in favor of biodiversity

The development of a sustainable, eco-friendly farming model must imperatively take into account the preservation of the planet's biodiversity. In accordance with our corporate social responsibility approach, which calls for enhancing our partners' sustainable agriculture practices, we are committed to preserving biodiversity and promoting its development.

Biodiversity is a source of added value for our ecosystems and our producers, whose activities play a major role in protecting it.

This is one of the areas for improvement identified in our Sustainable Milk Production audit, offered on a volunteer basis to our milk suppliers. Once the audit has been performed, solutions are offered to producers to:

- preserve soil fertility;
- safeguard their natural surroundings;
- adopt positive farming practices.

Our subsidiary Savencia Ressources Laitières (SRL) has joined "Pour une Agriculture du Vivant" ("For a Living Agriculture"), a movement fostering cooperation and innovation among players from across the agricultural and food supply ecosystem, in a bid to transition towards a more resilient and value-enhancing model that will rely in large part on advancements in agroecology. Within this movement, SRL will heed scientific and agronomic expertise in order to roll-out new agroecological practices in several pilot regions, made possible in large part thanks to the Regeneration Index.

Another way to act in favor of biodiversity: regenerate agroforestry ecosystems via the planting of trees or hedges, which impart multiple benefits. Trees filter, source and recycle water; capture and sequester CO_2; counter erosion; dampen thermal peaks; moderate wind speeds and even offer cover and shelter to auxiliary species such as birds and insects. They play a major role in the preservation and restoration of biodiversity.

In 2023, trees were planted on sites in France and around the world.

- A biodiversity restoration project was launched by the Louis Tessier Cheese plant in the Maine et Loire region; in partnership with the "SMBAA (Syndicat Mixte du Bassin de l'Authion et de ses Affluents, meaning Mixed Syndicate of the Authion Basin and its Tributaries)". The project's aim was twofold: promote the development of surrounding ecosystems and protect the wetlands. The old poplar grove, having reached maturity, was therefore transformed into an alluvial woodland, further enhancing biodiversity. More than 1,850 trees and tree shrubs, accounting for some thirty different species, more adapted to humid soils, were planted by people in work re-insertion programs accompanied by a local community organization. Four ponds were also created. This protected wetland acts like a sponge, capturing rainwater to replenish ground aquafers, thus enhancing the preservation of fresh water sources.
- Elvir employees helped plant hedges on the farm of a Condé-sur-Vire farmer participating in the "Vaches de Races Normandes" ("Norman Breed Cows") project. In addition to promoting the development of an entire ecosystem, these hedges will protect his cows from the sun and wind.
- In Argentina, the tree-planting program run by our subsidiary Milkaut, in partnership with its milk suppliers, continued throughout this year. Since 2022, 42 dairy farms have participated in the program, and over 3,300 trees have been planted by farmers and volunteering employees.
- Eco-pasturing is another effective method for protecting biodiversity. The implementation of this type of procedure enables better ecological management of the landscape with greater respect for the environment. Eco-pasturing, which continues to be developed around our sites through 2023, enables for gentler weeding practices that preserves a meadow-like appearance and preserves entire ecosystems, which attracts pollinating insects back into the area. At the Messageries laitières in Normandy, in partnership with the company Ecomouton, thirty Ouessant sheep maintain the plot around the site. At Fruisec in Dordogne, three "retired" horses now maintain the grassy area around the site.
- Agroforestry projects with a direct impact on the protection of biodiversity are also supported by the Company.

  Through its "Leading the way to better food" endowment fund, the Company supports agroforestry projects, like the one spearheaded by Des Enfants et Des Arbres, a community organization that enables schoolchildren and college students to plant trees on farms in their home regions alongside farmers themselves. Pupils in 4^{th}, 5^{th} and 6^{th}. grade help farmers near their schools to plant hedgerows and/or farmland trees. The farmers receive technical support from the organization and visit the classrooms to present their work and the crops they grow. Teachers are provided with an educational kit to help them understand the challenges of agroforestry and the realities of the farming world. The aim of this project is to promote the development of agroforestry and the regeneration of hedgerows, all while fostering inter-generational links.

In Cambodia, the Bayon School, which has been supported by the Fund for several years, enabled 20 young people from disadvantaged regions in the north of the country to be trained in agroecology in 2023. After a year-long training and a 4-month internship during which they explored various topics (pepper cultivation, crop planting, etc.), these young graduates are now fully prepared to enter the professional world.

In Madagascar, the Fund is also involved in the Naturevolution community organization's "graines de changement" ("seeds of change") project, which aims to combat food insecurity and protect the unique biodiversity of the Makay forests.

SAVENCIA is also committed to advocating for collective action against deforestation linked to soy production in South America. The Company is committed to the Duralim strategy and therefore contributes to the implementation of collective actions for the sake of non-deforestation.

2. Promoting responsible purchasing

2.1. Issue, risk and policy

Following the enactment of France's "Sapin II" and Due Diligence obligations, the Company has reinforced its legacy systems to ensure that its purchasing processes comply with its obligations to eliminate undeclared labor, ensure transparency, tackle bribery, and prevent violations of human and environmental rights.

Groupe SAVENCIA develops long-term collaborations with its main suppliers, aiming to consistently evolve its practice of responsible purchasing, meet the various challenges facing society at large, and prevent the risk of breaching social and environmental rights across the supply chain.

The Company's suppliers are selected by metrics assessing quality, security, service, competitiveness, and their ability to support the Company over the long term.

Since 2010, a Charter for Sustainable and Supportive Purchasing has been submitted to the Company's main suppliers for signing. The charter is consistent with the Company'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, which the Company signed on January 10, 2012. Since January 1, 2018, the Charter for Sustainable and Supportive Purchasing, supplemented by the Company'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 within the framework of the EcoVadis evaluation process since 2010.

The four themes assessed are: environment; social, ethics and corruption; supplier relations; and supply chain.

The Company endeavors 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 evaluation process. Their roll-out is deployed in planned phases to continuously expand coverage.

By 2025, 80% of the Company's external expenditures overseen by the Purchasing function and carried out with major suppliers (exceeding €1 million per year) will be covered (excluding the sourcing of agricultural raw materials).

2.2. Actions implemented and results

In 2023, the Company Purchasing Department conducted three EcoVadis evaluation campaigns. A reminder as to our deployment goals and a general update are prepared and communicated twice yearly to our Company purchasers.

Several subsidiaries were assessed by EcoVadis and received recognition for their CSR performance in 2023: Armor Protéines, Corman Gmbh, and Valrhona were all awarded the Gold medal.

2.3. Key performance indicators

	2021	2022	2023	2025 Target
% of Group external expenditure overseen by the Purchasing function and carried out with major suppliers* under the Responsible Purchasing Charter	68.6%	66.8%	73.0%	80%
% of Group external expenditure overseen by the Purchasing function and carried out with major suppliers* under EcoVadis evaluations	71.5%	75.7%	80.8%	80%

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

As of December 31, 2023, more than 1,345 Responsible Purchasing Charters had been signed, covering 73.0% of the Company'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 80.8% of Company 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 56/100 (versus 46/100 on average for the EcoVadis Food & Beverage Panel).

Environmental footprint

1. Reducing our greenhouse gas emissions

1.1. Issue, risk and policy

Aware of the global challenges posed by greenhouse gas emissions and the need to combat climate change and its consequences for our operations, the Company is committed to reducing its activities' environmental footprint to limit our impact on climate change and adapt to its consequences.

The various programs underway are continuing as part of the Oxygen plan. Company-wide, dedicated teams monitor and support sites in accordance with the global policy implemented through this plan. Locally, environmental points of contact are responsible for coordinating the approach and steering actions.

The system is rounded out by thematic internal guidelines known as Best Practice Guides. They enable production sites to optimize their processes and make their facilities increasingly efficient. Successful experiences are shared so that they can be multiplied across all Company sites.

A specific internal reference document, the Industrial CSR Guide, covers all the issues to be addressed within this framework and provides further details on our processes. This document is made available by the Operations Department to all those concerned.

To adapt to the consequences of climate change on its activities, the Company has commissioned a climate risk analysis from a specialist consultancy to identify its main areas of vulnerability.

Groupe SAVENCIA is committed to:

- reducing the environmental impact of its activities, with a 20% reduction per ton produced by 2025 (compared to 2015) in greenhouse gas emissions from production and transport;
- reducing its greenhouse gas emissions in line with its Science Based Target Initiative (SBTi) objectives;
- increasing its share of renewable energies.

1.2. Actions implemented and results

1.2.1. Energy consumption reduction and decarbonation

In 2023, the Science Based Target initiative validated SAVENCIA Fromage & Dairy's "Well Below 2°" reduction targets, which commit the company to reducing its greenhouse gas emissions by 2030 compared to 2019 by:

- 27.5% in absolute terms for scopes 1 & 2 ;
- 22.5% per ton of products manufactured on scope 3 (commitment made on four emission categories contributing to 96% of scope 3).

This commitment confirms SAVENCIA Fromage & Dairy's determination to actively combat climate change and is in line with the initiatives to reduce greenhouse gas emissions that have already been implemented for several years.

All our teams around the world are mobilized to achieve this goal by 2030.

Within the Operations Department, a sole-purpose team is responsible for implementing and monitoring this decarbonization plan, with two main levers:

- energy-saving measures such as the implementation of digital energy measurement and use management plans or, for example, the replacement of obsolete, wasteful washing machines
- conversion actions requiring major investment programs to replace fossil fuels with decarbonized, competitive, and resilient energies. Studies are being carried out on heat pump installation, emerging technologies, and the deployment of innovative solutions.

Several modernization projects have been launched. These include cold production systems, energy recovery systems, and heat pumps to recover heat from cold equipment and reduce energy consumption:

- For several years now, European regulations concerning the power of industrial facilities required our Elvir site in Normandy to pay a substantial financial contribution as a consequence of the CO_2 emissions generated by its activity (CO2 quotas). To reduce its impact, the Condé-sur-Vire teams carried out a major analysis of energy consumption (breakdown, peaks, etc.) throughout last year, and implemented energy-saving measures that led to the possibility of limiting boiler output 20MW below the installed capacity. As a result, energy consumption, particularly gas consumption (down 10%), has fallen below the regulatory threshold. The application for exemption from CO_2 quota regulations was approved by prefectural decree. This is an important milestone in Elvir's decarbonization strategy, and rewards the work carried out by our teams.
- At the Compagnie des Fromages & RichesMonts site in Ducey, the heat pump and washing machine have been the cornerstone of an effort to reduce gas consumption by over 20% and greenhouse gas emissions by 22%. In addition, the refrigeration system has been renewed, with the cooling towers replaced by a heat-exchange-free system that uses no chemicals or refrigerant gases. The heat pump recovers the heat produced by the cold equipment and supplies the washing machine (instead of gas), while the new compressors consume less and are more efficient. Across the site, the various initiatives implemented have reduced total energy consumption by 10%

- Fromagerie des Chaumes, in Saint Antoine de Brueil, has achieved 12% energy savings by replacing its cooling towers and installing a heat pump.
- In Burgos, Spain, Arias reduced its energy consumption by 4% by installing a heat exchanger with heat recovery and by grouping production. The steam control system was also replaced by a more efficient one.
- In 2023, the Company continued to roll out the Climate Fresk workshop to all its employees. Since October 2022, 1,988 employees in more than 27 subsidiaries, mainly in Europe, have been trained. We are supported in this deployment by external coaches as well as by Savencia employees, trained to run the Climate Fresk workshop. They can intervene within their own subsidiary as well as within other Company subsidiaries. By the end of 2023, this internal network of Climat Fresk facilitators will comprise 50 "Facilitators," as they are known. The deployment of the Climate Fresk will continue in 2024, with the aim of raising awareness among many our employees in all our subsidiaries.

In 2024, new programs will be launched at our sites to pursue the Company's commitment to reducing energy consumption and associated greenhouse gas emissions.

1.2.2. Developing renewable energies

- In 2023, the deployment of electricity with a guarantee of origin has been prioritized in countries where grid electricity is the most carbon intensive. In China and India, 100% of electricity comes with a guarantee of origin.

SAVENCIA Fromage & Dairy is a member of the "Club des entrepreneurs pour le climat," launched by the Orygeen institute, which brings together French family businesses committed to the fight against climate change.

1.2.3. Reducing greenhouse gases linked to transportation

SAVENCIA is committed to decarbonizing its transport and travel activities. Several initatives have been implemented:

- In France, our Messageries Laitières logistics platform has installed airtight seals on the dock doors. When the truck backs up and the wheel blocks are installed, the seal inflates automatically and fills the space between the dock and the truck, limiting both heat ingress onto the dock and cold loss. This action tops off the efforts already undertaken by our subsidiary, notably with regard to its own truck fleet, which runs exclusively on Oleo 100, a 100% vegetable and biodegradable fuel made in France.
- In Spain, Arias was awarded its first Lean&Green star for reducing its CO_2 emissions in its logistics process by 20%. To achieve this result, Arias contracted a more virtuous logistics partner and optimized its routes to improve loading and reduce the number of kilometers traveled.

Actions are also carried out on our sites with our employees:

- Messageries Laitières, in partnership with Zenride, is testing the possibility for employees to voluntarily rent a bicycle with the option to purchase for their home-work and personal travel. The aim of this project is to encourage our employees to use alternative mobility solutions and promote access to a bicycle for everyone, whatever their role within the Company. Messageries Laitières covers 70% of the total cost (rental, maintenance, and insurance). The cost varies according to the type of bike chosen: folding, cargo, classic or electric. In Germany, our sales subsidiary also offers its employees the same type of package to promote alternative mobility solutions.
- For the fifth year running, the Company organized a Mobility Week to encourage as many people as possible to opt for eco-friendly transport and other alternatives to private cars. Several initiatives were offered to employees at sites taking part in the challenge: games to encourage the use of sustainable transport, promotion of car-sharing, loan of bicycles of various types and a repair workshop, etc. In 2023, this mobilization saved over 122,833 km of transport by private car.

1.3. Key performance indicators

In % of change *versus* 2015

GHG Reduction Scopes 1 & 2	2021	2022	2023	2025 Target
Variation in Scope 1 & 2 GHG emissions (tons equiv. CO_2/ton produced)	-6,5%*	-10%*	-16,5%	-20%

** The 2021 and 2022 values for the Pontmtain site (Sofivo) have been subsequently corrected to update emission factors. The values presented in the table above have therefore been restated.*

	2021	2022	2023
CO_2 emissions of the owned fleet (in tons equiv. CO_2)	2,010	1,144	1,235

In 2023, the Messageries Laitières fleet was expanded, which explains the slight increase in CO_2 emissions. The entire fleet of trucks owned by Messageries Laitières is fueled by Oleo 100, a 100% vegetable and biodegradable fuel made in France.

Direct emissions (scope 1) include emissions linked to the combustion of fossil fuels, non-energy processes (due to wastewater treatment) and refrigerant leaks.

Indirect emissions (scope 2) include emissions linked to the production of electricity, steam, heat, or cooling purchased and consumed by sites, as well as losses incurred on lines.

SAVENCIA Fromage & Dairy's 2022 Scope 3 emissions (other indirect emissions) were calculated using the GHG Protocol methodology.

*SAVENCIA Fromage & Dairy Carbon Footprint (in KT equiv. CO_2) **	2022	2023
Total scopes 1 & 2	**499**	**481**
Scope 1	364	354
Scope 2 - market based**	135	127
Total scope 3	**8,100**	**/**
Inc. scope 3 upstream	7,696	/
Inc. scope 3 downstream	404	/

** Carbon footprint based on GHG Protocol categories. Categories 3.8, 3.11, 3.13, and 3.14 are not applicable to the Company's activities.*
*** Calculation method described in GHG Protocol documents (www.ghgprotocol.org).*

In 2023, SAVENCIA Fromage & Dairy updated its complete carbon footprint assessment for 2022, enabling it to identify more precisely the main levers that will enable it to reduce its impact.

SAVENCIA Fromage & Dairy's upstream scope 3 covers all emissions linked to products and services purchased, upstream goods' transportation and distribution, emissions linked to fuels and energy, fixed assets, waste generation, and commuting.

SAVENCIA Fromage & Dairy's main source of emissions is the purchase of products and services, particularly upstream in the dairy sector (breeding, pasture management, animal feed, etc.). Action plans are already in place to improve the environmental footprint of our milk sourcing (see Improving the environmental footprint of our milk sourcing).

Scope 3 downstream includes emissions linked to the transport and distribution of goods, the processing of products sold, the life of products sold, and SAVENCIA Fromage & Dairy's investments.

To reduce emissions linked to upstream and downstream transport, which will represent around 363 KT eq. CO_2 by 2023, the Supply Chain Department is working with subsidiaries and their transport service providers to draw up and deploy action plans aimed at reducing these emissions.

Work has also continued to enhance the quality of scope 3 assessment as part of a continuous improvement process. This work is part of an iterative approach and has involved replacing the majority of monetary flows with physical flows. To date, the factors used come from generic sources, and will evolve as action plans are implemented with suppliers to improve their accuracy.

SAVENCIA Fromage & Dairy's reduction targets have been validated as "Well-bellow 2°C" by SBTi. The scope of SBTi commitment on scope 3 includes emissions from purchased goods and services, fuel and energy-related activities, upstream transport and distribution, and end-of-life processing of sold products. These emissions account for 96% of SAVENCIA Fromage & Dairy's carbon footprint.

On scope 1 & 2, emissions in absolute terms fell by 10.7% in 2023 compared to 2019. As a reminder, SAVENCIA Fromage & Dairy's objective is to reduce scope 1 & 2 greenhouse gases by 27.5% by 2030.

Scope 3 emissions per manufactured tonnage decreased by 4.2% compared to 2019. SAVENCIA Fromage & Dairy's objective is to reduce Scope 3 emissions per tonnage manufactured by 22.5% by 2030.

2. Managing our water resources

2.1. Issue, risk and policy

Climate change, population growth and excessive water use are all contributing to increasing stress on water systems throughout the world. In this context, and to make a positive contribution to the preservation of increasingly scarce water resources, the Company implements responsible practices with the aim of minimizing its impact on water resources and thus reducing the risk of water stress.

Water plays an important role in our processes to ensure a high level of product hygiene and safety, especially during cleaning operations. But it can also be used as processing aid during manufacturing as a heating or cooling fluid. It also supplies fire prevention and fire-fighting systems.

In the face of climate change, certain cases of water stress are likely to become more acute. Particular attention is paid to these phenomena to identify and prevent any risk and to reinforce, if necessary, the means of action to limit withdrawals from the natural environment as much as possible.

The aim is to reduce water withdrawals from the natural environment, per ton produced, by 10% by 2025 (versus 2015).

2.2. Actions implemented and results

Several initiatives have been implemented at our sites around the world to reduce water consumption:

- At one CF&R site, new mold and filler washing tunnels were installed at the end of last year. In 2023, this new, more water-efficient process reduced the quantities of detergents used by 30% and saved the equivalent of one month's water consumption at the site.
- For the past three years, Sofivo's plant in Pontmain has been implementing a plan to reduce water consumption. Numerous water-saving measures have been implemented, such as optimizing washing operations, tracking daily consumption using digital technology, and switching certain utilities from drinking water to recycled water. Optimization of the reverse osmosis process by reusing water from the industrial process has led to a significant reduction in urban water consumption. In 2023, the implementation of these various measures reduced the site's water consumption by 11%.
- At one Fromageries Lescure site, all the water generated by the industrial process is reused to wash the existing cleaning equipment and reverse osmosis circuits. As a result, 10% of water consumption has been saved.
- At our Le Tholy plant, modifications made to the cooling system in 2022 have reduced the amount of water drawn from the natural environment by more than 8%.

- At our Cornillé-les-Caves site, the installation of new water meters has enabled us to better prevent any leaks and manage water consumption more closely. This project was carried out in collaboration with the "Agence de l'Eau."

Optimization initiatives are carried out at several sites to improve the quality of water discharges and have already led to significant reductions in the Chemical Demand for oxygen, phosphorus, and nitrogen.

The work carried out by our teams on the potential for reusing water from milk and dairy products has continued and should obtain regulatory approval as early as 2024, particularly in France.

2.3. Key performance indicators

In % of change versus 2015

Reductions in water withdrawal	2021	2022	2023	2025 Target
Variation of water withdrawals (in m³/ton produced)	2.2%	-1.2%	-6.5%	-10%

3. Optimizing waste management

3.1. Issue, risk and policy

Processing activities generate waste inherent to manufacturing and packaging processes. It mainly consists of non-hazardous industrial waste (NHIW), most of which, such as cardboard, paper, glass, steel, or aluminum, is treated by recovery or recycling centers. Hazardous industrial waste (HIW) is not widespread and consists mostly of used oils and electrical and electronic waste generated by maintenance operations, which are sorted for recycling by specialized service providers.

To combat the waste of natural resources and reduce the costs associated with waste treatment, the Company is committed to strengthening the sorting and recovery of industrial waste by contributing to circular solutions, with the aim of limiting pollution risks.

3.2. Actions implemented and results

Several initiatives are carried out by our subsidiaries to optimize our waste management and further develop its recovery:

- Elvir, in Normandy, has become the first French manufacturer to recycle used food bricks from its production site. In 2022, the first trials were launched to recycle waste bricks from production lines. Bricks are sorted on site. They are then handed over to Véolia, which presses and bales the bricks, before a papermaker separates the paper fibers from the plastic/aluminum mix. The paper fibers are then used to manufacture paper towels, handkerchiefs, and toilet paper. The plastic/aluminum mixture is used to make pallets and street furniture. This project, designed in partnership with Véolia, has led to the creation of new, more responsible recycling channels.
- At the Vigneulles site, a major effort was made in 2023 to find new recycling streams. Innovative solutions have been put in place. Sorting of glassine, the rolls of siliconized paper on which labels are affixed, was introduced in July 2023. All single-use personal protective equipment (single-use gowns, beard covers, overshoes) is recycled. The same applies to neon lights, molding/hard plastics, electric cables and motors, chemical containers, and the ends of packaging rolls. Hazardous waste is also recycled (oil filters, solvents, dirty packaging, etc.) in dedicated channels. Between 2019 and 2023, an additional 70 tons of waste were recycled.
- At Messageries Laitières, the safety footwear worn by employees in the warehouses is recycled by Takapas, a start-up offering the first safety footwear recycling technology in France. The shoes are sorted and crushed, the metals are returned to the metals recycling circuit, and the rest of the shoe is transformed into Solid Recovered Fuel (SRF).

3.3. Key performance indicators

In 2023, 73.1% of the non-hazardous waste generated by our production sites was collected for recycling (*).

	2021	2022	2023
% of non-hazardous waste collected for recycling	68.3%	68.2%	73.1%

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

4. Developing eco-design for our packaging

4.1. Issue, risk and policy

The Company clarified its packaging goals by undertaking to develop eco-designs to reduce the risk of waste overproduction.

The Charter for Responsible Design, drawn up in 2019, specifies the guidelines and directions to be followed in terms of packaging eco-design. It specifically includes measures to reduce packaging at source and to use recycled materials, thus promoting the transition to a circular packaging economy.

The Company 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 the eco-design of packaging and tasked with meeting the defined target, held three meetings in 2023 to work on the following priorities:
  - reduce the use of materials at the 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.

In 2023, the steering committee's work focused more specifically on monitoring regulations such as the French Law Against Waste and for a Circular Economy ("loi anti-gaspillage pour une économie circulaire") and the proposed European Packaging and Packaging Waste Regulation.

In 2023, the development and deployment of eco-design projects remains difficult due to the shortage of packaging materials. Despite the context, SAVENCIA's teams have been very active, and several improvements have been developed, for example:

- Roquefort Papillon: the tray is now 100% recyclable thanks to its new design;
- Milkaut: change in the composition of the subsidiary's transport packaging by replacing 70% of virgin fibers with recycled fibers;
- Polenghi: standardization of shipping packaging structure reduced cardboard consumption by 25%;

4.3. Key performance indicators

The rate of recyclable or biodegradable packaging is 86.1% in 2023.

	2021	2022	2023	2025 Target
% of recyclable or biodegradable packaging	86.6%	84.8%	86.1%	Aim for 100 %

Employee wellbeing

1. Guaranteeing our employees' safety

1.1. Issue, risk and policy

Groupe SAVENCIA brings together close-knit organizations united by a strong business culture that guides their operations and their employees' behavior. The wellbeing, physical integrity and health of the men and women who work directly or indirectly for the Group are a priority for everyone at every level of the organization.

A wide range of measures are implemented by Groupe Savencia to prevent any risk to the health and physical integrity of its employees.

Almost fifteen years ago, SAVENCIA implemented a federated approach based on the "SAFETY is OUR business" program. It is supported by an Occupational Health and Safety Charter, co-signed by the Group's CEO and Vice-President, which underpins our goal of zero occupational accidents.

At the Group level, the approach is co-led by the Human Resources and Operations Departments. At subsidiary level, oversight operations are led by a local organization represented by General Management and the Executive Committee, supported by a safety officer appointed at each site.

This approach relies on the network of safety prevention specialists at subsidiaries across the world, as well as on various decision-making and sharing bodies whose aim is to adjust priorities. Face-to-face and remote meetings are regularly organized to coordinate the effort and share best practices implemented on our various sites.

A set of guidelines, tools and methods is made available to all subsidiaries, notably through digital tools that are regularly updated and expanded.

Health and safety results are consolidated each month and distributed to all subsidiaries; they are illustrated with the month's main news, such as best practices and records, as well as incidents or accidents whose lessons must be shared.

The Group is committed to maintaining the safety of its employees, temporary staff, and external contractors working on its sites. The health and safety of temporary workers is monitored and prevented in the same way as that of Group employees. Work-related lost time accidents for temporary employees are thus included in the Company's accident frequency rate (TFi), just like those involving permanent staff.

The Group's ambition is to aim for zero workplace accidents for both employees and temporary workers.

1.2. Initiatives implemented and impacts

General policy, results and decisions taken through the various coordination and steering bodies guide the initiatives implemented. Important and empowering initiatives for 2023 include:

- The safety culture is laid out in the Safety Charter, and training sessions are provided as part of the onboarding process, notably via an e-learning training module.
- To support the deployment of its safety culture and measure the level of maturity of its sites, SAVENCIA uses the Dupont methodology, and in particular the Bradley curve. This curve classifies an organization's safety maturity in four stages (reactive, dependent, independent, and interdependent). By the end of 2023, all production sites worldwide (after France and Spain in 2022) will have carried out this Safety assessment, providing a measure of their level of maturity.

  Initiatives have been launched to involve employees in the process and a new survey will be conducted in January 2026. As part of the action plans implemented, safety leadership training courses are being set up for members of the Executive Committees and managers to support the transformation.
- Since 2021, the Group has progressively implemented a series of operational rules. The Safety Essentials' objective is to prevent accidents and injuries, particularly of the most serious or hazardous kind. Each Safety Essential targets a specific risk and is broken down into four rules that can be applied by everyone, in all circumstances. A full toolkit, available in digital format and translated into all the languages in use at Groupe SAVENCIA, provides all SAVENCIA subsidiaries with tools and methods to support the application of these safety rules. Targeted actions – for example, a project to make equipment and energy repairs safer – are also being implemented, with the help of specialized service providers and selected pilot sites. In 2023, an assessment was carried out on all the Group's industrial and logistics sites to steer prevention initiatives both locally and at the Group level.
- Like every year, a global Health and Safety week was organized in all subsidiaries. The 10th edition was held in June 2023. Employees were given the opportunity to produce an impactful video illustrating a Safety Essential in their daily operations. The challenge was taken up by many countries and sites.
- Several forums bringing together the Company's worldwide network of safety experts were organized remotely. Each time, a specific theme was chosen to share best practices in safety prevention through feedback and participant testimonials.
- The Safety e-platform, which provides reference documents, best practices, and safety-related content was updated and amended to reflect feedback from subsidiaries.
- A plan aimed at reducing the risk of work-related accidents for temporary workers has been in place in France since 2021. Fostering continuous improvement in these matters,

quarterly reviews are organized with the national executive team of the four main French temporary employment agencies to monitor the implementation of chosen initiatives and the evolution of the associated performance indicators.

- Since 2021, SAVENCIA's e-learning Occupational Health and Safety (OHS) onboarding training has been added to the compulsory introduction course for new employees. This specific program on occupational risks within the Company is available in several languages. It comprises a common module for all Company employees, entitled "Objective Zero Accidents," and a second module dedicated to managers. At the end of this training, a SAVENCIA Safety Passport is issued when the employee has obtained 100% correct answers to the quiz.
- Behavioral Safety Visits (BSV) are also regularly conducted on-site or remotely. These visits, carried out by two inspectors, seek to reinforce the Company's safety policy by encouraging the implementation of best practices. In 2023, the number of BSVs increased by 28,7% compared to 2022.

1.3. Key performance indicators

	2021	2022	2023
% of subsidiaries with no workplace accidents resulting in time off (permanent and temporary employees) during the year	42.9%	46.9%	49.5%

2. Improving quality of life at work

2.1. Issue, risk and policy

Quality of life at work is a key factor in attracting and retaining employees. The Group attaches great importance to quality of life at work and to employees' social relations as a source of personal fulfillment and sustainable performance.

To this end, and to prevent the risks of deterioration in working conditions and their impact on employee wellbeing, the Groupe SAVENCIA is committed to promoting and maintaining social dialogue, internal communication, and employee participation. SAVENCIA has therefore developed initiatives to enhance working conditions and quality of life at work, which it regularly monitors in a bid for continuous improvement.

In line with the Group's principle of subsidiarity, social dialogue takes place as close to the work site as possible to adapt to each profession and to the specific features of each organization.

We therefore undertake to perform opinion surveys and draw up improvement plans in all our subsidiaries to enhance quality of life at work.

2.2. Actions implemented and results

- In June 2022, an internal opinion survey was conducted in almost all SAVENCIA subsidiaries with over 50 employees. This survey was designed based on the Great Place To Work (GPTW) methodology and using the Trust Index questionnaire, featuring 60 questions and investigating five key themes, namely credibility, respect, fairness, pride and camaraderie. In 2023, our subsidiaries identified initiatives that are currently being rolled out.
- The Group has also sought to increase its actions with respect to Occupational Health, and since June 2022 has set up SAVENCIA Health Appointments as part of its Caring@SAVENCIA program. Every month, an online appointment is offered on two dates around the themes of physical health, mental health and nutrition, and mental health.
- The Company has entered into an agreement with Stimulus offering various services:
  - a 24/7 anonymous helpline for anyone experiencing difficulties;
  - a Stimulus "Caring" app for employees to take care of their mental wellbeing and physical health;
  - conferences on "wellbeing in the workplace."
- Since 2019, office-based employees have had the option of working from home two days a week provided that remote work 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 remote work, 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 remote work.
- Each subsidiary sets up specific activities according to its employees' needs and suggestions, such as inter-company nurseries.
- In 2023, several subsidiaries promoted various types of athletic activities, including bike rides and hikes, weekly fitness breaks, sponsorship of sports events and associations, access to gyms, stretching sessions, and entry in races. The Fromarsac, Grand'Ouche, and Vihiers subsidiaries have organized "Mobility Challenges," in which the total number of kilometers traveled by means other than by car leads to a donation to two partner associations working for alternative mobility solutions (in this case, cycling).
- To provide the Company's employees in France with clearer insight into its labor policies and the various programs available, including pensions, savings and employee benefits, personalized total rewards statements were distributed to all employees across France in June (excluding Compagnie des fromages & RicheMonts), i.e. to 6,187 employees in 2023.

- Average Company-wide length of service remained stable in 2023 compared to 2022 at 13.0 years.

2.3. Key performance indicators

	2019 - 2021	2020 - 2022	2021 - 2023	2025 Target
% of subsidiaries having performed an internal employee survey in the last three years	99.0%	90,5%*	94.5%	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. Developing 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 skills, nurturing loyalty and maintaining the Group's competitiveness.

This strategy encourages the professional and social fulfilment of the men and women who work for our Company. Driven by its culture, the Company fosters its employees' development by offering a favorable professional environment.

Employee training and career management play a leading role in enabling each employee to build their skills to achieve personal development, contribute to collective success and maintain employability. These factors help reduce the risk of a mismatch between the skill level of employees and the Company's ambitions.

The training policy for the Group's employees focuses on performance management, supporting change, and preserving know-how with the objective of providing each employee with the opportunity to develop professionally and to adopt a behavior consistent with the Group's values.

To encourage employee development, the Group's career management policy favors internal mobility and systematically promotes it at all levels of responsibility. For employees in executive, managerial and supervisory positions, this means providing them with visibility over their career paths, identifying attractive opportunities that meet their expectations, and granting them the chance to develop their skills.

For many years, a policy of vocational training has been favored for the integration of apprentices or trainees. These methods are the most suitable for accompanying future young graduates in their first steps within the Group 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 versus 2015.

3.2. Actions implemented and results

- 14 countries in which the Group operates are Top-Employer-certified. In Europe, Germany, Belgium, Spain, France, Poland, the Czech Republic, and Slovakia are certified. This marks the tenth year in a row that we have been awarded the Top Employer Europe label, as we have at least five certified countries in the region. In the Asia-Pacific region, Top Employer certification was awarded in China, South Korea, India, and Japan. In the Americas, Top Employer certification was awarded in Brazil, Argentina, and the United States.
- In 2023, an extensive catalog of e-learning training modules was made available to employees on a self-service basis. This comprehensive offering features content in a range of languages, incorporating the latest pedagogical innovations and themes to meet new needs. With respect to digital training, compliance and safety modules were reassigned to employees and an online onboarding course was created.
- As part of the Group's CSR approach, "Fresque du Climat" (Climate Fresk) workshops were launched with the training of in-house coaches, who then rolled out the scheme in our subsidiaries. The aim of this initiative is to raise awareness of climate-related issues among our teams by providing them with tools to better understand climate change.
- The Group's in-person training courses have been completely internationalized. For example, training for new managers took place in China for teams based in Asia, and in Brazil for teams based in South America. New courses have also been launched, notably in project management methods.
- The Group's "500 Apprentices" campaign, which seeks to recruit 500 apprentices, reflects SAVENCIA's continuing commitment to training the younger generation. Deployment of this campaign is supported by a network of apprenticeship points of contact. The Company has mobilized its subsidiaries by offering a wide variety of positions. The network of points of contact provides a broader view of vacancies, and many opportunities have been filled within other subsidiaries.
- We have expanded our partnerships with general and specialized schools (business, engineering, and agronomy) to attract emerging talents.
- Our Graduate Program track continues to expand, with the participation of international subsidiaries.
- As part of our roadmap called "Promoting the social protection floor", an agreement on voluntary internal geographic mobility was signed in France, with the unanimous support of the trade unions. This agreement seeks to preserve Company's skills, knowledge, and culture by supporting employees wishing to transfer to another subsidiary. If employees transfer to a different subsidiary

within the Company, specific organizational and financial measures are provided, including support for their spouse/partner.

3.3. Key performance indicators

	2021	2022	2023
% of employees trained during the year (permanent employees)	63.2%	76.5%	82.6%

	2021	2022	2023	2025 Target
Number of ongoing apprenticeship contracts	439	471	418	458

4. Our commitment 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 risk of discrimination. 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 – "Developing skills"), 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 perspective of employees on disability, to keep people with disabilities in employment, and to promote their recruitment, the Group is implementing a Disability Initiative policy. The commitment is premised on four main axes:

- raising awareness to combat stereotypes;
- continued employment;
- recruitment of people with disabilities;
- development of partnerships with protected and adapted sectors.

4.2. Actions implemented and results

- Promoting gender equality:
  - The working group created in 2022 to accelerate female leadership focused on establishing an action plan after analyzing numerous internal and external quantitative data, conducting interviews with employees (men and women) and liaising with the Group's Executive Committee. Over the course of 2023, an action plan was drawn up, together with an implementation schedule. Some Company-wide initiatives will be rolled out in 2024;
  - A working group of volunteers has been set up our head office to identify concrete actions to be implemented to promote gender equity, such as conferences, experience-sharing lunches, and workshops to raise awareness on "How to be an ally";
  - The gender equality index for France in 2023 is 86/100;
  - 82.6% of women (all socio-professional categories combined) took at least one training course in 2023;
- Promoting employment of people with disabilities:
  - Thanks to a communication kit developed at the Group level, the network of Handicap France advisors raised awareness of the following themes in 2023: visual disability, mental disability, psychiatric disability, ASD, digital accessibility, diabetes, DYS disorders, and caregivers;
  - To coincide with the European Disability Employment Week in November, the Group is spurring its subsidiaries 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 DUO-DAY program. In 2023, 45 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;
  - some subsidiaries call on the services of companies employing disabled people, for example, companies offering cleaning and gardening services. Other events, such as the sale of cakes made by a sheltered workshop to employees of the CF&R subsidiary. The subsidiary matches proceeds from the sale with a donation.
  - The rate of employment of people with disabilities is 3.7% and concerns 793 employees.

4.3. Key performance indicators

	2021	2022	2023	2025 Target
% of women managers	42.4%	43.0%	43.0%	50%

5. Encouraging employee engagement with local communities

5.1. Issue, risk and policy

Aware of its economic and social impact on local communities, and to act as a responsible and supportive agent, Groupe SAVENCIA encourages its subsidiaries and their employees to support local initiatives. Subsidiaries, often located in rural areas, play an active role in local employment and economic and social development, thus limiting the risk of losing touch with the areas in which we operate.

Numerous initiatives have been rolled out in collaboration with local and regional authorities, notably:

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

The Group is committed to ensuring that each subsidiary supports at least one solidarity campaign in 2025.

5.2. Actions implemented and results

- 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. In 2023, the employees who joined the program made it possible to collect and donate more than 17,147 euros to the four partner associations.
- A conference was held in April to celebrate the program’s tenth anniversary. During the event, the partner associations presented their projects and their evaluation. In line with the Group’s vocation of “Leading the way to better food,” the four community organizations involved the program are: Vaincre Noma, Association for the right to economic initiative, Planète Urgence and the Fédération des Banques Alimentaires (which joined the program in June 2023). For the latter, donations will be used to open solidary grocery stores. For Planète Urgence, the chosen project concerns the establishment of ecological vegetable gardens in Benin and Madagascar.
- The Company-wide “Bien Nourrir l’Homme” fund supports employees working with associations, and finances initiatives around the world that provide concrete 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 2023, 18 projects were supported in France and abroad. The Fund supported projects such as cooking workshops for people in vulnerable situations, the development of produce processing units and vegetable gardens, as well as training and awareness-raising in agroecology.
- To foster the “Nation-Army” relationship and support enrollment in reserve forces, several Groupe SAVENCIA executives have been recruited in recent years from the various armed forces as part of an “active” career path, and benefit from specific legal provisions. Numerous actions are also carried out, such as in our Sofivo and Armor subsidiaries, where donations are made to fire departments close to our sites. Several of our sites also have a partnership agreement with local fire departments to facilitate the enrollment of our employees as volunteer firemen.
- In partnership with the country’s network of food banks, the Group resumed its engagement in the skills sponsorship scheme during the national collection campaign in France in November. In 2023, employees in France participated in this nation-wide collection of food and non-food products in different stores.
- Our Brazilian teams took part in several events, collecting and distributing products and foodstuffs for vulnerable communities.
- For several years, the Group has nurtured relations with the “SAPERE Les Classes du Goût” association. The Company’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 informed consumers, able to make healthy food choices, through simple and fun educational activities. In 2023, 68 employees were taste instructors.
- Several community initiatives related to cancer were launched: In Spain, 66 people took part in the “e-Health challenge”, a solidarity and sports challenge. Four community organizations received donations as a result of this challenge, including one for breast cancer. In France, numerous actions were carried out as part of Pink October, with 1,903 euros donated to the François Baclesse research center in Caen and 1,500 euros to the Rose Up association. In Japan, chocolates were donated to women suffering from cancer.

- Numerous subsidiaries sponsored youth events in 2023. For example, the Czech and Slovak subsidiaries organized a sporting event with their employees. Every kilometer run led to a donation to the Ronald Macdonald Foundation. The Normandie Export Logistique (NEL) subsidiary organized a collection of hygiene products for students in Le Havre. In China, the subsidiary supports an organization offering pastry and baking courses to young people aged 17 to 23.
- In 2023, 34.0% will have supported employees in carrying out solidarity actions in line with our mission of "Leading the way to better food" compared with 33.7% in 2022.
- In 2023, 41.2% of subsidiaries made employees available to carry out solidarity actions or events, compared with 38.8% in 2022.

5.3. Key performance indicators

	2021	2022	2023	2025 Target
% of subsidiaries supporting at least one solidarity campaign	35.2%	63.3%	69.1%	100%

Ethics and compliance

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

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 International Labour Organization (ILO) conventions.

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 dialogue and its employees' free speech. 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 dialogue through employee representation.

SAVENCIA is 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 over 20 years, SAVENCIA has been renewing its membership, thus reaffirming its commitments to social requirements and fundamental human rights in all the countries where it operates.

The Company's Ethics Charter "The Group and its culture," which expresses our values and identity, also restates the principles of the United Nations Compact.

The Responsible Purchasing Charter also covers issues relating to the promotion of and respect for human rights and labor laws. Through the deployment of this charter among its suppliers, the Company ensures that its human rights commitments are respected, to avoid any risk of infringement of fundamental human rights (see chapter "Promoting responsible purchasing").

1.2. Actions implemented and results

In accordance with the law relating to the Duty of Vigilance of parent companies and contracting companies, a due vigilance plan is established annually to assess and thus prevent serious harm related to the Group's activities 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 enforces ethical behavior in all activities within the subsidiaries. This committee's members include the Group's Chief Executive Officer, Secretary-General, 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 Department 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 dialogue, 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 dialogue 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.
- Based on the due diligence risk assessment performed at the end of 2022, work has been carried out to identify the salient risks generated by the Group's activities on the human rights of third parties and on the environment, and thus define the preventive and remedial actions implemented or to be implemented.
- In June 2023, a presentation of the Group's labor relations was made to the coordinating HR directors, who represent the different geographical areas in which our subsidiaries operate.
- A mandatory e-learning training program was created in 2023 to train or re-train all Group employees whose work implies engagement with compliance issues. Translated into 19 languages, it comprises a Duty of Vigilance module, an Anti-Corruption module, and an GDPR module (for the European scope). All new arrivals are trained in these Compliance topics.
- The mechanism for due diligence whistleblowing is made available to employees and external stakeholders through a single alert line called SARA – "SAvencia Recueille vos Alertes" – which is shared with the Corruption reporting system (see the "Combating corruption" chapter).
- Additional information is provided in the chapter on "Vigilance plan."

1.3. Key performance indicators

	2021	2022	2023	2025 Target
% of employees with access to collective employee representative bodies **	Information non disponible*	80.0%	80.8%	85%

**Indicator created in 2022*
***for subsidiaries with more than 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 due diligence 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," provided 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;
- combat 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 Company has established a map detailing the risks of corruption and influence peddling incurred by the Group.

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

- The Anti-Corruption Code of Conduct was updated in 2023 to specify the principles and rules to be respected in terms of ethics and anti-corruption within the Group. It has been translated into 19 languages and applies to all Group employees.
- The e-learning course on anti-corruption awareness continued in 2023 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 that buyers apply with suppliers in four key areas: ethics and integrity, communication and collaboration, performance and progress, and sustainable and responsible purchasing.
- The 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 Department, 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 2023, a new informative poster was made to remind all employees of the Company's whistleblowing system, named SARA – SAvencia Recueille vos Alertes ("SAvencia Receives your Alerts"). It is translated in 19 languages and posted on 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 Company. 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 2023, 75.0% of employees affected were trained.

2.3. Key performance indicators

	2021	2022	2023	2025 Target
% of employees affected*, trained on the concept of ethics and fraud	96.7%	96.0%	96.0%	100%

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

The reassignment campaign for Compliance training modules was deployed in 2023 on the MySavencia platform. This roll-out has been delayed, in particular for the last phase relating to Sapin II. This last phase is currently being assigned.

3. Combating tax evasion

3.1. Issue, risk and policy

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

Tax evasion consists in artificially subtracting sums or assets from the Group's tax liability by locating them in countries subjecting businesses to little or no taxation (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 business, 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 Department 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 2023, it stood at 32.2%.

3.3. Key performance indicators

	2021	2022	2023
Number of non-cooperative states and territories[(1)] in which the Group operates		0	1

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

Since February 21, 2023, Russia has been included in the European Union's list of non-cooperative countries. The Group has been present in Russia for many years and continues to operate there with the objective of feeding the local population.

[(1) (3) (4)] *Jurisdictions participating in the convention on mutual administrative assistance in tax matters status – September 13, 2023 https://www.oecd.org/tax/exchange-of-tax-information/Status_of_convention.pdf*

([2]) https://www.consilium.europa.eu/fr/policies/eu-list-of-non-cooperative-jurisdictions/

Application of European taxonomy

Application of the European Taxonomy to SAVENCIA Fromage & Dairy operations

1. Background

1.1. Review of the regulatory framework

EU Regulation 2020/852 of June 18, 2020, known as the "European Taxonomy Regulation," establishes a framework to encourage sustainable investment by requiring companies to publish the share of their revenue, capital expenditure, and operating expenditure that make a substantial contribution to any one of the following six environmental objectives:

- Climate change mitigation;
- Climate change adaptation;
- Protection and sustainable use 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. In June 2023, the European Commission extended the scope of the European Taxonomy to the other four environmental objectives, thus bringing the six environmental objectives into force.

In 2024, companies must therefore disclose, for the 2023 financial year, the proportion of their revenue, 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 eligible 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.

For these four new objectives, eligibility is only required in 2024 for the 2023 financial year.

To meet these reporting obligations, a detailed analysis of all SAVENCIA Fromage & Dairy operations within the various consolidated entities was carried out collectively by the Financial, CSR, Industrial, Legal, Compliance, Insurance, and Tax Departments. 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 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 2023 financial year

Eligibility and alignment results for financial year 2023:

The European Commission has prioritized industries that contribute the most to greenhouse gas emissions at EU level. As the food industry is not currently covered by the Taxonomy Regulation, SAVENCIA Fromage & Dairy's eligibility for the taxonomy is relatively low.

SAVENCIA Fromage & Dairy is committed to reducing its operations' environmental footprint and has made a number of investments to this end. The Group has also undertaken to reduce its greenhouse gas emissions by 20% for scopes 1&2 by 2025. Numerous actions are being taken in this sense (see section on "Reducing our GHG emissions"). In 2023, the Science Based Target initiative awarded SAVENCIA Fromage & Dairy's reduction targets the grade of "well below 2°."

The data provided below, in application of the taxonomy regulations, are therefore not fully representative of the efforts undertaken by the Group. The level of precision required by the regulations is very high, and the reporting tools are at this stage not yet fully developed.

The analysis of eligible activities for the 2023 financial year has modified the eligibility criteria to better integrate the adaptation objective and account for the four new objectives. It should be noted that, as the reporting tool does not yet allow an investment to be linked to an adaptation plan, no contribution to the adaptation objective has been identified for this year.

Details of the indicators, evaluation methodology and definitions are provided in the appended methodological note on taxonomy.

Revenue indicator:

Like in 2022, SAVENCIA Fromage & Dairy has not identified any eligible revenue since its activity is not targeted by the Taxonomy Regulation objectives.

The Taxonomy Regulation does not consider the food industry as making a substantial contribution the six environmental objectives.

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

The regulatory table is appended to this document (c.f. Tables required under the Taxonomy Regulation).

Total revenue can be reconciled with the financial statements included in the 2023 annual financial report (see statement 1.1 of the consolidated financial statements).

CapEx indicator:

Within the Group, eligible investments made this year cover three of the six environmental objectives (Mitigation, Water, Circular Economy).

Mitigation

- 4.15 Heating/cooling networks
- 5.1 Construction, extension, and operation of catchment, treatment, and distribution networks
- 5.3 Construction, extension, and operation of wastewater collection and treatment networks
- 6.5 Transport by motorcycles, passenger cars, and light commercial vehicles
- 6.6 Freight transport
- 7.1 New building construction
- 7.2 Renovation of existing buildings
- 7.3 Installation, maintenance, and repair of energy-efficient equipment
- 7.4 Installation, maintenance, and repair of charging stations for electric vehicles inside buildings (and in parking lots attached to buildings)
- 7.7 Acquisition and ownership of buildings
- 7.6 Installation, maintenance, and repair of renewable energy technologies

Water

- 2.1 Water production and distribution

Circular economy

- 1.1 Plastic packaging manufacturing
- 2.2 Production of new water resources to ends other than human consumption
- 3.1 New building construction
- 3.2 Renovation of existing buildings

SAVENCIA Fromage & Dairy's eligible capital expenditure for 2023 amounts to 12.65% of a total of 294 million euros (increase in gross CapEx without restatement of subsidies).

These amounts mainly relate to building acquisition (7.7), construction (7.1) and renovation (7.2). The aligned portion of these capital expenditures amounts to 0.8% and concerns investments related to activity 7.6 Installation, maintenance, and repair of renewable energy technologies.

With a similar scope, data for financial year 2023 remain consistent with financial year 2022.

The regulatory table is appended to this document (c.f. Tables required under the Taxonomy Regulation).

Total capital expenditure can be reconciled with the financial statements included in the 2023 annual financial report (see statement 3 of the consolidated financial statements).

For the 2023 financial year, Groupe SAVENCIA is taking into account all its capital expenditure, whatever the source of its financing, i.e. the value of its gross fixed assets. In 2023, given the turbulent and highly inflationary macro-economic context, the Group prioritized its most strategic investments.

OpEx Indicator:

According to the Regulation, companies are exempt from their publishing obligation if the OpEx covered by the Taxonomy is not material. As such, 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 demonstration of non-materiality was calculated by comparing the OpEx targeted by the Taxonomy with the total OpEx:

	2023
Total OpEx within the meaning of the Taxonomy	€132,511,414
Total Group OpEx	€6,577,793,000
OpEx Materiality	2.0 %

The regulatory table is appended to this document (c.f. Tables required under the Taxonomy Regulation).

Total capital expenditure can be reconciled with the financial statements included in the 2023 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 identified as eligible, SAVENCIA Fromage & Dairy has verified compliance with the technical review criteria for these activities and the minimum safeguards.

2.2.1. Substantial contribution

For this reporting period, SAVENCIA Fromage & Dairy targeted the CapEx with the highest eligibility and alignment potential, while accounting for the materiality of the amounts.

With respect to the methodology applied for the alignment of activity 7.6, SAVENCIA Fromage & Dairy has verified that the eligible CapEx are correctly described in the list of equipment contained in the substantial contribution.

2.2.2. Generic DNSH - Climate change adaptation

To meet the DNSH criterion relating to the Taxonomy's objective of climate change adaptation, SAVENCIA Fromage & Dairy asked its insurer to carry out a study of physical climate risks covering all entities and geographical locations. This analysis integrates different climate scenarios and provides a medium- and long-term vision.
The report details the various risks by site and by region, as well as the adaptation recommendations to be implemented to mitigate these risks. SAVENCIA Fromage & Dairy has launched adaptation measures to address the risks identified.

In the light of this analysis, SAVENCIA Fromage & Dairy felt it met the DNSH adaptation criteria for this reporting period.

2.2.3. Minimum safeguards

SAVENCIA Fromage & Dairy carried out a central review of the minimum safeguards by means of workshops with the relevant departments 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 "Respecting human rights") and in its vigilance plan.
- For **corruption** matters, SAVENCIA Fromage & Dairy relies on a comprehensive system, in line with the requirements of the "Sapin II" law, for identifying corruption risks, prevention policies and whistleblowing processes. This system is deployed across all activities in France and internationally, and detailed in the "Combating corruption" chapter of this document.
- With respect to **taxation**, SAVENCIA Fromage & Dairy is committed to complying with local legislation in all the countries in which it operates, and has chosen not to invest in all the so-called "non-cooperative" countries (see chapter "Combating tax evasion").
- On **competition law**, SAVENCIA Fromage & Dairy is deploying several measures: training in competition law issues, and the provision of an Ethics Charter for employees (see "Combating corruption").

3. Perspectives

3.1. Areas for improvement

For the 2023 financial year, the analysis of eligibility and alignment with the European Taxonomy has identified areas for improvement for future Taxonomy reporting exercises. SAVENCIA Fromage & Dairy has identified several actions to be implemented in the coming years:

- Improving the feedback of technical information to facilitate the collection of data specific to the Taxonomy. This will involve ongoing training for the teams involved in collecting the information required by the European Green Taxonomy;
- Valuation of investments made as part of adaptation plans.

KPI Overview - SAVENCIA Fromage & Dairy

Key issues	KPI	2022	2023	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	75.4%	88.1%	100%	↗
Implement clear nutritional information for 100% of our branded products	% of branded retail products including per-portion nutrition labelling	59.6%	71.8%	100%	↗
Sustainable agriculture					
Expand the Charter for Best Farming Practices to all our milk sourcing worldwide	*Expand the "Charter for Best Farming Practices" worldwide (% total milk sourced)*	86.8%	81.3%	100%	↘
Deploy the "Sustainable Milk Production" audit	Deploy the Sustainable Milk Production diagnosis (% total milk sourced *)	23.8%	25.6%	50%	↗
Deploy our Charter for Animal Welfare	% of Dairy Supply employees at SAVENCIA sites trained on animal welfare.	61.5%	69.0%	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	66.8%	73.0%	80%	↗
	% of Group external expenditure overseen by the Purchasing function and carried out with major suppliers* under EcoVadis evaluations	75.7%	80.8%	80%	↗
Environmental footprint					
Reduce greenhouse gas emissions from production and transport	Variation in Scope 1 & 2 GHG emissions (tons equiv. CO_2/ton produced)	-10%*	-16,5%	-20%	↗
Reduce the carbon footprint associated with our milk sourcing	CO_2 emissions of the owned fleet (in tons equiv. CO_2)	-311,000	-341,345	-300,000	↗
Reduce water withdrawals	Variation of water withdrawals (in m³/ton produced)	-1.2%	-6.5%	-10%	↗
Strengthen the sorting and recovery of industrial waste by contributing to circular solutions	% of non-hazardous waste collected for recycling	68.2%	73.1%	-	↗
Develop eco-design of our packaging	% of recyclable or biodegradable packaging	84.8%	86.1%	Aim for 100%	↗

(*) see corresponding chapter

SAVENCIA KEY ISSUES	KPI	2022	2023	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	46.9%	49.5%	Tendre vers le « zéro » accident de travail	↗
Improve quality of working life	% of subsidiaries having performed an internal employee survey in the last three years	90,5%*	94.5%	100%	↗
Develop employee skills	% of employees trained during the year (permanent employees)	76.5%	82.6%	-	↗
	Number of ongoing apprenticeship contracts	471	418	458	↘
Commit to diversity and inclusion	% of women managers	43.0%	43.0%	50%	=
Encourage employees to engage with solidarity	% of subsidiaries supporting at least one solidarity campaign	63.3%	69.1%	100%	↗
Ethics and compliance					
Respect for human rights	% of employees with access to collective employee representative bodies **	80.0%	80.8%	85%	↘
Combat corruption	% of employees affected*, trained on the concept of ethics and fraud	96.0%	96.0%	100%	=
Combat tax evasion	Number of non-cooperative states and territories(1) in which the Group operates	0	1	0	↘

(*) (**) see corresponding chapter

Reporting procedures

Reporting rules 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.

SAVENCIA Fromage & Dairy voluntarily publishes a Non-Financial Performance Statement (NFPS), drawn up in accordance with European Directive 2014/95/EU on the publication of non-financial information (NFRD), in compliance with the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code. Data in the format of the previous "Grenelle II" regulations, useful for rating agencies, are available in a specific document that can be found on the savencia-fromagedairy.com website.

Organization

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

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

Scope

Data presented in this report are consolidated for 2023, from January 1 to December 31, 2023.

- Healthy, delicious, and responsible eating: 100% of subsidiaries.
- Employee wellbeing: 100% of the workforce registered at the end of the period.
- Carbon footprint: 100 % of production sites.
- Calculation of carbon footprint SAVENCIA Fromage & Dairy: 100% of sites.

Rules and guidelines

Two set of environmental and social reporting guidelines define the Group's environmental and social performance indicators. A methodological note outlines the process used by the Company to select the issues addressed.

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.

Tools

Data is reported and consolidated for all subsidiaries using a bespoke Group tool.

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

Consolidation and internal control

At Company level, CSR reporting managers consolidate the data collected to generate the indicators presented in this chapter.

They also carry out internal data checks, validating consistency and plausibility. To this end, consistency tests are carried out on indicators, and variations are highlighted and justified.

Significant discrepancies are analyzed with the data contributor.

External audit

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 [(a) (2)]	Turnover (€) [(3)]	Proportion of Turnover, year N [(4)]
A. TAXONOMY-ELIGIBLE ACTIVITIES			
A.1. Environmentally sustainable activities (Taxonomy-aligned)			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%
Of which Enabling		0	0%
Of which Transitional		0	0%
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%
A. Turnover of Taxonomy eligible activities (A.1+A.2)		0	0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
Turnover of Taxonomy-non-eligible activities		€6,790,712,721	100%
TOTAL (A. + B.)		€6,790,712,721	100%

Economic Activities [1]	Code (a) (2)	CapEx (€) [(3)]	Proportion of CapEx, year N [(4)]
A. TAXONOMY-ELIGIBLE ACTIVITIES			
A.1. Environmentally sustainable activities (Taxonomy-aligned)			
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	2,129,180	0.8%
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0	0.0%
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		2,129,180	0.8%
Of which Enabling		2,129,180	0.8%
Of which Transitional		0	0.0%
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)			
Manufacture of plastic packaging goods	CE 1.1	156,491	0.05%
Water supply	WTR 2.1	160,820	0.05%
Production of alternative water resources for purposes other than human consumption	CE 2.2	123,710	0.04%
District heating/cooling distribution	CCM 4.15	137,970	0.05%
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	1,319,954	0.45%
Construction, extension and operation of waste water collection and treatment	CCM 5.3	335,717	0.11%
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	9,264,394	3.15%
Freight transport services by road	CCM 6.6	239,869	0.08%
Construction of new buildings	CCM 7.1 / CE 3.1	8,049,524	2.74%
Renovation of existing buildings	CCM 7.2 / CE 3.2	5,988,350	2.04%
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	2,344,147	0.80%
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	79,920	0.03%
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1,547,000	0.53%
Acquisition and ownership of buildings	CCM 7.7	5,257,479	1.79%
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		35,005,344	11.90%
A. CapEx of Taxonomy eligible activities (A.1+A.2)		37,224,524	12.65%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
CapEx of Taxonomy-non-eligible activities		256,938,381	87%
TOTAL (A. + B.)		294,162,906	100%

	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm') (h)									
	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	0.0%	0%	0%	0%	0%	0%	NO	NO	NO	NO	NO	NO	NO	0%		
	0.0%	0%	0%	0%	0%	0%	NO	NO	NO	NO	NO	NO	NO	0%	E	
	0.0%						NO	NO	NO	NO	NO	NO	NO	0%		T
	0.0%	0%	0%	0%	0%	0%								0%		
	0.0%	0%	0%	0%	0%	0%								0%		

	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, FY 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	OUI	N/EL	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	1%	E	
	N	N/EL	N/EL	N/EL	N/EL	N/EL	NO	NO	NO	NO	NO	NO	NO	0%		T
	0.8%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	1%		
	0.8%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	1%	H	
	0.0%						YES	YES	YES	YES	YES	YES	YES	0%		T
	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0.0%		
	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.7%		
	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
	EL	N/EL	N/EL	N/EL	EL	N/EL								0.2%		
	EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.0%		
	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.3%		
	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.2%		
	11.8%	0%	0.1%	0.0%	4.9%	0%								6.4%		
	12.5%	0%	0.1%	0.0%	4.9%	0%								7.4%		

Economic Activities (1)	Code (a) (2)	OpEx (€) (3)	Proportion of OpEx, year N (4)	
A. TAXONOMY-ELIGIBLE ACTIVITIES				
A.1. Environmentally sustainable activities (Taxonomy-aligned)				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	
Of which Enabling		0	0%	
Of which Transitional		0	0%	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)				
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	
A. OpEx of Taxonomy eligible activities (A.1+A.2)		0	0%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES				
OpEx of Taxonomy-non-eligible activities		132,511,414	100%	
TOTAL (A. + B.)		132,511,414	100%	

	Proportion of turnover/ Total turnover		Proportion of CapEx/Total CapEx		Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0 %	0.0 %	0.8 %	12.50 %	0.0 %	0.0 %
CCA	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
WTR	0.0 %	0.0 %	0.0 %	0.05 %	0.0 %	0.0 %
CE	0.0 %	0.0 %	0.0 %	4.87 %	0.0 %	0.0 %
PPC	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
BIO	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Line	Operations linked to nuclear energy	
1.	The company carries out, finances, or is exposed to research, development, trial, and deployment of innovative installations for generating electricity from nuclear processes with a fuel cycle producing minimum waster.	No
2.	The company is involved in, finances, or is exposed to the construction and safe operation of new nuclear power or process heat production facilities, in particular for heating or industrial processes such as hydrogen production, including their safety upgrades, using the best technologies available.	No
3.	The company is involved in, finances, or is exposed to the construction and safe operation of existing nuclear power plants for the production of electricity or heat, in particular for heating or industrial processes such as hydrogen production, using nuclear energy, including their safety upgrades.	No
	Operations linked to fossil fuels	
4.	The company engages in, finances, or is exposed to the construction or operation of facilities that produce electricity from gaseous fossil fuels.	No
5.	The company engages in, finances, or is exposed to the construction, refurbishment and operation of combined heat/cooling and power generation plants using gaseous fossil fuels.	No
6.	The company engages in, finances, or is exposed to the construction, refurbishment or operation of heat generation facilities that produce heat/cooling from gaseous fossil fuels.	No

	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm') (h)									
	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, FY 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	%		
	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	%	E	
	0%						N/A	N/A	N/A	N/A	N/A	N/A	N/A	%		T
	0%	0%	0%	0%	0%	0%								0%		
	0%	0%	0%	0%	0%	0%								0%		

2. Methodological note - European taxonomy

2.1. Reminder of indicators and reconciliation with financial

2.1.1 Revenue

As part of the update of the 2023 eligibility reference framework, the following points 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 revenue, 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, 2023; the Taxonomy denominators for the revenue and capital expenditure KPIs can therefore be reconciled with the financial statements as required by the Regulation.

Definition

The proportion of revenue referred to in Article 8 of Regulation (EU) 2020/852 is obtained by dividing the proportion of net revenue derived from products or services, including intangible assets, associated with Taxonomy-eligible and Taxonomy-aligned economic activities (numerator) by the net revenue (denominator) as defined in Article 2(5) of Directive 2013/34/EU. Revenue 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 investments meet one of the following conditions:

- These expenses are linked to assets or processes associated with eligible economic activities and aligned with the Taxonomy;
- These expenditures are part of a plan to expand economic activities aligned with the Taxonomy or to enable economic activities eligible for the Taxonomy to be aligned with it ("CapEx plan");
- These expenses are linked to the purchase of production from eligible economic activities aligned with the Taxonomy and to individual measures enabling the targeted activities to become low-carbon or to achieve reductions in greenhouse gas emissions (particularly the activities listed in points 7.3 to 7.6 of Annex I to the delegated act on climate, or 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 to property, plant and equipment and intangible assets resulting from business combinations, as well as contract additions, contract revaluations and changes in scope of consolidation relating to the application of IFRS16.

2.1.3. OpEx

Definition

The operating expenses retained by SAVENCIA Fromage & Dairy in application of the provisions of the Taxonomy, as forecast in 2023, concern the following categories:

- Non-capitalized research and development expenditure, including associated personnel costs, restated for tax credits received over the period;
- Short-term leases as determined in accordance with IFRS 16 and include expenses relating to short-term leases and low-value leases;
- Upkeep, repair, maintenance, and other direct expenses related to the day-to-day maintenance of property, plants, and equipment.

Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial statement

This is a free English translation of the Statutory Auditor's report 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

Year ended December 31th 2023

To the annual general meeting,

In our capacity as Statutory Auditor of your company (hereinafter the "Entity") appointed as independent third party, and accredited by the French Accreditation Committee (COFRAC) under number 3-1884, we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended December 31th, 2023 (hereinafter, the "Information" and the "Statement" respectively), established voluntarily by the entity pursuant to the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (code de commerce).

Conclusion

Based on the procedures we performed as described under the "Nature and scope of procedures" paragraph and the evidence we obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not prepared in accordance with the provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code, and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the non-financial performance statement

The absence of a commonly used generally accepted reporting framework or of a significant body of established practices on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarized in the Statement and available on the Entity's website or on request from its headquarters.

Inherent limitations in preparing the Information

As stated in the Statement, the Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the entity

Management of the entity is responsible for:

- selecting or establishing suitable criteria for preparing the Information,
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators, and the information set out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy),
- preparing the Statement by applying the entity's "Guidelines" as referred above, and
- designing, implementing, and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Board of Directors.

Responsibility of the Statutory Auditor, appointed as independent third party

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code,

- the fairness of the historical information (observed or extrapolated) provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e., the outcomes of policies, including key performance indicators, and measures relating to the main risks.

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on:

- the entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French Duty of care law, and provisions against corruption and tax evasion law),
- the fairness of information set out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy),
- the compliance of products and services with applicable regulations.

Applicable professional guidance

We performed the work described below in accordance with the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to such engagements, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, "Intervention du commissaire aux comptes - Intervention de l'OTI - Déclaration de performance extra-financière", and with the international standard ISAE 3000 (revised)[1].

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at 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.

Means and resources

Our work engaged the skills of seven people between December 2023 and March 2024 and took a total of 12 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted some 10 interviews with the people responsible for preparing the Statement, representing in particular executive management, administration and finance, risk management, compliance, human resources, health and safety, environmental and milk purchasing departments.

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- We obtained an understanding of all the consolidated entities' activities, and the description of the main related risks,
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector,
- We verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code as well as information regarding compliance with human rights, anti-corruption and tax avoidance legislation, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code,
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the main risks,
- We verified that the Statement presents the business model and a description of main risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, products or services, as well as policies, measures and the outcomes thereof, including key performance indicators related to the main risks,
- We verified that the Statement includes a clear and motivated explanation of the reasons for the absence of policies implemented considering one or more of these risks required under Article R.225-105 I of the French Commercial Code,

[1] *ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*

- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented,
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the Appendices. Concerning certain risks (list those risks), our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities[2],
- We verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code within the limitations set out in the Statement,
- We obtained an understanding of internal control and risk management procedures the entity implemented, and assessed the data collection process aimed at ensuring the completeness and fairness of the Information,
- For the key performance indicators and other quantitative outcomes that we considered to be the most important, presented in the Appendices, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out at the entity's headquarters[3] and covers between 15% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests,
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities' activities.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidance of the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes), a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, March 29th 2024

KPMG S.A.

Arnaud RINN **Partner**	**Fanny HOULLIOT** **ESG Expert**

[2] *Co-develop a more sustainable supply with our suppliers of agricultural raw materials; Promote responsible purchasing; Respect for human rights; Fight against corruption ; Fight against tax evasion.*

[3] *BG – Usine Illoud (France) ; Sofivo – Usine Pontmain (France) ; Fromarsac – Usine Marsac (France) ; ICC Paslek LTD – Usine Paslek (Poland) ; Polenghi – Usine Goiatuba (Brasill) ; Advanced Food Products – Usine Clear Lake (USA).*

Appendix

Qualitative information (actions and results) considered most important
Measures to improve the environmental footprint of dairy collection
Result of the scope 3 carbon footprint on the Savencia Fromage & Dairy scope
Measures taken in terms of eco-design of packaging
Actions to reduce water consumption
Measures aimed at reducing and recovering bio-waste
Commitments for sustainable and responsible sourcing
Monitoring the Clean Label approach
Actions taken in favor of human rights and fundamental freedoms among all stakeholders in the value chain
Measures put in place regarding good business conduct and the fight against corruption

Key performance indicators and other quantitative results considered most important
Percentage of subsidiaries without lost-time work accidents (registered staff & temporary workers) during the year
Percentage of subsidiaries having carried out an internal opinion survey in the last three years
Percentage of employees trained during the year
Percentage of women among managers
Percentage of subsidiaries supporting at least one solidarity action
Percentage of new products sold under our brands that have initiated a Clean Label approach
Percentage of branded products sold in supermarkets with nutritional labeling per portion
Percentage of deployment of the Sustainable Dairy Production Diagnostic (% volume of milk collected)
Percentage of the Group's external expenses managed by the Purchasing organization and carried out with major suppliers through the Purchasing Charter
Reduction of GHG Scopes 1 & 2 in tonnes equiv. CO2 / ton manufactured
Reduction of the carbon footprint of milk collection (volume of milk collected, in cumulative tonnes of CO2 equiv. versus 2010 in France)
Reduction of water withdrawals in m3/tonne manufactured
Percentage of non-hazardous waste collected for recycling
Rate of recyclable or biodegradable packaging
Percentage of employees benefiting from collective staff representation bodies
Percentage of employees concerned, trained on the concept of ethics and fraud
Number of non-cooperative countries and territories in which the Group is established

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 compensation		
	I.B)	**ORGANIZATION OF WORK**		
-	I.b) 1	Organization of working time		
G4-LA6	I.b) 2	Absenteeism		
	I.C)	**LABOR RELATIONS**		
LA4	I.c) 1	Organization of labor relations, procedures for informing, consulting, and negotiating with employees	SOCIAL / Collective bargaining agreements and diversity actions	38
-	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	38
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 occupational accidents		
LA6	I.d) 4	Occupational illness		
	I.E)	**TRAINING**		
LA10 LA11	I.e) 1	Training policies implemented	SOCIAL	39
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 bargaining agreements and diversity actions/Disability	40
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	43
	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	32
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 implemented 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 implemented to prevent, recycle, and eliminate waste	ENVIRONMENT/Circular economy and food waste	26-35
	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	32 - 34
EN1 EN2	II.c) 2.2	Raw material consumption and measures implemented to improve efficiency in their use		
EN3 EN4 EN6 EN7 (*)	II.c) 2.3	Energy consumption, measures implemented to improve energy efficiency and the use of renewable energy		
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	32
-	II.d) 2	Measures implemented to adapt to the consequences of climate change		
	II.E)	**PROTECTING BIODIVERSITY**		
EN11 EN12 EN13 EN14 EN26	II.e) 1	Measures implemented to protect or develop biodiversity		30
III.INFORMATION RELATING TO SOCIAL COMMITMENTS AND SUSTAINABLE DEVELOPMENT				
	III.A)	**TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY'S ACTIVITY**		

GRI G4	Grenelle II – Decree of April 2012 Data available on savencia-fromagedairy.com		Non-Financial Performance statement	Pages
EC6 EC7 EC8 EC9 SO1	III.a) 1	In terms of employment and regional development	SOCIETAL	27
EC6 EC7 EC8 EC9 HR8 SO1 SO2	III.a) 2	On local or neighboring populations		
	III.B)	**RELATIONSHIPS WITH STAKEHOLDERS**		
G4 26 G4-37	III.b) 1	Conditions for dialogue with these individuals or organizations	SOCIETAL	41
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	31
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 implemented to prevent corruption	SOCIETAL/Combating corruption	44
EN27 PR1 PR2 PR3 PR4 PR6 PR7 PR8 PR9	III.d) 2	Measures implemented to promote consumer health and safety	SOCIETAL / Healthy and sustainable food / Food waste	23 - 26
			SOCIETAL / Combating tax evasion	45
HR1 HR2 HR7 HR8 HR9 HR10 HR11 HR 12	**III.e)**	**Other initiatives promoting human rights**		43

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

3

CONSOLIDATED FINANCIAL STATEMENTS

AT DECEMBER 31, 2023

1. Consolidated financial statements at December 31, 2023

1.1. Consolidated income statement

In thousands of euro	Notes	12 months 2023	12 months 2022
NET SALES	3	**6,790,713**	**6,551,216**
Purchases adjusted for changes in inventories	4.1	-4,582,655	-4,364,581
Personnel costs	7.1	-1,182,623	-1,156,275
Depreciation and amortization	4.2	-203,630	-199,509
Other current operating income and expenses	4.3	-608,885	-596,549
CURRENT OPERATING PROFIT	3	**212,920**	**234,302**
Other operating income and expense	5	-43,612	-71,426
OPERATING PROFIT		**169,308**	**162,876**
Financial expenses	11.1	-60,040	-38,208
Financial income	11.1	42,011	13,766
Result on net monetary position	13	3,092	2,725
Group share of associates' net income	6	1,761	1,537
EARNINGS BEFORE TAX		**156,132**	**142,696**
Income tax expense	8.1	-50,250	-57,267
Net income from continuing operations		**105,882**	**85,429**
NET INCOME FOR THE YEAR		**105,882**	**85,429**
Net income attributable to equity holders of the parent company		96,479	68,046
Non-controlling interests	14.4	9,403	17,383
EARNINGS PER SHARE (in euro)			
Group share			
• basic	14.3	7.17	5.01
• diluted	14.3	7.17	5.01
From continuing operations:			
• basic		7.17	5.01
• diluted		7.17	5.01

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

		12 months	
In thousands of euro	**Notes**	**2023**	**2022**
NET INCOME FOR THE YEAR		**105,882**	**85,429**
Other comprehensive income:			
Foreign exchange differences(1)		-114,946	18,120
Change in fair value of cash-flow hedges(2)		-5,405	9,894
Currency basis spread(3)		342	550
Hyperinflation(4)		38,863	25,517
Share of associates and joint-ventures in recyclable components		78	38
Total recyclable components of other comprehensive income		**-81,068**	**54,119**
Actuarial gains and losses relating to employment benefit plans		-4,470	23,337
Share of associates and joint-ventures in non-recyclable components		-	-
Total non-recyclable components of other comprehensive income		**-4,470**	**23,337**
Total other comprehensive income net of tax	14.2	**-85,538**	**77,456**
TOTAL COMPREHENSIVE INCOME NET OF TAX		**20,344**	**162,885**
Group share		11,305	143,685
Non-controlling interests	14.4	9,039	19,200

(1) Mainly relating to the following currencies: sharp devaluation of the Argentine peso (-€81,5million), accentuated in the fourth quarter, as well as the evolution of Russian, Chinese, North American and Brazilian currencies.
(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, 2023	At December 31, 2022
Intangible assets	9.1	514,148	511,779
Property, plant and equipment	9.2	1,284,993	1,299,629
Rights of use assets for leases	9.3	65,511	60,702
Other non- current financial assets	11.2	29,012	28,077
Investments in associates	6	28,809	23,838
Non-current derivative financial instruments	11.6.1	17,175	31,225
Deferred tax assets	8.2	35,813	29,458
Other non-current assets	5	6,662	-
TOTAL NON-CURRENT ASSETS		**1,982,123**	**1,984,708**
Inventories and work in progress	4.4	849,590	865,591
Trade and other receivables	4.5	1,131,845	1,112,826
Tax receivables		37,060	33,494
Current derivative financial instruments	11.6.1	7,301	9,043
Other current financial assets	11.3	45,153	24,019
Cash and cash equivalents	11.4	590,984	548,616
Assets held for sale or relating to discontinued operations	9.1	3,075	3,952
TOTAL CURRENT ASSETS		**2,665,008**	**2,597,541**
ASSETS		**4,647,131**	**4,582,249**

EQUITY AND LIABILITIES

In thousands of euro	Notes	At December 31, 2023	At December 31, 2022
Paid-in capital	14.1.1	**50,516**	**55,780**
Other reserves	14.1.2	-210,010	-85,977
Retained earnings		1,740,188	1,623,759
GROUP SHARE OF EQUITY		1,580,694	1,593,562
Non-controlling interests	14.4	237,206	233,660
TOTAL EQUITY		**1,817,900**	**1,827,222**
Provisions for pensions	7.2	79,156	69,984
Other provisions	10	21,648	22,612
Non-current financial borrowings	11.5	391,564	294,922
Non-current lease liabilities	9.3	47,156	40,716
Other non-current liabilities	12	23,763	17,402
Non-current derivative financial instruments	11.6.2	4,848	6,768
Deferred tax liabilities	8.2	82,109	72,871
TOTAL NON-CURRENT LIABILITIES		**650,244**	**525,275**
Trade and other payables	4.6	1,405,376	1,461,032
Tax payable		23,240	21,146
Current derivative financial instruments	11.6.2	3,686	4,926
Current bank borrowings	11.5	722,497	721,836
Current lease liabilities	9.3	24,188	20,812
TOTAL CURRENT LIABILITIES		**2,178,987**	**2,229,752**
LIABILITIES		**2,829,231**	**2,755,027**
EQUITY AND LIABILITIES		**4,647,131**	**4,582,249**

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

1.3. Consolidated cash flow statement

In thousands of euro	Notes	12 months 2023	12 months 2022
Net income from continuing operations		**105,882**	**85,429**
Income tax expense	8.1	50,250	57,267
Amortization and provisions	4.2	203,630	199,509
Gains and losses on disposal of assets		-1,448	-7,758
Group share of results of associates	6	-1,761	-1,537
Net financial expense		21,392	7,539
Other non-cash expenses and income (1)		26,861	63,482
Gross operating margin		**404,806**	**403,931**
Interest paid (2)		-56,182	-23,181
Interest received		35,590	13,532
Income tax paid		-51,093	-51,958
Change in working capital	4.7	-72,510	-87,274
NET CASH FLOW FROM OPERATING ACTIVITIES		**260,611**	**255,050**
Acquisition of subsidiaries, operating units (3)	2	-30,699	-3,541
Disposal of activities net of transferred cash		-	-
Acquisitions of investments in associates and joint ventures (4)		-3,520	-
Purchase of tangible and intangible assets	3	-178,911	-188,397
Disposal of tangible and intangible assets		3,145	6,263
Acquisition of long-term financial assets		-3,964	-1,587
Disposal of long-term financial assets		2,142	1,667
Changes in other current financial assets		-25,021	-15,226
Dividends received (including dividends received from associates)	6	541	1
NET CASH USED IN INVESTING ACTIVITIES		**-236,287**	**-200,820**
Purchase and sale of own shares		-5,264	-13,271
Capital increase received from minority shareholders		-	3,871
Changes in interests in controlled entities (5)		-9,621	-
New borrowings	11.5	122,707	26,235
Repayments of borrowings	11.5	-26,860	-16,506
Repayment of lease obligations	9.3	-28,350	-28,592
Dividends paid		-24,428	-26,880
NET CASH FLOW FROM FINANCING ACTIVITIES		**28,184**	**-55,143**
Impact of foreign exchange differences		-16,336	8,502
Net change in cash and cash equivalents		**36,172**	**7,589**
OPENING CASH BALANCE	**11.4**	**496,902**	**489,313**
CLOSING CASH BALANCE	**11.4**	**533,074**	**496,902**

(1) Including the impact of non-current provisions for contingencies and charges (€20.7 million in 2023 (see note 9.1), compared with €61.5 million in 2022, of which €47.6 million on the Russia CGU) and the impact of the restatement for Argentina's hyperinflation (€4.5 million in 2023 against €5.7 million in 2022).

(2) Including interest paid on lease obligations (see note 9.3).

(3) In 2023, the acquisition of 100% of SAW S.A..
In 2022, the acquisition of 51.04% of Poitou Chèvre SAS.

(4) In 2023, the acquisition of a 50% stake of Wiskerchen Cheese LLC. company.

(5) In 2023, purchase of 15% of Bake Plus following the partial exercise of the put & call option and exercise of the put & call option of 30% of Palace Industries.

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 01/01/2022	**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**
Dividends distributed			-17,510	-17,510	-6,918	-24,428
Total comprehensive income at 12/31/2023		**-124,033**	**135,338**	**11,305**	**9,039**	**20,344**
Purchase / sale of treasury shares	-5,264		-	-5,264	-	-5,264
Change in share capital	-	-	-	-	-	-
Changes in consolidation scope :						
• Put options granted to non-controlling interests			-1,399	-1,399	1,425	26
• Increase further to business combinations			-	-	-	-
• Change in percentages of interest			-	-	-	-
EQUITY AT 12/31/2023	**50,516**	**-210,010**	**1,740,188**	**1,580,694**	**237,206**	**1,817,900**

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

1.5. Notes to the consolidated financial statements

SAVENCIA SA is a French joint stock company in the form of a *Société Anonyme à Conseil d'Administration*. Its registered office is located at 42, rue RIEUSSEC- 78220 VIROFLAY Cedex -France. Its shares are listed on the Euronext Paris stock exchange.

The trade name of SAVENCIA SA and its subsidiaries is SAVENCIA Fromage & Dairy (hereafter "The Group"). The Group is controlled by SAVENCIA Holding SCA, a company registered in France.

Its activity, the production, distribution and marketing of dairy and cheese products, operates within two segments: "Cheese Products" and "Other Dairy Products" (see note 3).

The consolidated financial statements were approved by the Board of Directors on March 7th, 2024. Unless otherwise stated they are expressed in thousands of euro. They will become definitive after their approval by the Annual General Meeting scheduled for April 25th, 2024.

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, 2023 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, 2023 in particular IFRS 17, Insurance Contracts and its various amendments (though application of this standard has no impact on the Group's operations), the amendments to IAS 1 and Practice Statement 2 on Disclosures about Accounting Policies, the amendments to IAS 8 on the Definition of Accounting Estimates, the amendment to IAS 12 on Deferred Taxes on Assets and Liabilities Arising from Single Transaction, and the amendments to IAS 12 on International Tax Reform - Pillar 2 Model Rules.

These amendments had no impact on the statements for the period ended December 31, 2023.

It should be noted that the international Tax reform concerning the worldwide minimum tax (Pillar 2) will be applicable as of the 2024 closing, with the initial declaration due on June 30, 2026. The Group intends to adopt the safeguards written into law. Early analyses by the Group suggest that the potential impact will be limited. The amendment to IAS 12 provides for a mandatory and temporary exemption from recognizing the deferred tax associated with this additional tax in the financial statements or in the specific disclosures to be included in the notes to the financial statements. These amendments do not specify how long this exemption will last.

The Group did not apply the other standards and interpretations that were not mandatory in 2023 but were open to early adoption.

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 2023. Specifically, no significant provisions for environmental risks and expenses are included in the consolidated balance sheet at December 31, 2023. 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. The site has now been completely restored, and the production lines have been gradually put back into operation since 2022. In April 2023, the company received notification of the Walloon government's decree granting aid for repairs.Given the provisions of this decree, the aid from the Walloon region meets the criteria of an investment grant.Recognition of the grant as a receivable arises when the investment obligations are fulfilled, i.e. as and when the investments are booked.

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 landscape 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.

Change in the scope of consolidation

The main changes are described below:

During the first-half of 2023:

Concerning the Cheese Products segment

- On June 30,2023, the Group acquired a 50% stake in Wiskerchen Cheese Inc in the USA. The way the entity is managed can be described as a joint venture. It is therefore equity-accounted in the consolidated financial statements.

- On August 17,2023, the Group exercised its option to purchase a 30% stake in Palace Industries in the USA . The Group thus owns 100% of this entity.

Concerning the Other Dairy Products segment

- On April 28th, 2023, the Group partially exercised its call option to acquire 15% stake in the capital of Bake Plus in Korea, in accordance with the terms of the contract. The Group now owns 95% of this entity.

- On 3 April 2023, the Group acquired, 100% of Sucesores de Alfredo Williner S.A. (SAW S.A.), a major player in dairy products in Argentina. SAVENCIA thus enriches its brand portfolio with Ilolay, which offers a wide range of dairy products through a distribution network located throughout Argentina. SAW S.A. is one of the leaders in the market and one of the main milk collectors in Argentina. This acquisition strengthens SAVENCIA Fromage & Dairy's presence in Argentina and is in line with the Group's growth strategy. This operation is subject to approval of the Argentinian antitrust agency. Based on the analyses carried out by the Group's lawyers, approval of this takeover is considered highly probable.

In accordance with revised IFRS 3, a preliminary assessment of the fair value of the assets acquired and liabilities assumed at the acquisition date was measured. In particular, the tangible and intangible assets, the inventories have been valued and the resulting deferred taxes recorded in the balance sheet. leading to the recognition of a badwill of €0,6 million.

At the acquisition date, total assets amounted to €124 million.

The impact of SAW on the Group's 2023 sales since the date of acquisition is €141 million. An integration at January 1st, 2023, had have an estimated impact on consolidated sales of €216 million. These figures are expressed after restatement for hyperinflation.

During the financial year 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.

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	2023	2022	2023	2022	2023	2022	2023	2022
Net sales by segment	4,078,823	3,820,534	2,922,687	2,928,480	121,306	109,632	7,122,816	6,858,646
Inter-segment revenue	-173,206	-158,179	-64,688	-62,413	-94,209	-86,838	-332,103	-307,430
Third party net sales	3,905,617	3,662,355	2,857,999	2,866,067	27,097	22,794	6,790,713	6,551,216
Depreciation, amortization and provisions	-128,494	-129,477	-63,272	-61,693	-11,864	-8,339	-203,630	-199,509
Current operating profit	127,474	81,576	120,569	180,075	-35,123	-27,349	212,920	234,302
Current operating profit margin(1)	3.1 %	2.1 %	4.1 %	6.1 %		-	3.1 %	3.6 %
Reorganization costs (2)	-1,976	-1,651	-5,646	-1,308	-	-	-7,622	-2,959
Impairment of assets(2)	-19,185	-59,253	-1,067	-2,967	-	-311	-20,252	-62,531
Segment profit/(loss)	**106,313**	**20,672**	**113,856**	**175,800**	**-35,123**	**-27,660**	**185,046**	**168,812**

(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:

	Cheese Products		Other Dairy Products		Other		Total	
In thousands of euro	At December 31, 2023	At December 31, 2022	At December 31, 2023	At December 31, 2022	At December 31, 2023	At December 31, 2022	At December 31, 2023	At December 31, 2022
Net intangible and tangible assets	1,183,649	1,200,454	521,062	507,175	159,941	164,481	1,864,652	1,872,110
Financial assets	5,980	5,721	2,720	3,009	20,312	19,347	29,012	28,077
Investments in associates	27,988	22,926	821	912	-	-	28,809	23,838
Other Non- current assets	6,662	-	-	-	-	-	6,662	-
TOTAL NON-CURRENT ASSETS(*)	**1,224,279**	**1,229,101**	**524,603**	**511,096**	**180,253**	**183,828**	**1,929,135**	**1,924,025**

(*) 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	2023	2022	2023	2022	2023	2022	2023	2022
Investment in tangible and intangible non-current assets (*)	125,302	104,621	46,708	71,434	6,901	12,342	178,911	188,397

( ) In 2023, total investments are net of €23.2 million investment grants (€21.6 million in 2022).*

Reconciliation of segment profit to net income for the period :

	12 months	
In thousands of euro	2023	2022
Segment profit(loss)	**185,046**	**168,812**
Other operating income and expenses(*)	-15,738	-5,936
Operating income	**169,308**	**162,876**
Financial expenses	-60,040	-38,208
Financial income	42,011	13,766
Result on net monetary position	3,092	2,725
Group share of associates' net income	1,761	1,537
Earnings before tax	**156,132**	**142,696**
Income tax expense	-50,250	-57,267
Net income for the year	**105,882**	**85,429**

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

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

	2023			2022		
	12 months		At December 31, 2023	12 months		At December 31, 2022
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	2,148,601	125,413	1,067,305	2,003,814	118,531	1,041,206
Rest of Europe (*)	2,510,601	26,085	463,893	2,477,300	33,647	471,655
Rest of the world	2,131,511	27,413	397,937	2,070,102	36,219	411,164
TOTAL	**6,790,713**	**178,911**	**1,929,135**	**6,551,216**	**188,397**	**1,924,025**

(*) Germany is the only country accounting for more than 10% of Group revenue with the exception of France, €779 million in 2023 against €753 million in 2022.
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, cross-collections 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. As a result, cross-collections are carried out 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 and does not generate a significant margin on these surplus sales. This do not constitute a stand-alone business and are implement due to a regulatory constraint.

	12 months	
In thousands of euro	2023	2022
Raw materials and goods consumed	-4,362,842	-4,266,032
Other consumption	-427,680	-347,008
Sales of surpluses and by-products and cross- milk collection	207,867	248,459
TOTAL	**-4,582,655**	**-4,364,581**

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

4.2. Depreciation, amortization and provisions

	12 months	
In thousands of euro	**2023**	**2022**
Depreciation and amortization(*)	-202,127	-197,486
Movements on operating provisions	-1,503	-2,023
TOTAL	**-203,630**	**-199,509**

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

4.3. Other current operating income and expenses

	12 months	
In thousands of euro	**2023**	**2022**
Purchased services	-565,015	-553,385
Taxes (excluding taxes on income)	-53,183	-48,693
Other net operating income (*)	9,313	5,529
TOTAL	**-608,885**	**-596,549**

(*) Other operating income notably includes €3.8 million of research tax credits (€3.6 million in 2022).

Purchased external services included €4 million of statutory Auditors' fees in 2023 (€4 million in 2022) of which €2.3 million paid to KPMG SA, €1.7 million to Deloitte. Other services rendered totaled €0.4 million (0.4 million in 2022) 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, 2023**	**At December 31, 2022**
Raw materials, work in progress and miscellaneous items (*)	363,578	377,585
Goods purchased for resale	58,460	60,184
Finished products	497,732	491,931
Impairment losses	-70,180	-64,109
TOTAL	**849,590**	**865,591**

(*) Changes in inventories are impacted by changes in raw materials and industrial product quotations.

Inventories decreased by €16 million compared to 2022 (including an organic change of +€6.6 million, a scope effect of +€25.2 million linked to the acquisition of SAW S.A. and a currency effect of -€54.8 million).

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

In 2023, an impairment of €6.9 million was recognized for inventories, compared with an impairment of €16.8 million in 2022 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, 2023**	**At December 31, 2022**
Trade receivables	957,048	926,262
Payroll and tax receivables (excluding taxes on income)	113,026	120,299
Miscellaneous receivables	54,763	65,843
Prepayments and other miscellaneous items	27,532	22,564
Impairment losses	-20,524	-22,142
TOTAL	**1,131,845**	**1,112,826**

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 €0.4 million at December 31, 2023, against €0.5 million at December 31, 2022.

In 2023, an impairment reversal on trade receivables of €0.8 million was recognized compared with an impairment of €0.5 million in 2022.

Prepayments mainly comprise insurance. In 2023, the item "Miscellaneous debtors" includes €6.7 million in subsidies receivable from the Walloon government in respect of the second installment of reconstruction aid following the flood at Corman SA in July 2021.

PROVISIONS FOR IMPAIRMENT OF TRADE RECEIVABLES BY MATURITY

In million of euro	Unsecured receivables		Impairment		Average rate of provisions	
	At December 31, 2023	At December 31, 2022	At December 31, 2023	At December 31, 2022	At December 31, 2023	At December 31, 2022
Not yet due	199	196	-2	-4	1.2%	1.8%
Overdue by 1 to 3 months	26	31	-1	-1	2.7%	3.3%
Overdue by 3 to 6 months	2	3	-1	-1	75.0%	40.7%
Overdue by more than 6 months	8	8	-7	-7	94.9%	93.4%
TOTAL	**234**	**237**	**-11**	**-13**		

4.6. Trade and other payables

In thousands of euros	At December 31, 2023	At December 31, 2022
Operating payables	855,034	866,639
Fixed assets payables	10,096	7,761
Payroll and tax liabilities (excluding taxes on income)	341,170	349,340
Deferred revenue	3,721	3,194
Other payables (*)	195,355	234,098
TOTAL	**1,405,376**	**1,461,032**

(*) *In 2023, "Other payables" include the benefits granted to customer. They also include the 5% call and put option on Bake Plus shares exercisable from March 2023 for €3.9 million.*
In 2022, "Other payables" included the benefits granted to customers. They also included the 20% call and put option on Bake Plus shares for €14 million as well as the call and put option on 30% of Palace Industries shares, the value of which was nil at the end of the 2022 financial year.

4.7. Change in working capital

In thousands of euro	At December 31, 2023	At December 31, 2022
Trade receivables	-52,037	-64,718
Inventories	-6,553	-193,029
Trade payables	7,782	117,119
Miscellaneous receivables and payables	-21,702	53,354
TOTAL	**-72,510**	**-87,274**

In 2023, the change in working capital requirements, and in particular inventories, remains impacted by inflation in material prices and cost prices in general, but this effect is partially offset by the impact of the lower industrial product quotes, to which added a destocking effect, as the level of inventories of finished products being particularly high at the end of 2022 in certain businesses.

In 2022, the change in working capital requirements and in particular inventories was 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.

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.

plan

In thousands of euro		12 months	
		2023	**2022**
Reorganization(1)		-7,622	-2,959
Impairment of assets	(note 9)	-20,252	-62,531
Litigation and compensation (2)		-6,352	-6,932
Claims(3)		-165	-12,017
Gains and losses on disposal of fixed assets(4)		-4,584	8,420
Other items (5)		-4,637	4,593
TOTAL		**-43,612**	**-71,426**

(1) In 2023, mainly reorganization plans and business interruptions.
In 2022, mainly the continuation of reorganization plans in France and Europe.
(2) In 2023, mainly legal costs relating to a dispute in the United States for €4.7 million.
(3) In 2022, mainly concernded the continuation of the impact of the flood damage at the Goé site at Corman SA in July 2021 for -€9.9 million. (see note 2).
(4) In 2023, mainly the tangible assets scrapping at BSI for €5.9 million and capital gains on disposals for €1.3 million.
In 2022, mainly included 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 generating a capital gain of €2.7 million. Also included capital gains on disposal of property, plant and equipment for a total of €4 million.
(5) In 2023,concerns in particular the Corman Miloko Ireland ltd's pension fund liquidation for €2.7 million.
In 2022, following the judgment of the Brazilian Supreme Court of May 3th, 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. In 2023, the amount of the tax receivable is revalued and classified in the balance sheet under other non-current assets for the portion due in more than one year, i.e. € 6.7 million, and under other current assets for the portion due in less than one year, representing € 2.4 million.

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.

	12 months	
In thousands of euro	**2023**	**2022**
Group share in pre-tax results	2,062	1,742
Group share of income tax	-301	-205
NET GROUP SHARE	**1,761**	**1,537**

At 31 December 2023, the change in Investments in joint ventures and associates is accounted for as follows:

In thousands of euro	**At December 31, 2023**	**At December 31, 2022**
At January 1st, 2023	**23,838**	**27,694**
Change in consolidation scope(*)	3,502	-5,505
Result for the period	1,761	1,537
Dividends distributed	-541	-
Other items	228	74
Impact of foreign exchange differences	21	38
CLOSING BALANCE	**28,809**	**23,838**

(*) In 2023, acquisition of a 50% stake in Wiskerchen Cheese LLC in the United States on June 30th, 2023.
In 2022, exit of Poitou Chèvre SAS on March 15th.

NOTE 7. PERSONNEL COSTS AND EMPLOYEE BENEFITS

7.1. Personnel costs

	12 months	
In thousands of euro	**2023**	**2022**
Direct remuneration of employees	-763,772	-735,852
Social contributions	-298,869	-299,018
Indirect remuneration of employees	-27,618	-29,561
Temporary personnel	-93,266	-92,653
Grants received	902	809
TOTAL	**-1,182,623**	**-1,156,275**

The Group had an average headcount of 22,329 employees (including temporary employees) in 2023 (compared with 21,797 in 2022). This headcount breaks down as follows: 10,094 in France, 5,818 in Europe (excluding France) and 6,417 in other countries. Of the employees working in France, 18.8% were employed as managers, 31.9% as technicians or supervisors and 49.3% 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.

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	
	2023	2022	2023	2022	2023	2022	2023	2022
Discount rate [(1)]	3.10%	3.70%	3.10%	3.70%	5.80%	4.80%	3,80 % à 4,26 %	3,20 % à 3,80 %
Inflation rate	2.00%	2.00%	2.50%	2.50%	3.30%	3.30%	2.20%	2.20%
Rate of salary increases	2.50%	2.50%	3.00%	3.00%	n/a	n/a	2.20%	2.20%

(1) 3% for pension plans and labor medals in 2023 (3.50% en 2022).

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 million for France and €3.2 million for Germany.

An increase in the inflation rate of more than 0.50% would increase the obligations by €2 million for France and €0.7 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.

	2023	2022
CHANGES IN BENEFIT OBLIGATIONS		
Opening benefit obligations	**133,291**	**184,635**
Interest expense	4,670	1,624
Current service cost	5,448	8,117
Past service cost (*)	1,216	1,633
Actuarial differences relating to demographic assumptions	-959	165
Actuarial differences relating to financial assumptions	5,130	-53,735
Actuarial differences relating to experience adjustments	676	1,492
Benefits paid	-10,220	-10,131
Internal transfers	-21	-164
Tax and administration charges	-179	-166
Foreign exchange differences	149	-501
Movements of business combinations	-	77
Other transactions	231	245
Closing benefit obligations	**139,432**	**133,291**
CHANGES IN PLAN ASSETS		
Opening plan assets	**63,307**	**85,713**
Yield on plan assets	2,533	890
Services served by the fund	-8,283	-5,845
Contributions paid to the fund by Group companies	4,583	2,850
Internal transfers	-	34
Tax and administration charges	-216	-355
Foreign exchange differences	131	-510
Actuarial gain/loss	-1,452	-19,810
Other transactions	-327	340
Closing plan assets	**60,276**	**63,307**
CHARGES FOR THE YEAR		
Current service cost	5,448	8,117
Past service cost (*)	1,216	1,633
Total service cost	6,664	9,750
Interest expense	4,670	1,624
Yield on plan assets	-2,533	-890
Net interest expense	2,137	734
Other transactions	263	-1,145
Charges for the year	**9,064**	**9,339**
ACTUARIAL GAINS AND LOSSES IMPACTING COMPREHENSIVE INCOME		
Gains and losses relating to demographic assumptions	-959	165
Gains and losses relating to financial assumptions	5,130	-53,735
Gains and losses relating to experience adjustments	676	1,492
Gains and losses relating to assets (other than financial income)	1,452	19,810
TOTAL	**6,299**	**-32,268**
CHANGES IN PROVISIONS		
Opening provisions	**69,984**	**98,922**
Charges for the year	9,064	9,339
Actuarial gains and losses impacting other comprehensive income	6,299	-32,268
Benefits paid directly by employer	-1,937	-2,951
Foreign exchange differences	18	9
Contributions paid to the fund by Group companies	-4,583	-2,850
Transfers and other adjustments	311	-294
Movements of business combinations	-	77
Closing provisions	**79,156**	**69,984**
RECONCILIATION OF NET BENEFIT OBLIGATIONS AND PROVISIONS		
Net obligations	**139,432**	**133,291**
Plan assets	-60,276	-63,307
Closing provisions	**79,156**	**69,984**

(*) In 2023, the impact of pension reform in France (Law 2023-270 of 14 April 2023) reduces the commitment and past service cost by of €1.5 million.

The closing benefit obligations value of €139.4 million at December 31, 2023, breaks down as follows :

- €28.6 million for wholly non-funded plans ;
- €110.8 million for partially funded plans.

The contributions for 2023 in respect of French companies totaled €1.8 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, 2023 breaks down as follows :

	France		Germany		UK		Belgium	
	2023	2022	2023	2022	2023	2022	2023	2022
Equity instruments	46.7 %	43.3 %	23.9 %	24.6 %	-	-	-	-
Borrowing instruments	44.6 %	45.5 %	17.1 %	16.8 %	88.7 %	85.8 %	-	-
Real estate	7.6 %	9.5 %	22.6 %	22.6 %	-	-	-	-
Insurance contracts	-	-	-	-	-	-	100.0 %	100.0 %
Other	1.1 %	1.7 %	36.4 %	36.0 %	11.3 %	14.2 %	-	-

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	**2023**	**2022**
Current tax	-51,513	-50,338
Deferred taxes	1,263	-6,929
TOTAL	**-50,250**	**-57,267**

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	**2023**	**2022**
Earnings before tax	156,132	142,696
Tax rate in France (%)	**25.83 %**	**25.83 %**
Theoretical tax based on the current tax rate in France	**40,321**	**36,851**
Difference between foreign and French tax rates(1)	900	2,101
Restatement of tax for associates	-373	-326
Non-taxable profits and non-deductible expenses(2)	4,497	4,055
Current and deferred tax related to the classification of France's CVAE as income tax	3,135	5,803
Tax credits	-2,276	-2,372
Capitalization of previously unrecognized tax losses(3)	2,068	5,760
Changes in tax rate affecting deferred taxes	-23	73
Hyperinflation(4)	66	1,668
Other items(5)	1,935	3,654
Income tax expense	**50,250**	**57,267**
Weighted average tax rate	32.18 %	40.13 %

(1) Countries with tax rates different from France.
(2) Including, in 2023, the impact of results taxed at different rates for €3.7 million (mainly in the USA).
Including, in 2022, the €7.6 million impact of impaired goodwill.
(3)Tax losses capitalized according to the likelihood of recovery of these losses : In 2023,the outlook for income and tax expenses for the next three years of certain companies led to the non-recognition of €2.1million deferred taxes assets, against a non-recognition deferred tax assets of €5.8 million in 2022.
(4) Accounting treatment of hyperinflation in Argentina.
(5) Mainly tax adjustments from previous years.

Excluding the effect of hyperinflation and impairment in compliance with IAS 36, the effective tax rate would be 28.9% in 2023 compared to 30.4% in 2022.

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 €40.9 million at 31 décembre 2023 and €38.6 million at 31 décembre 2022. They mainly concern losses carried forward,including €10.6 million in China, €8.1 million in Poland, €5.2 million in Germany, €4.6 million in France, €3.9 million in Spain, and various other countries for €8.5 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 €1.3 million .

Deferred taxes of +€3.7 million are recognized in other comprehensive income in respect of the 2023 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, 2023	Expense/ income	Change in fair value	Actuarial gains/ losses	Change in consolidation scope	Other	Foreign exchange differences	At December 31, 2023
Intangible assets and property,plant and equipment	-126,630	-5,086	-	-	-17,675	-7,646	20,315	-136,722
Lease under IFRS 16	425	928	-	-	-	90	-96	1,347
Provisions	38,463	-7,576	-	-	-	79	-1,101	29,865
Provisions for employee benefits	16,377	767	-	1,865	-	-	-117	18,892
Financial instruments	-7,722	826	1,859	-	-	2	11	-5,024
Tax losses	71,361	18,945	-	-	2,231	-741	-1,276	90,520
Other deferred tax	2,924	-6,133	-	-	-1,764	-154	835	-4,292
Total deferred tax	**-4,802**	**2,671**	**1,859**	**1,865**	**-17,208**	**-8,370**	**18,571**	**-5,414**
Impairment of deferred tax assets	-38,611	-1,408	-	-	-741	-	-122	-40,882
Net deferred tax	**-43,413**	**1,263**	**1,859**	**1,865**	**-17,949**	**-8,370**	**18,449**	**-46,296**
Of which :								
Deferred tax Assets	29,458							35,813
Deferred tax Liabilities	72,871							82,109

.

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 implementation	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)
	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.
Data conversion	Purchase of data conversion software	as intangible assets depreciable over the expected useful life (assessed in particular according to the nature of the projects).
	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, 2021					
Gross value		410,255	327,570	33,386	771,211
Cumulative amortization and 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		-	1,569	1,731	3,300
Disposals		-	-150	-71	-221
Impairment losses		-37,874	-3,408	60	-41,222
Change in consolidation scope (3)	(note 2)	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**
2023					
OPENING NET CARRYING AMOUNT		**303,470**	**194,383**	**13,926**	**511,779**
Foreign exchange differences		-2,628	-14,273	-106	-17,007
Acquisitions		-	2,222	2,954	5,176
Disposals		-	-67	-	-67
Impairment losses (6)		-4,010	-273	-	-4,283
Change in consolidation scope (3)	(note 2)	-	18,819	-	18,819
Reclassifications (4)		-	2,396	-2,288	108
Impact of hyperinflation (5)		-	5,777	-	5,777
Depreciation and amortization		-	-5,929	-225	-6,154
Impact of operations in process of sale		-	-	-	-
NET CARRYING AMOUNT		**296,832**	**203,055**	**14,261**	**514,148**
At December 31, 2023					
Gross value		402,424	339,914	34,233	776,571
impairment		-105,592	-136,859	-19,972	-262,423
NET CARRYING AMOUNT		**296,832**	**203,055**	**14,261**	**514,148**

(1) Net goodwill for the "Cheese Products" segment totaled €128.6 million against € 133.3 million at December 31, 2022. Net goodwill for the "Other Dairy Products" segment totaled €168.2 million against €170.1 million at December 31, 2022.

(2) The net carrying amount for the "Cheese Products" segment brands was €140.8 million against €141.2 million at December 31, 2022 and the net carrying amount for the "Other Dairy Products" segment brands was €44.2 million against €33.7 million at 31 December, 2022.

(3) In 2023, entry of SAW S.A. on the acquisition date.
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) 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 481.8 million at December 31, 2023 compared with 478.4 million at December 31, 2022. 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 2023 and 2022 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 an uncertain geopolitical context and faced with the current inflationary trend, 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 Cheese Products and Other Dairy Products activities are carried out. 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, 2023	At December 31, 2022	At December 31, 2023	At December 31, 2022	At December 31, 2023	At December 31, 2022	At December 31, 2023	At December 31, 2022
DAIRY PRODUCTS								
WESTERN EUROPE	136.56	136.57	456.03	441.48	8.0 %	7.0 %	1.0 %	1.0 %
CF&R	71.38	71.38	110.70	111.75	8.0 %	7.0 %	1.0 %	1.0 %
SOUTHERN EUROPE	5.88	5.87	24.42	23.81	9.5 %	8.5 %	1.0 %	1.0 %
CENT. EUR. (EU)	13.46	13.52	59.63	59.50	9% à 11,5%	7,5% à 10,5%	1.0 %	1.0 %
ROMANIA	15.65	15.73	5.50	5.94	11.0 %	10.0 %	1.0 %	1.0 %
UKRAINE	-	-	0.59	-	26.0 %	19.0 %	1.0 %	1.0 %
RUSSIA	-	-	38.89	37.42	25.0 %	23.0 %	2.0 %	2.0 %
SERBIA	-	-	0.85	1.05	12.5 %	11.5 %	1.0 %	1.0 %
USA : Cheese	20.28	25.35	55.65	63.64	9.0 %	7.5 %	1.0 %	1.0 %
USA : Palace Industries	-	-	5.75	6.12	9.0 %	7.5 %	1.0 %	1.0 %
BRAZIL/URUGUAY	-	-	50.36	46.82	12.5 %	11.0 %	2.0 %	2.0 %
CHILE	0.42	0.45	2.42	2.60	10.0 %	9.0 %	2.0 %	2.0 %
BSI	-	-	56.36	71.52	9.0 %	8.0 %	2.0 %	2.0 %
INDIA	-	-	4.28	2.92	13.0 %	11.5 %	2.0 %	2.0 %
JAPAN	-	-	3.43	4.05	8.5 %	6.5 %	1.0 %	1.0 %
EGYPT	-	-	0.26	0.38	24.0 %	19.0 %	1.0 %	1.0 %
OTHER DAIRY PRODUCTS								
FRANCE MILK ZONES	123.78	123.78	239.17	228.01	8.0 %	7.0 %	1.0 %	1.0 %
SODILAC	11.35	11.35	0.34	0.41	8.0 %	7.0 %	1.0 %	1.0 %
POLAND : Paslek	-	-	18.55	19.87	9.5 %	8.5 %	1.0 %	1.0 %
AFP -USA	2.14	2.22	70.76	75.08	9.0 %	7.5 %	1.0 %	1.0 %
CORMAN	23.14	23.14	35.24	48.00	8.0 %	7.0 %	1.0 %	1.0 %
CHINA : Sinodis	25.71	27.43	1.59	1.32	9.0 %	8.0 %	2.0 %	2.0 %
ARGENTINA (**)	10.52	-	44.66	37.52	58.5 %	56.0 %	2.0 %	2.0 %
KOREA : Bake Plus	10.11	10.11	3.61	3.53	8.5 %	7.5 %	2.0 %	2.0 %
OTHER	11.45	11.51	28.27	40.22	8.0 %	7.0 %	1.0 %	1.0 %
TOTAL	**481.83**	**478.40**	**1,317.31**	**1,332.98**				

(*) Excluding IFRS 16 right-of-use assets.
(**) Rates expressed on the basis of local currency.

In 2023, 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 €16.9 million compared to €63 million in 2022 (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	2023	2022
RAMBOL (1)	-	-	-	-	0.9	-	-	0.9	0.9	-1.5
WESTERN EUROPE (2)	-	-	-	-	-	-	-	-	-	11.1
CENT. EUR. (EU).	-	-	-	-	-	0.2	-	0.2	0.2	0.5
SERBIE	-	-	-	-	-	0.2	-	0.2	0.2	-
UKRAINE	-	-	-	-	-	-	-	-	-	0.7
RUSSIA	-	-	-	-	-	-	-	-	-	47.8
USA : Cheese	4.0	0.3	4.3	-	-	3.2	-	3.2	7.5	-
BRAZIL/ URUGUAY	-	-	-	-	-	-0.2	-	-0.2	-0.2	1.1
CHINA	-	-	-	-	4.8	1.9	0.7	7.4	7.4	-
EGYPTE	-	-	-	-	-	0.1	-	0.1	0.1	-
FRANCE MILK ZONES	-	-	-	-	-0.2	0.3	-	0.1	0.1	-1.2
POLAND : Paslek	-	-	-	-	-	1.1	-	1.1	1.1	-
CORMAN	-	-	-	-	-	-0.5	-	-0.5	-0.5	4.2
Other	-	-	-	-	-	-	0.1	0.1	0.1	0.3
TOTAL	**4.0**	**0.3**	**4.3**	**-**	**5.5**	**6.3**	**0.8**	**12.6**	**16.9**	**63.0**

(1) Fair value adjustment to Fromageries Rambol SAS assets classified as held for sale.
(2) In 2022, included depreciation of a specific production line in Germany for €8 million.

At the end of December 2023, cumulative asset impairment totaled €161.4 million, mainly comprising €70.3 million for Russia, €25.1 million for France, €15 million for the various UGTs in Eastern Europe, €13.5 million for Brazil/Uruguay, €11.7 million for the United States, €7.4 million for China, €6 million for Southern Europe, €11.1 million for Western Europe, €1.2 million for Egypt and €0.1 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, 2023			At December 31, 2022		
	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	2.5	25.8	-0.5	-	7.2	-
SOUTH EUROPE	0.9	4.6	0.4	-	-	-
RUSSIA : B.M.K	-	-	-	1.1	2.4	0.7
OTHER DAIRY PRODUCTS						
POLAND : Paslek	2.6	-	2.2	2.6	-	-
TOTAL	**6.0**	**30.4**	**2.1**	**3.7**	**9.6**	**0.7**

(*) 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, 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		-	-3,770	-15,918	-8,502	-28,190
Reversal of impairment		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 (4)		-1,040	-2,802	-995	885	-3,952
NET CARRYING AMOUNT		**54,712**	**366,784**	**616,435**	**261,698**	**1,299,629**
At December 31, 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**
2023						
OPENING NET CARRYING AMOUNT		**54,712**	**366,784**	**616,435**	**261,698**	**1,299,629**
Foreign exchange differences		-5,977	-29,584	-23,389	-14,237	-73,187
Acquisitions (*)		282	11,152	17,207	147,627	176,268
Disposals		-24	-71	-7,234	-300	-7,629
Impairment losses (5)		-	-4,968	-7,783	-768	-13,519
Reversal of impairment (5)		3	348	1,445	-	1,796
Change in consolidation scope (1)	(note 2)	5,464	21,966	5,030	6,045	38,505
Reclassifications (2)		249	34,008	97,676	-130,915	1,018
Impact of hyperinflation (3)		2,330	10,790	10,614	743	24,477
Depreciation and amortization		-	-34,625	-102,995	-24,745	-162,365
Impact operations in process of sale (4)		-	-	-	-	-
NET CARRYING AMOUNT		**57,039**	**375,800**	**607,006**	**245,148**	**1,284,993**
At 31 décembre 2023						
Gross value		59,524	1,056,075	2,470,427	481,835	4,067,861
Cumulative amortization and impairment		-2,485	-680,275	-1,863,421	-236,687	-2,782,868
NET CARRYING AMOUNT		**57,039**	**375,800**	**607,006**	**245,148**	**1,284,993**

(1) In 2023, entry of SAW S.A. on the acquisition date.
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 2022, tangible fixed assets of Fromageries Rambol SAS.
(5) 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 €75.3 million in 2023, of which €45.1 million from the sale of Energy Saving Certificates (ESC), against €57.7 million in 2022 of which €43.8 million from the sale of ESC. These grants include €17.9 million in aid from the Walloon government.

Items of property, plant and equipment in progress in the "Other" item totaled €159.3 million in 2023, against €178.7 million in 2022, 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, 2023, 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	**2023**	**2022**
Depreciation and amortization	-29,018	-28,796
Other current operating income and expenses	33,253	30,615
CURRENT OPERATING PROFIT	**4,235**	**1,819**
Other operating income and expense (*)	-3,016	28
OPERATING PROFIT	**1,219**	**1,847**
Interest expenses on lease liabilities	-4,903	-2,023
Net foreign exchange impact	-2,495	-492
EARNINGS BEFORE TAX	**-6,179**	**-668**
Deferred taxes	928	203
RESULT FOR THE FINANCIAL YEAR	**-5,251**	**-465**

(*) Mainly impairment of Alternative Foods LLC's right of use.

Impacts on the balance sheet

ASSETS

In thousands of euro	**At December 31, 2023**	**At December 31, 2022**
Right-of-use assets for leases	65,511	60,702
Deferred tax assets	17,880	14,968
ASSETS	**83,391**	**75,670**

EQUITY AND LIABILITIES

In thousands of euros	**At December 31, 2023**	**At December 31, 2022**
Retained earnings	-7,047	-1,796
EQUITY	**-7,047**	**-1,796**
Non-current lease liabilities	47,156	40,716
Deferred tax liabilities	16,533	14,543
TOTAL NON-CURRENT LIABILITIES	**63,689**	**55,259**
Trade and other payables	2,561	1,395
Current lease liabilities	24,188	20,812
TOTAL CURRENT LIABILITIES	**26,749**	**22,207**
EQUITY AND LIABILITIES	**83,391**	**75,670**

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	1,194	64,854	30,825	34,525	131,398
Accumulated amortization and depreciation	-265	-31,857	-19,408	-19,166	-70,696
NET OPENING CARRYING AMOUNT	**929**	**32,997**	**11,417**	**15,359**	**60,702**
Change in scope of consolidation (**)	4	251	1,255	682	2,192
Foreign exchange differences	26	-861	-1,248	-515	-2,598
New assets recognized	-	5,272	9,652	13,083	28,007
Impairment	-	-	-2,970	-	-2,970
Depreciation and amortization	-67	-10,139	-9,284	-9,528	-29,018
Modifications of contracts	13	2,296	5,144	1,009	8,462
Reclassification	-	-	-	-	-
Hyperinflation	91	-46	465	223	733
NET CLOSING CARRYING AMOUNT	**996**	**29,771**	**14,431**	**20,313**	**65,511**
Gross value	1,319	65,972	41,058	40,107	148,456
Accumulated amortization and depreciation	-323	-36,201	-26,627	-19,794	-82,945

(*) Leases essentially for handling equipment and motor vehicles.
(**) Entry of SAW S.A. on the acquisition date.

LEASE OBLIGATIONS

In thousands of euro	At December 31, 2023	Current	Non-Current
OPENING BALANCE	**61,528**	**20,812**	**40,716**
Increase	27,745	-	-
Repayment	-28,350	-	-
Foreign exchange differences	-290	-	-
Change in scope of consolidation (*)	2,192	-	-
Modifications of contracts	8,519	-	-
CLOSING BALANCE	**71,344**	**24,188**	**47,156**

(*) Entry of SAW S.A. on the acquisition date.

	At December 31, 2023	At December 31, 2022
Within one year	24,188	20,812
Years 2 to 5	37,995	31,194
After the 5th year	9,161	9,522
TOTAL	**71,344**	**61,528**

Other disclosures

LEASE AMOUNTS NOT RESTATED UNDER IFRS 16

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

	12 months	
In thousands of euro	**2023**	**2022**
Low-value lease payments (< or = €5,000)	-2,007	-1,457
Short term leases (< or = 12 months)	-3,328	-3,758
Variable lease payments	-8,023	-8,976
Non-deductible VAT	-694	-663
Other (*)	-1,767	-1,854
TOTAL	**-15,819**	**-16,708**

(*) Leases not eligible for other reasons.

ADDITIONAL INFORMATION

	12 months	
In thousands of euro	**2023**	**2022**
Lease payments for leases not covered by IFRS 16	15,002	17,739
Amount of firm commitments for leases not started at year-end	-	5,925

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

NOTE 10. OTHER PROVISIONS AND CONTINGENT LIABILITIES

Provisions for site restoration, reorganization, 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, 2022	**9,382**	**13,621**	**23,003**
Foreign exchange differences	-7	-205	-212
Provisions	2,967	11,493	14,460
Uses	-8,181	-6,506	-14,687
Change in consolidation scope	-	48	48
At December 31, 2022	**4,161**	**18,451**	**22,612**
Foreign exchange differences	24	-1,762	-1,738
Provisions	870	9,153	10,023
Uses (1)	-2,844	-8,350	-11,194
Change in consolidation scope (2)	-	1,945	1,945
At December 31, 2023	**2,211**	**19,437**	**21,648**

(1) Reversals of provision of €11.2 million break down into €4.6 million of provisions used and €6.6 million no longer required.
(2) Entry of SAW S.A. on the acquisition date.

At December 31, 2023, the main risks disputes covered by provisions were €2.2 million for reorganization (December 2022: €4.2 million), €8 million for labor disputes (December 2022: €5.5 million), €2.5 million for commercial risks and disputes (December 2022: €1.7 million), and €8.9 million for other risks (December 2022: €11.2 million).

Pursuant to three rulings handed down on September 13, 2023 by the Social Division of the French High Court of Appeals (Cour de cassation), any suspension, of whatever duration or origin, of an employment contract due to the employee's condition of health now entitles the employee to paid leave.
The Group assessed the consequences of this case law for leave earned in respect of the current reference period, and has created accounting provisions, according to its best estimate, for entitlements relating to previous reference periods, pending regulatory clarification of the limitation period.
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 has vigorously contested it and immediately appealed, based on legal arguments of both form and substance.

The Group also believes that, from an economic standpoint, this judgment did 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 were groundless. The ruling handed down on December 5, 2023 by the Caen Court of Appeals invalidates all the decisions handed down by the court of first instance and dismisses all of Sunlait PDO's claims. After analysis, Sunlait PDO decided on February 8, 2024 to appeal to France's highest court of appeals (Cour de cassation). Savencia maintains confidence in its arguments. 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.

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	**2023**	**2022**
Financial interest expenses (1)(*)	-46,284	-12,704
Bank commissions	-4,560	-4,543
Interest expenses on lease obligations (2)	-5,522	-2,181
Other net financial expenses (**)	-3,674	-6,508
Net outcome of interest rate hedging	-	-148
Net foreign exchange impact	-	-12,124
FINANCIAL EXPENSES	**-60,040**	**-38,208**
Financial income (3)(***)	36,724	13,766
Net outcome of interest rate hedging (4)	3,452	-
Net foreign exchange impact	1,835	-
FINANCIAL INCOME	**42,011**	**13,766**
NET FINANCIAL EXPENSE	**-18,029**	**-24,442**
Of which: net interest expense (1)+(2)+(3)+(4)	-11,630	-1,267

(*) Mainly due to the increase of interest rates.
(**) Included in 2022, the disposal of marketable securities for € 3.5 million.
(***) In 2023, impacts of rising financial yields and €4 million on the disposal of financial instruments held on the company Financière Louis. Included 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, 2023	At December 31, 2022
Loans and receivables	15,083	18,493
Long-term investments measured at fair value through profit or loss (> 1 year)	14,162	12,327
Impairment	-233	-2,743
TOTAL	**29,012**	**28,077**

Financial assets include Horizon Agroalimentaire convertible bonds for €2.7 million, Cathay III and IV shares for €2.6 million and FnB Europe Fund SLP Private Equity II for €2.3 million. Other investments are insignificant.

11.3. Other current financial assets

Other current financial assets include investments in mutual and open-end investment funds, BMTNs, SICAVs 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, 2023	At December 31, 2022
Cash	262,459	306,081
Cash equivalents	328,525	242,535
CASH AND CASH EQUIVALENTS	**590,984**	**548,616**

Cash equivalents mainly include term deposits 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, 2023	At December 31, 2022
Cash and cash equivalents	590,984	548,616
Bank overdrafts and financial current accounts	-57,910	-51,714
NET CASH POSITION	**533,074**	**496,902**

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, 2023	Non-current	Current	At December 31, 2022	Non-current	Current
Borrowings from financial and similar institutions (*)	783,793	112,845	670,948	684,909	5,898	679,011
Deferred liabilities for profit-sharing payments	14,780	13,108	1,672	13,760	11,675	2,085
Bond issues	275,573	265,611	9,962	287,681	277,349	10,332
Current bank facilities	39,915	-	39,915	30,408	-	30,408
BORROWINGS AND FINANCIAL LIABILITIES AT CLOSING	**1,114,061**	**391,564**	**722,497**	**1,016,758**	**294,922**	**721,836**

(*) *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.

In 2023, 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 $82.5 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 2023 financial year, average outstanding bank borrowings totaled €1,247 million.

The average interest rate was 3.75% in 2023, 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, 2023	At December 31, 2022
Within one year	722,497	721,836
From year 2 to year 5 inclusive	221,391	82,128
After the 5th year	170,173	212,794
TOTAL	**1,114,061**	**1,016,758**

BREAKDOWN BY CURRENCY

In thousands of euro	At December 31, 2023	At December 31, 2022
EUR	1,001,984	887,701
JPY	416	462
USD	75,986	87,885
Other currencies	35,675	40,710
TOTAL	**1,114,061**	**1,016,758**

BREAKDOWN BY TYPE OF INTEREST RATE

In thousands of euro	At December 31, 2023	At December 31, 2022
Fixed rate borrowings	328,287	342,061
Floating rate borrowings	785,774	674,697
TOTAL	**1,114,061**	**1,016,758**

Floating rate borrowing costs are based on Euribor or €STR plus margins not exceeding 80 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, 2023	At December 31, 2022
OPENING BORROWINGS	**1,016,758**	**1,021,087**
New borrowings	122,707	26,235
Repayments of borrowings	-26,860	-16,506
Change in bank facilities and financial current accounts	5,252	-17,647
Foreign exchange differences	-9,979	3,041
Change in consolidation scope (*)	6,183	548
CLOSING BORROWINGS	**1,114,061**	**1,016,758**

(*) In 2023, entry of SAW S.A. on the acquisition date.
At March 15th, 2022, takeover of Poitou Chèvre SAS..

Gross financial debt up by €97.3 million compared with December 31, 2022. Including investments classified as other current financial assets net of active cash, net debt increases by €33.8 million, showing a net balance of €477.9 million at December 31, 2023.

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, 2023	At December 31, 2022
Non-current borrowings and debts towards financial institutions	-391,564	-294,922
Current bank borrowings	-722,497	-721,836
BORROWINGS AND FINANCIAL LIABILITIES	**-1,114,061**	**-1,016,758**
Other current financial assets	45,153	24,019
Cash and cash equivalents	590,984	548,616
NET DEBT	**-477,924**	**-444,123**
Treasury shares	38,779	33,515
NET FINANCIAL DEBT	**-439,145**	**-410,608**

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 5.62% 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 2023 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

In thousands of euro	At December 31, 2023 Fair value	At December 31, 2023 Underlying	Maturity 2024 Fair value	Maturity 2024 Underlying	Maturity > 2024 Fair value	Maturity > 2024 Underlying
Fair value hedges						
Commodity derivatives	-	-	-	-	-	-
Interest rate swaps (1)	15,342	174,661	1,903	9,050	13,439	165,611
Currency derivatives	-	-	-	-	-	-
Instruments held for trading						
Currency derivatives	5,398	71,103	5,398	71,103	-	-
Interest rate derivatives (2)	3,736	100,000	-	-	3,736	100,000
Commodity derivatives	-	-	-	-	-	-
TOTAL	**24,476**	**-**	**7,301**	**-**	**17,175**	**-**
Of which : classified as current	7,301	-	7,301	-	-	-
Of which : classified as non-current	17,175	-	-	-	17,175	-

(1) Maturity in 2024 (9,050), 2025 (47,511), 2026 (18,100) and 2027 (100,000).
(2) Maturity in 2027 (100 000).

In thousands of euro	At December 31, 2022 Fair value	At December 31, 2022 Underlying	Maturity 2023 Fair value	Maturity 2023 Underlying	Maturity > 2023 Fair value	Maturity > 2023 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).

11.6.2. Derivative financial instruments - Liabilities

	At December 31, 2023		Maturity 2024		Maturity > 2024	
In thousands of euro	Fair value	Underlying	Fair value	Underlying	Fair value	Underlying
Fair value hedges						
Commodity derivatives	214	-	214	-	-	-
Interest rate swaps (1)	1,526	100,000	-	-	1,526	100,000
Instruments held for trading						
Currency derivatives	3,472	142,147	3,472	142,147	-	-
Interest rate derivatives (2)	3,322	100,000	-	-	3,322	100,000
Commodity derivatives	-	-	-	-	-	-
TOTAL	**8,534**	**-**	**3,686**	**-**	**4,848**	**-**
Of which: classified as current	3,686	-	3,686	-	-	-
Of which: classified as non-current	4,848	-	-	-	4,848	-

(1) Maturity in 2029.
(2) Maturity in 2027.

	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.

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	**237,640**	**764,344**	**1,001,984**	**90,647**	**21,430**	**112,077**	**328,287**	**785,774**	**1,114,061**
• Swap	200,000	-200,000		-	-		200,000	-200,000	
•Cap	-	-		-	-		-	-	
Post-hedging	**437,640**	**564,344**	**1,001,984**	**90,647**	**21,430**	**112,077**	**528,287**	**585,774**	**1,114,061**
Other current financial assets		35,780	35,780		9,373	9,373		45,153	45,153
Cash and cash equivalents		323,887	323,887		267,097	267,097		590,984	590,984
TOTAL NET CASH ACQUIRED		**359,667**	**359,667**	**-**	**276,470**	**276,470**	**-**	**636,137**	**636,137**

Analysis of sensitivity to increase in short-term interest rates at December 31, 2023:

A 1% increase in short-term rates would impact the Group's gross variable debt by €5.9 million.

This increase in short-term rates would also have an estimated impact of €6.4 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 +€0.5 million.

Foreign currency hedging

Forward contracts and options - latent hedge at December 31, 2023.

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 12/31/2023
CAD EUR	-16,200	CAD	11,031	EUR	19	-11,064	EUR	1.4642
CHF EUR	-24,659	CHF	25,912	EUR	-485	-26,629	EUR	0.9260
CNY EUR	-289,251	CNY	37,000	EUR	23	-36,843	EUR	7.8509
GBP EUR	-47,059	GBP	54,253	EUR	161	-54,149	EUR	0.8691
JPY EUR	-2,010,268	JPY	13,340	EUR	272	-12,859	EUR	156.3300
PLN EUR	71,712	PLN	-15,360	EUR	940	16,525	EUR	4.3395
USD EUR	-55,983	USD	51,831	EUR	1,023	-50,664	EUR	1.1050
BRL USD	-13,951	BRL	2,659	USD	-6	-2,597	EUR	4.8607
CNY USD	-38,094	CNY	5,200	USD	-93	-4,852	EUR	7.1049
Other currencies					71	-30,118	EUR	-
TOTAL					**1,925**	**-213,250**	**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, 2023, would have an impact of €1.8 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 was 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, 2023						
Other financial assets at fair value through profit and loss (>1 year)	-	-	14,161	-	14,161	14,161
Non-current financial assets held for trading	-	-	-	-	-	-
Non-current financial loans and receivables	-	-	-	14,851	14,851	14,851
Other non-current financial assets	**-**	**-**	**14,161**	**14,851**	**29,012**	**29,012**
Interest rate derivatives	3,736	13,439	-	-	17,175	17,175
Non-current derivative financial instruments	**3,736**	**13,439**	**-**	**-**	**17,175**	**17,175**
Trade receivables	**-**	**-**	**-**	**945,354**	**945,354**	**945,354**
Current loans & receivables	**-**	**-**	**-**	**1,723**	**1,723**	**1,723**
Commodity hedging derivatives	-	-	-	-	-	-
Other commodity derivatives	-	-	-	-	-	-
Other currency derivatives	5,398	-	-	-	5,398	5,398
Other interest rate derivatives	-	1,903	-	-	1,903	1,903
Current derivative financial instruments	**5,398**	**1,903**	**-**	**-**	**7,301**	**7,301**
Current financial assets held for trading	**-**	**-**	**34,732**	**10,421**	**45,153**	**45,153**
Financial current accounts	-	-	-	74,212	74,212	74,212
Cash	-	-	-	188,247	188,247	188,247
Cash equivalents	-	-	328,525	-	328,525	328,525
Cash and cash equivalents	**-**	**-**	**328,525**	**262,459**	**590,984**	**590,984**
TOTAL ASSETS	**9,134**	**15,342**	**377,418**	**1,234,808**	**1,636,702**	**1,636,702**

(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, 2023						
Bond issues	-	-	-	265,611	265,611	265,611
Other borrowings	-	-	-	173,109	173,109	173,109
Non-current financial borrowings and debts	**-**	**-**	**-**	**438,720**	**438,720**	**438,720**
Non-current debts relating to put options granted to minority shareholders	-	-	18,398	-	18,398	18,398
Other items	-	-	5,365	-	5,365	5,365
Other non-current liabilities	**-**	**-**	**23,763**	**-**	**23,763**	**23,763**
Other interest rate derivatives	3,322	1,526	-	-	4,848	4,848
Non-current derivative financial instruments	**3,322**	**1,526**	**-**	**-**	**4,848**	**4,848**
Trade payables	**-**	**-**	**-**	**855,034**	**855,034**	**855,034**
Guarantees deposits received	**-**	**-**	**-**	**5,319**	**5,319**	**5,319**
Current debts relating to put options granted to minority shareholders	**-**	**-**	**3,905**	**-**	**3,905**	**3,905**
Commodity hedging derivatives	-	214	-	-	214	214
Other currency derivatives	3,472	-	-	-	3,472	3,472
Current derivative financial instruments	**3,472**	**214**	**-**	**-**	**3,686**	**3,686**
Current financial liabilities	-	-	-	688,775	688,775	688,775
Financial current accounts	-	-	-	17,995	17,995	17,995
Current bank facilities	-	-	-	39,915	39,915	39,915
Current borrowings	**-**	**-**	**-**	**746,685**	**746,685**	**746,685**
TOTAL LIABILITIES	**6,794**	**1,740**	**27,668**	**2,045,758**	**2,081,960**	**2,081,960**

(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, 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.

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 commodity derivatives	-	-	-	-	-	-
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.

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 maturing in more than one year. These options are measured at the discounted present value of the option's exercise price. As of December 31, 2023, they concern 33.33% of Bressor Alliance. Other non-current liabilities also include the holdback on the acquisition of SAW S.A..

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	2023.12
Closing index	457.70	1,656.62	2,459.85	3,782.82	5,122.21	7,699.20	15,229.73	43,774.83
Change on 2011		262 %	437 %	726 %	1,019 %	1,582 %	3,227 %	9,464 %
Change on N-1			48 %	54 %	35 %	50 %	98 %	187 %

(*) 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. They include the hyperinflation restatements of Milkaut company and as of April 3, 2023, those of SAW S.A., the date of its acquisition.

INCOME STATEMENT

In thousands of euro	12 months 2023	2022
Net sales	115,971	70,498
Purchases adjusted for changes in inventories	-90,912	-57,298
Personnel costs	-21,373	-14,210
Depreciation and amortization	-4,762	-5,037
Other current operating income and expenses	-11,022	-7,264
CURRENT OPERATING PROFIT	**-12,098**	**-13,311**
Other operating income and expense	-256	257
OPERATING PROFIT	**-12,354**	**-13,054**
Net financial income (expense)	52	-83
Result on net monetary position	3,092	2,725
EARNINGS BEFORE TAX	**-9,210**	**-10,412**
Income tax expense	-4,937	-3,782
Net income from continuing operations	**-14,147**	**-14,194**
NET INCOME FOR THE YEAR	**-14,147**	**-14,194**

BALANCE SHEET

In thousands of euro **ASSETS**	**At December 31, 2023**	**At December 31, 2022**
Intangible assets and property, plant and equipment	36,986	28,350
TOTAL NON-CURRENT ASSETS	**36,986**	**28,350**
Inventories and work in progress	7,482	2,108
TOTAL CURRENT ASSETS	**7,482**	**2,108**
ASSETS	**44,468**	**30,458**

In thousands of euro **EQUITY AND LIABILITIES**	**At December 31, 2023**	**At December 31, 2022**
Other reserves	43,047	33,986
Retained earnings	-14,145	-14,191
GROUP SHARE OF EQUITY	**28,902**	**19,795**
Non-controlling interests	2	3
TOTAL SHAREHOLDERS' EQUITY	**28,904**	**19,798**
Deferred tax liabilities	15,564	10,660
TOTAL NON-CURRENT LIABILITIES	**15,564**	**10,660**
TOTAL LIABILITIES	**15,564**	**10,660**
EQUITY AND LIABILITIES	**44,468**	**30,458**

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 01/01/2022	**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**
Share purchase option plan					—
• Value of services rendered	-	-	-	-	—
• Sale of treasury shares	-	-	-	-	—
• Purchase of treasury shares	-97,397	-	-	-5,264	-5,264
BALANCE AT 12/31/2023	**13,374,721**	**14,033**	**75,223**	**-38,740**	**50,516**

The Company's share capital, fully paid-up at December 31, 2023, 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, 2023, SAVENCIA SA held 658,209 treasury shares (560,812 at December 31, 2022), 11,263 of which are held under the Group's liquidity contract (9,673 in 2022). Additional paid-in capital totaling €75,223 thousand at December 31, 2023 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 01/01/2022	**-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**
Cash flow hedges					**-**
• Changes in fair value during the financial year	-6,922				**-6,922**
• Tax on fair value losses	1,859				**1,859**
Actuarial gains and losses - gross			-6,293		**-6,293**
Actuarial gains and losses - tax effect			1,850		**1,850**
Foreign exchange differences					**-**
• Group				-114,605	**-114,605**
• Associates			-	78	**78**
BALANCE AT 12/31/2023	**691**	**2,875**	**-2,682**	**-210,894**	**-210,010**

14.2. Details by nature of other comprehensive income

	12 months					
	2023			2022		
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	-114,946	-	-114,946	18,120	-	18,120
Change in fair value of financial assets	-	-	-	-	-	-
Change in fair value of cash flow hedges	-7,383	1,978	-5,405	13,415	-3,521	9,894
Currency basis spread	461	-119	342	741	-191	550
Hyperinflation	38,863	-	38,863	25,517	-	25,517
Other transactions	-	-	-	-	-	-
Share of associates and joint ventures in recyclable components	78	-	78	38	-	38
Total recyclable components of other comprehensive income	**-82,927**	**1,859**	**-81,068**	**57,831**	**-3,712**	**54,119**
Actuarial gains and losses on post-employment benefit plans	-6,335	1,865	-4,470	32,268	-8,931	23,337
Other transactions	-	-	-	-	-	-
Share of associates and joint ventures in non-recyclable components	-	-	-	-	-	-
Total non-recyclable components of other comprehensive income	**-6,335**	**1,865**	**-4,470**	**32,268**	**-8,931**	**23,337**
OTHER COMPREHENSIVE INCOME	**-89,262**	**3,724**	**-85,538**	**90,099**	**-12,643**	**77,456**

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.).

	2023	2022
Net income attributable to shareholders of SAVENCIA SA (in thousands of euro)	**96,479**	**68,046**
Weighted average number of shares in circulation	13,462,932	13,591,344
Basic earnings per share (€)	**7.17**	**5.01**

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.

	2023	2022
Net income attributable to shareholders of SAVENCIA SA (in thousands of euro)	**96,479**	**68,046**
Weighted average number of shares in circulation	13,462,932	13,591,344
Dilutive effect of share purchase options	-	-
Adjusted weighted average number of shares	13,462,932	13,591,344
Diluted earnings per share (€)	**7.17**	**5.01**

Dividends paid out in 2023 amounted to €1.3 per share. At the Annual General Meeting to be held on April 25, the Board of Directors will propose the payment of a dividend of €1.4 per share in respect of the financial year ended December 31, 2023.

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	2023	2022	2023	2022	2023	2022
% voting rights	14.14%	14.14%	-	-	-	-
% held by minority shareholders	14.14%	14.14%	-	-	-	-
Share of net income	6,387	12,317	3,016	5,066	9,403	17,383
Share of other comprehensive income	166	1,676	-530	141	-364	1,817
Share of total comprehensive income	6,553	13,993	2,486	5,207	9,039	19,200
Cumulative non-controlling interests	200,006	198,530	37,200	35,130	237,206	233,660
Dividends paid to non-controlling interests	5,078	3,640	1,840	2,741	6,918	6,381

IFRS-compliant financial information (100% interest) before internal transactions

BALANCE SHEET

	Compagnie Laitière Européenne	
In thousands of euro	At December 31, 2023	At December 31, 2022
Current assets	1,038,704	992,147
Non-current assets	641,082	637,697
ASSETS	**1,679,786**	**1,629,844**
Equity	653,621	665,885
Current liabilities	881,084	815,407
Non-current liabilities	145,081	148,552
EQUITY AND LIABILITIES	**1,679,786**	**1,629,844**

INCOME STATEMENT

	12 months	
In thousands of euro	2023	2022
Net sales	2,815,947	2,809,871
Net Income	13,480	87,353
Net income (loss) for the period	15,164	92,027

CASH FLOW STATEMENT

In thousands of euro	12 months 2023	12 months 2022
Net cash flow from operating activities	74,201	110,213
Net cash flow in investing activities	-53,367	-77,082
Net cash flow from financing activities	-54,114	-61,809
Impact of foreign exchange differences	-459	552
Opening cash balance	**-150,501**	**-122,374**
Closing cash balance	**-184,239**	**-150,501**
Net change in cash and cash equivalents	-33,739	-28,126

NOTE 15. OFF-BALANCE SHEET COMMITMENTS

The Group's contingent assets and liabilities comprised

- €8.1 million of equity investment commitments (2022: €7.6 million) given and received, only concerning Italian company Ferrari in 2023.
- Commitments given concerning the funding of the Company. Financial guarantees provided to Group companies totaling €111.4 million (2022: €100.1 million).
- Commitments relating to operating activities:

In respect of commitments given:

Commitments in respect of short-term leases totaled €9.3 million for 2023 (2022: €9,3 million).

There is no firm commitments for leases under IFRS 16 that had not started at closing totaled (2022: €5.9 million).

Other commitments made amounted to €157.6 million, most of which were purchase commitments, compared with €184 million in 2022, 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 €36.7 million (2022: €47.8 million), including €3.1 million in respect of CO_2 quotas (2022: €4.9 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 €95.1 million in 2023 (against €79.3 million in 2022) and purchases totaling €1,022.2 million in 2023 (against €997.3 million in 2022).

- The Group provided logistics services to STEF for €0.3 million (2022 : €0.5 million) and purchased logistics services for €34.2 million (2022 : €34.4 million).
- The Group handles cash management for related parties. In this respect, it received payments of €0.8 million in 2023 (2022 : €0.6 million).
- Eufipar provides services for the Group for €0.2 million (2022 : €0.2 million).
- Group sales to associates totaled €4.1 million in 2023 (2022: €2.7 million) and purchases from associates totaled €18.3 million (2022 : €17.2 million), essentially relating to sales and purchases of dairy materials.
- Transactions with agents carried out for €0.6 million.
- Remuneration packages for company directors totaled €3,0 million (€6.1 million in 2022) 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 were no significant post-balance sheet events as at the date of approval of the annual consolidated financial statements for 2023 by the Board of Directors on March 7th, 2024, 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	
			12/31/2023	12/31/2022	12/31/2023	12/31/2022
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	51.00	51.00	51.00
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 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	100.00	51.00	51.00
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	
			12/31/2023	12/31/2022	12/31/2023	12/31/2022
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
SAVENCIA IT & Digital Services	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	689,801,470	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	100.00	99.90	100.00	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	95.00	80.00	95.00	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
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	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
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	100.00	70.00	100.00	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	CZECH 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	100.00	100.00	100.00
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	TAIWAN	100.00	100.00	100.00	100.00
SAVENCIA Services Europe a.s.	CZECH 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 (Hong Kong)	CHINA	100.00	100.00	100.00	100.00
Sucesores de Alfredo Williner S.A.	ARGENTINA	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	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
France					
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	SWITZELAND	33.34	33.34	33.34	33.34
Wiskerchen Cheese	UNITED STATES	50.00	-	50.00	-

1.6. Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2023

____

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, 2023.

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, 2023 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, 2023 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.821-53 and R.821-180 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, 2023, the Group's net intangible assets mainly comprised trademarks with indefinite lives (€185,0 million) and goodwill (€296,8 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 and brands in the amount of €4,3 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 to be 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 to be 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 to be 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.

Furthermore, it'is not our responsibility to verify that the consolidated financial statements which will be included by your company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

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, 2023, Deloitte & Associés and KPMG were respectively in the 3rd and 47th years of their total uninterrupted engagement, of which respectively 3 and 44 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.821-55 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.821-27 to L.821-34 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 29，2024
The Statutory Auditors

KPMG SA	Deloitte & Associés
Arnaud RINN	Emmanuel GADRET

2. Parent company financial statements 2023

2.1. Income statement

In thousands of euro	Notes	2023	2022
Operating net sales	2.1	35,654	33,202
Operating costs	2.1	-62,165	-56,011
Operating Income	2.1	**-26,511**	**-22,809**
Net financial income	2.2	27,773	37,684
Net ordinary income, pre-tax		**1,262**	**14,875**
Net extraordinary income	2.3	648	-990
Net income for the period, pre-tax		**1,910**	**13,885**
Income taxes	2.4	12,048	12,453
NET INCOME		**13,958**	**26,338**

2.2. Statement of cash flows

In thousands of euro	Notes	2023	2022
Gross operating income		-25,285	-19,029
Change in net working capital		-748	-11,211
Other receipts and disbursements for operations		34,778	54,366
Net cash flow from operating activities [A]		**8,745**	**24,126**
Intangible and corporal investments		-2,652	-4,182
Receipts for intangible and corporal assets		2,910	
Financial investments		4	-14
Other cash receipts and disbursements		-102,045	23,689
Cash flow from investing activities [B]		**-101,783**	**19,493**
Share capital			
Dividends paid		-17,510	-20,499
Cash from new borrowings		78,184	30,000
Borrowings repaid		-7,388	-7,325
Cash flow from financing activities [C]		**53,286**	**2,176**
CHANGE IN CASH [A + B + C]		**-39,752**	**45,795**
Net cash and cash equivalents at beginning of period		-453,168	-498,963
Net cash and cash equivalents at end of period	3.9	-492,920	-453,168
CHANGE IN CASH		**-39,752**	**45,795**

2.3. Balance sheet - Assets

In thousands of euro	Notes	Gross amounts	Depreciation, amortization and provisions	2023 Net amounts	2022 Net amounts
Intangible assets	**3.1**	**59,907**	**-39,617**	**20,290**	**21,817**
Concessions, patents and similar rights		56,807	-39,617	17,190	18,054
Goodwill		1,548		1,548	1,548
Other intangible assets		1,552		1,552	2,215
Property, plant and equipment	**3.2**	**273**		**273**	**3,183**
Land					
Buildings					
Structuress					
Other tangible fixed assets		273		273	273
Assets under construction					2,910
Non-current financial assets	**3.3**	**1,648,770**	**-1,576**	**1,647,194**	**1,545,189**
Investments in subsidiaries		1,289,075	-1,552	1,287,523	1,287,535
Loans to subsidiaries	3.8	358,647		358,647	256,603
Other long-term securities		755	-24	731	674
Loans					
Other non-current financial assets		293		293	377
Fixed assets		**1,708,950**	**-41,193**	**1,667,757**	**1,570,189**
Current assets	**3.8**	**185,770**	**-3,335**	**182,435**	**178,519**
Trade and other receivables	3.4	69,908	-231	69,677	50,820
Marketable securities	3.5	115,323	-3,104	112,219	91,106
Cash and cash equivalents		539		539	36,593
Adjustment accounts - Debits	**3.10**	**3,768**		**3,768**	**1,022**
TOTAL ASSETS		**1,898,488**	**-44,528**	**1,853,960**	**1,749,730**

2.4. Balance sheet – Liabilities and Equity

In thousands of euro	Notes	2023 Before apportionment	2022 Before apportionment
Shareholders' Equity	**3.6**	**805,335**	**809,646**
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		366,098	357,270
Net income for the period		13,958	26,338
Grants related to assets			
Regulated provisions		9,102	9,861
Provisions for risks and future costs	**3.7**	**4,881**	**6,848**
Liabilities	**3.8**	**1,043,415**	**933,168**
Other bond loan		261,665	268,998
Borrowings from credit institutions and miscellaneous financial liabilities		757,478	646,143
Trade payables and related accounts		19,112	7,116
Tax and social liabilities		1,202	1,140
Payable on non-current assets and related accounts		16	970
Other liabilities		3,942	8,801
Adjustment accounts - Credits		**329**	**68**
TOTAL EQUITY AND LIABILITIES		**1,853,960**	**1,749,730**

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	2023	2022
Operating net sales	**35,654**	**33,202**
Operating net sales essentially comprises royalties billed to subsidiaries		
Royalties	32,991	31,319
Other income	663	583
Provisions reversal	2,000	
Operating costs	**-62,165**	**-56,011**
Other purchases and external expenses (*) (**)	-56,394	-48,111
Taxes (excluding taxes on income)	-1,225	-1,170
Wages and salaries	-381	-660
Gross remuneration	-290	-346
Other costs	-650	-644
Depreciation, amortization and provisions	-3,225	-5,080
NET OPERATING INCOME	**-26,511**	**-22,809**

(*) Including €1,044 thousands for the statutory audit of the financial statements by the statutory auditors for the year 2023. In 2022, this figure was €962 thousands, Consulting and/or service fees totaled €25 thousands. They were €36 thousands in 2022.

(**) Other external charges are impacted notably by the work on the long-term strategic plan and by preliminary studies for the implementation of new IT solutions across the group

2.2. Net financial income

In thousands of euro	2023	2022
Income from subsidiaries and other securities	**40,882**	**47,914**
Dividends received	40,894	48,410
Impairment (net)	-12	-496
Net financial expenses	**-13,077**	**-10,046**
Financial Income (*)	32,529	6,834
Financial expenses (*)	-45,606	-16,880
Foreign exchange and other	**-32**	**-184**
FINANCIAL NET INCOME	**27,773**	**37,684**

(*) *Financial charges and financial income have significantly increased due to rising interest rates throughout the year 2023. The variable-to-fixed interest rate swaps, established in 2018 and 2022, with a nominal value of 200 million euros, reduce the impact of rising rates on the net financial result.*

2.3. Net extraordinary items

In thousands of euro	2023	2022
Extraordinary expenses	-80	-706
Extraordinary income	2	74
Net capital gains or losses on non-current assets		-167
Additions to and reversals of accelerated amortization	759	481
Additions to and reversals of provisions for risks (*)	-33	-672
EXTRAORDINARY NET INCOME	**648**	**-990**

(*) *Provisions are affected by tax risks, including a reversal of 1 million euros and a new provision.*

2.4. Income taxes

In thousands of euro	2023	2022
Tax credits specific to SAVENCIA SA	60	691
Tax consolidation net credits (*)	13,190	11,932
Net tax charge for prior years (**)	-1,202	-170
TOTAL	**12,048**	**12,453**

(*) *Because of the lost in 2023 of the fiscal consolidation, no tax expense was recognized.*
(**) *This charge, subject to a reversal of provision included in the net extraordinary income, mainly corresponds to the consequences of tax audits of fiscally integrated subsidiaries*

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 €12,366 thousands, as compared with a future tax expense of €1,986 thousands in 2022 :

In thousands of euro	2023	2022
Increase	**-3,144**	**-3,437**
On accelerated amortization	-3,144	-3,437
On other tax restatements		
Decreases	**15,510**	**5,423**
On non deductible provisions	750	1,277
On other non-deductible expenses	296	417
On loss carry forward	14,464	3,729
FUTURE NET TAX	**12,366**	**1,986**

NOTE 3. NOTES TO THE BALANCE SHEET

3.1. Intangible assets

In thousands of euro Headings	Change in intangible assets Value at 12/31/2022	Increases	Account Transfer	Decreases	Value at 12/31/2023
Gross values	**58,209**	**1,698**	**-**	**-**	**59,907**
Concessions, patents and similar rights	54,446	1,328	1,033		56,807
Goodwill	1,548				1,548
Other intangible assets (*)	2,215	370	-1,033		1,552
Depreciation and amortization	**-36,392**	**-3,225**	**-**	**-**	**-39,617**
Concessions, patents and similar rights	-36,392	-3,225			-39,617
Goodwill	-				-
Other intangible assets	-				-
NET INTANGIBLE ASSETS	**21,817**	**-1,527**	**-**	**-**	**20,290**

(*) 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 12/31/2022	Increases	Account Transfer	Decreases	Valeurs au Value at 12/31/2023
Gross values	**3,183**	**-**	**-**	**-2,910**	**273**
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	**3,183**	**-**	**-**	**-2,910**	**273**

(*) Fixed assets in progress at the end of the previous fiscal year were transferred to a group subsidiary. They represented the cost of industrial equipment carried by SAVENCIA SA until implementation.

.

3.3. Non-current financial assets

In thousands of euro Headings	Value at 12/31/2022	Increases	Decreases	Value at 12/31/2023
	Change in non-current financial assets			
Gross values	**1,546,730**	**303,727**	**-201,687**	**1,648,770**
Investments in subsidiaries	1,289,075			1,289,075
Loans to subsidiaries (*)	256,603	303,647	-201,603	358,647
Other long-term securities (**)	675	80		755
Loans				-
Other non-current financial assets	377		-84	293
Impairment	**-1,541**	**-35**	**-**	**-1,576**
Investments in subsidiaries	-1,540	-12		-1,552
Loans to subsidiaries				-
Other long-term securities	-1	-23		-24
Loans				-
Other non-current financial assets				-
NET NON-CURRENT FINANCIAL ASSETS	**1,545,189**	**303,692**	**-201,687**	**1,647,194**

(*) Receivables related to investments consist of 5-year loans, with the total amount at the closing increasing by 100 million euros to cover the cash needs of group entities.
(**) Including 11,263 treasury shares held at December 31, 2023 under a liquidity contract. At the end of the previous financial year, 9,673 shares were held.

3.4. Other receivables

In thousands of euro	At December 31, 2023	at December 31, 2022
Financial current accounts	42,622	34,227
Trade, taxes and other receivables	27,055	16,593
NET OTHER RECEIVABLES	**69,677**	**50,820**

3.5. Marketable securities

In thousands of euro	At December 31, 2023	At December 31, 2022
The Company's portfolio of marketable securities comprises French securities as follows:		
Gross values	**115,323**	**92,470**
Shares in UCITS (SICAV)		
Mutual Fund (FCP)	172	
Treasury notes, term deposits etc.	77,500	60,000
Treasury shares (*)	37,651	32,470
Impairment (**)	**-3,104**	**-1,364**
Shares in UCITS (SICAV)		
Mutual Fund (FCP)		
Treasury notes, term deposits etc.		
Treasury shares	-3,104	-1,364
NET SHORT-TERM INVESTMENTS	**112,219**	**91,106**

(*) At December 31, 2023 SAVENCIA SA held 646,946 shares of treasury stock classified as short term investments, with an acquisition value of €37,651 thousands. The average market price of SAVENCIA SA shares for the month of December was €53.40.
The overall percentage of self-owned capital was 4.69%, including 11,263 shares held under the liquidity contract. At the end of the previous financial year, SAVENCIA SA held 551,139 treasury shares. The overall percentage of self-owned capital was 4.00%, including 9,673 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, 2023, the Company's major known shareholder was SAVENCIA HOLDING SCA, which directly held 66.64% of the share capital and 80.79% of the voting rights. At February 7, 2024 no other shareholder holds more than 5% of the capital.

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, 2023 (before appropriation of earnings)	**14,033**	**73,231**	**378**	**1,613**		**326,922**	**357,270**	**9,861**	**26,338**	**809,646**
Reduction in share capital										-
Tax-driven provisions										-
Provision reversals								-2,301		-2,301
Additions for the year								1,542		1,542
Dividend payment							-18,243			-18,243
Other deductions										-
Allocation to reserves										-
Undistributed dividends (on treasury shares)							733			733
Transfert to retained earnings							26,338		-26,338	-
2023 Net income for									13,958	13,958
Position at December 31, 2023 (before appropriation of earnings)	**14,033**	**73,231**	**378**	**1,613**		**326,922**	**366,098**	**9,102**	**13,958**	**805,335**

3.7. Provisions for risks and future costs

		Change in provisions			
	Amount at 12/31/2022	Addition	Reversal used	Reversal not used	Amount at 12/31/2023
In thousands of euro	6,848	1,155	1,093	2,029	4,881

Provisions at December 31, 2023 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	261,665	7,333	88,332	166,000
Borrowings from credit institutions and miscellaneous financial	757,478	657,478	100,000	
Payable and miscellaneous liabilities	24,272	24,272		
TOTAL	**1,043,415**	**689,083**	**188,332**	**166,000**

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	358,647	3,647	355,000
Operating, financial and miscellaneous receivables	69,677	69,677	
Cash, cash equivalents and marketable securities	112,758	112,758	
TOTAL NET OF PROVISIONS	**541,082**	**186,082**	**355,000**

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, 2023	At December 31, 2022
Cash, cash equivalents and marketable securities	112,758	127,699
Financial current accounts - assets (*)	42,622	34,227
Bank borrowings and treasury notes	-648,300	-615,094
Financial current accounts - liabilities (*)		
NET CASH AT CLOSING	**-492,920**	**-453,168**

(*) 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, 2023	At December 31, 2022
Prepaid expenses	**3,768**	**1,022**
Prepaid expenses consist of bank interest and commissions		
Deferred revenue	**329**	**68**
Defereed income consists of bank interest.		
Accrued revenue		
Loans, investments and hedging instruments	4,942	2,393
Receivable from other operating expenses		
TOTAL ACCRUED REVENUE	**4,942**	**2,393**
Expenses payable		
Borrowings, miscellaneous financial liabilities and hedging instruments	1,725	1,628
Suppliers payables	2,971	2,454
Tax and social liabilities	1,030	869
TOTAL ACCRUED EXPENSES	**5,726**	**4,951**

3.11. Guarantees and financial commitments given and received

In thousands of euro	At December 31, 2023	At December 31, 2022
Commitments received		
Bank guarantees		
Commitments given		
Bank guarantees	1,578	
Lump-sum pension benefits (*)	141	129
Credit facilities allocated to subsidiaries	111,410	98,890

(*) Pension commitments are outsourced to Eparinter. The fair value of the assets paid in this respect was €86 thousands. The future liability discounted at 3.10% comes to €141 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, 2023 was €262 million, as compared to €269 million in 2022, and constitute hedging instruments. These were subscribed with a related.

3.13. Personnel

Payroll for 2023 was €381 thousands versus 660 thousands in 2022. The workforce at December 31, 2023 included two people, just as in 2022.

Compensation paid to members of the board amounted to €651 thousands, as compared with €644 thousands in 2022.

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	7,684
SAS	Service provider	SOGASI – Viroflay (78)	25,910	3,132
SAS	Holding	SAVENCIA Fromage & Dairy EUROPE – Viroflay (78)	294,760	340,550
SA	Holding	ALLIANCE LAITIERE EUROPEENNE – Paris (75)	231,900	154,831
SAS	Holding	SAVENCIA Fromage & Dairy INTERNATIONAL –Viroflay (78)	122,513	62,702
SAS	Holding	Cie DES MAITRES FROMAGERS – Viroflay (78)	75	-4
SAS	Services	SOGEPS – Condé sur Vire (50)	4,287	373
Other countries				
SARL	Holding	EUREXPAN BV – Breda (Pays-Bas)	11,469	323,214
AS	Services	SAVENCIA SERVICES EUROPE (Czech Republic)	20,000 thousand CZK	14,058 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			14,066	3,771	3,413
100	27,980	27,980			14,817	2,787	2,591
100	429,363	429,363	21,671			-4,417	19,651
100	255,180	255,180	1,129			24,317	11,595
100	313,033	313,033	19,393			-15,708	
100	176	70				-2	
100	4,287	4,287			24,732	681	444
100	256,055	256,055				3,606	3,000
100	783	783			156,627 thousand CZK	-135 thousand CZK	198
	133	22	231				2
	2,011	676					

2.6. Statutory auditors' report on the financial statements

For the year ended December 31, 2023

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, 2023.

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, 2023 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, 2023 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.821-53 and R.821-180 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 €1,646 million, representing 89% 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 TO BE 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 to be 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 to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We are not responsible for verifying that the financial statements which will be included by your company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

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, 2023, Deloitte & Associés and KPMG were respectively in the 3rd and 47th years of their total uninterrupted engagement, of which respectively 3 and 44 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.821-55 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.821-27 to L.821-34 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, 2024

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 2023, was prepared in accordance with the French Commercial Code and approved by the Board of Directors on March 7, 2024.

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, 2023, the Board of Directors was composed of sixteen members:

- Alex BONGRAIN
- Armand BONGRAIN
- Anne-Marie CAMBOURIEU
- Clare CHATFIELD
- Philippe Gorce, director representing employee shareholders
- Xavier GOVARE
- Malika HAIMEUR
- Martine LIAUTAUD
- Annette MESSEMER
- Christian MOUILLON
- Ignacio OSBORNE
- Robert ROEDER
- Sophie de ROUX
- François WOLFOVSKI
- SAVENCIA Holding, represented by Mr Xavier CRUSE.

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, Malika 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 eight directors qualified as independent as of December 31, 2023: Anne-Marie CAMBOURIEU, Clare CHATFIELD, Malika HAIMEUR, Martine LIAUTAUD, Annette MESSEMER, Xavier GOVARE, Christian MOUILLON, 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 2023, the Board of Directors met eight 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.

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 2023. 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.

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, 2023 was the following: Christian MOUILLON (Chairman), Martine LIAUTAUD, Annette MESSEMER, Xavier GOVARE (Independent Directors), François WOLFOVSKI, members and Secretaries Pierre LAVERGNE succeeded by Arnaud CAPDEVILLE. The Committee met five times in 2023.

As part of its duties in 2023, the Audit and Risk Committee examined various matters including:

- the 2022 yearly and 2023 half-yearly consolidated financial statements
- the 2024 budget
- overseeing the internal and external audits and the action plans requested following those audits
- external development plans
- deployment of the internal control system and priorities for action
- 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.
- heightened cybersecurity
- a report on the condition of the Duty of vigilance system
- implementation of the CSRC.

B. The Management and Compensation Committee

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. The committee obtains all 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. This Committee is chaired by an Independent Director

The membership of the Committee as of December 31, 2023 was the following: Clare CHATFIELD (Independent Director, Chairwoman), Anne-Marie CAMBOURIEU (Independent Director), Xavier CRUSE and Ignacio OSBORNE, members, and Laurent MAREMBAUD (Secretary).

In 2023, 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, as well as looking carefully at Executive Management. The Committee monitored and reported to the Board of Directors on the appointment 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 studied the broader social picture.

C. The Corporate Social Responsibility Committee

The duties of the Corporate Social Responsibility Committee are to assist the Board of Directors in assessing the challenges of corporate social responsibility 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, 2023 was the following: Malika HAIMEUR (independent director, Chair), Anne-Marie CAMBOURIEU, Xavier GOVARE, Christian MOUILLON, Robert ROEDER (independent Directors) and Armand BONGRAIN, members, and Laure SARTOUT-SIBLINI (Secretary).

In 2023 the Committee met five times. Among its responsibilities, the committee took stock of the Oxygen corporate program and shared the challenges ahead, given the current context. A series of discussion meetings were held throughout the year to involve Committee members in the various phases of the strategic planning process, in particular the diagnosis phase (climate issues, planetary limit issues, new societal expectations, new regulatory framework) and the analysis phase of the new challenges to be met, whether in terms of reducing the environmental footprint (water and carbon), the nature of tomorrow's product offerings (including packaging) and support for upstream agriculture, a key partner in the value chain.

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	72 years old	M	French	4,306
DELAMÉA Olivier Chief Executive Officer	54 years old	M	French	_
BONGRAIN Armand	70 years old	M	French	100
CAMBOURIEU Anne-Marie	64 years old	F	French	100
CHATFIELD Clare	66 years old	F	French	100
GORCE Philippe*	60 years old	M	French	0
GOVARE Xavier	66 years old	M	French	1,400
HAIMEUR Malika	67 years old	F	French	100
LIAUTAUD Martine	73 years old	F	French	100
MESSEMER Annette	59 years old	F	German	100
MOUILLON Christian	68 years old	M	French	100
OSBORNE Ignacio	70 years old	M	Spanish	206
ROEDER Robert	59 years old	M	French-American	100
de ROUX Sophie	59 years old	F	French	100
WOLFOVSKI François	65 years old	M	French	3,008
CRUSE Xavier (representing SAVENCIA Holding)	71 years old	M	French	200
WITVOET Bruno	61 years	M	French	100

**Director representing employee shareholders*

Experience	Position on the Board				
Number of offices held in other listed companies	Independence	First appointed	expires Length of Board membership as of Shareholders Meeting	Committee membership	Board attendance rate
0	No	2004	Term of 1 to 20 years	No	100 %
0	–	–	–		–
0	No	2004	Term of 1 to 20 years	CSR Committee	100 %
0	Yes	2019	Term of 1 to 5 years	CMC 100 %	100 %
0	Yes	2016	Term of 1 to 8 years	CMC Chairwoman 100%	100 %
0	No	2022	Term of 1 to 2 years	No	100 %
0	Yes	2017	Term of 1 to 7 years	Audit Committee 100% CSR 100%	100 %
0	Yes	2018	Term of 1 to 6 years	CSR Chair 100%	100 %
0	Yes	2013	Term of 1 to 11 years	Audit Committee 100%	100 %
3	Yes	2020	Term of 1 to 4 years	Audit Committee 80%	50 %
0	Yes	2018	Term of 1 to 6 years	Chair of Audit Committee and member 100% CSR Committee 100%	100 %
0	No	2009	Term of 1 to 15 years	CMR 100%	100 %
0	O	April 2020	Term of 1 to 15 years	No	100 %
0	Yes	2020	Term of 1 to 4 years	CSR Committee 100%	100 %
0	No	2021	Term of 1 to 3 years	No	100 %
0	No	2020	Term of 1 to 4 years	Audit Committee 100%	100 %
0	No	2018	Term of 1 to 6 years	CMC 100%	100 %
0	No	September 2023	Term of 1 year	No	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

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
- Board Director of Villars
- Board Director of SAVENCIA Fromage & Dairy Switzerland

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 Ecuador 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 CEO of the
Management and Remuneration Committee, Independent Director
Board Director since April 2016
100 Savencia shares

Other offices and positions held In France:

- Chair of the Board of Directors of Chantiers de l’Atlantique
- Chair of the Strategy Committee and member of the Appointments Committee and CSR Committee of Chantiers de l’Atlantique
- Chair of Prolimani SAS

Other offices and positions held abroad:

- Senior Advisor 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:

- Manager of L.E.K Consulting SARL
- 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
- Board Director of AXA Réassurance Vie France (representing 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
- Director of Fonds Chambord

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

Board Director since April 2017

1400 Savencia shares

Other offices and positions held In 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
- Board Director of Pure Salmon France

Malika HAIMEUR

Born September 7, 1956 in Le Rove (13) - French nationality

Chair of the Corporate Social Responsibility Committee

Independent Director

Board Director since April 2018

100 SAVENCIA shares

Professional activities/offices held during the past 5 years but no longer held:

- 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 Université Paris-Saclay

Other offices and positions held abroad:

- Board Director of the Stanford GSB Alumni Association (USA)

Annette MESSEMER

Born 8/14/1964 in Ludwigshafen am Rhein (Germany) - German nationality

Member of the Audit and Risk Committee

Independent Director

Board 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)
- Member of the Board of Directors of Vinci SA (listed company)

Other offices and positions held abroad:

- Member of the Supervisory Board of BABBEL AG (private company)

Professional activities/offices held during the past 5 years but no longer held:

- Board Director of ESSILORLUXOTTICA S.A.
- Board Director of Essilor S.A.
- Member of the Executive Committee, Group Director/Director of the Corporate Clients division of Commerzbank AG in Frankfurt

Christian MOUILLON

Born 9/15/1955 in Macôn (71) - French nationality

Chairman of the Audit and Risk Committee and Member of the Corporate Social Responsibility Committee

Board 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
- Member of the Supervisory Board of ORAPJ SA New
- Chief Executive Officer of CHM advisory
- Member of the Audit Committee of ESCP Business School New
- Member of the Appointments Committee of ESCP Business School NEW

Ignacio OSBORNE

Born June 28, 1953 in Puerto de la Cruz (Spain) - Spanish nationality

Member of the Management and Compensation Committee

Board Director since April 2009

206 SAVENCIA shares

Other offices and positions held abroad:

Other

- Chairman and Managing Director of Groupe Osborne' until June 17, 2023

Professional activities/offices held during the past 5 years but no longer held:

- Chairman and Managing Director of Groupe Osborne

Bruno WITVOET

Born 9/23/1962 in Neuilly sur Seine (92) - French nationality

Board Director since September 2023

100 Savencia shares

Other offices and positions held In France:

- Member of Supervisory Board of Savencia Holding
- Member of the Supervisory Board of SAS Club des Prophètes
- Board Director of the Fondation Dauphine
- Board Director of the Association Dauphine Alumni
- Partner in the management company Teampact Ventures
- Business Angel for companies with a positive environmental and social impact

Professional activities/offices held during the past 5 years but no longer held:

- Unilever Africa: President of the Foods, Home Care and Personal Care Division

Robert ROEDER

Born 9/27/1964 in North Platte, Neb. (USA) French-American nationality

Member of the Corporate Social Responsibility Committee

Independent Director

Board Director since April 2020

100 Savencia shares

Other offices and positions held In France:

- 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
- Authorized representative of Flavor Holding SAS

Professional activities/offices held during the past 5 years but no longer held:

- Co-Director and Corporate Secretary of LEDUNFLY SA
- 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 Galapagos Life Fund (Ecuador)
- 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)
- Authorized representative of Ledunfly SA (Switzerland)
- Authorized representative of Ledunfly Operations SA (Switzerland)

François WOLFOVSKI

Born 6/02/1958 in Paris (75) - French nationality

Member of the Audit and Risk Committee

Board 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

Other offices and positions held abroad:

- Deputy Director of S.B. Management & Services

Professional activities/offices held during the past 5 years but no longer held:

- 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
- Member of the Supervisory Board of Financière Louis

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

Board Director since April 2018

200 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
- Member of Advisory Board of SAVENCIA Gourmet

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/offices held during the past 5 years but no longer held:

- 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 FY2023

	Acquisition/disposal of shares				
Name	Date	Location	Transaction	Unit price in euros	Amount in euros
Xavier CRUSE	45002	Paris	Sale of shares	64	275200

1.1.4. Senior Management: organization - limitations of powers

Savencia has separated its top management between a Chief Executive Officer and a non-executive Chairman.

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 new equity

Decisions	Operations	Duration	Observations
SM of 4/21/2022 = 26th resolution of the Combined Shareholders' Meeting	**Issuance of ordinary shares** Authorization for the Board of Directors to issue common shares, common shares giving access to common shares or to the allotment of debt securities and/or securities giving access to common shares, with preferential subscription rights for shareholders, up to a maximum of €5,000,000 for the common shares to be issued and €200,000,000 for the debt securities to be issued in 2023.	26 months	Not used Expires in June 2024
SM of 4/21/2022 = 28th resolution of the Combined Shareholders' Meeting	**Addition to equity by incorporation of reserves, earnings or premiums.** Authorization of the Board of Directors to add cash to the equity by incorporating reserves, earnings and/or premiums and/or other amounts not to exceed €5,000,000	26 months	Not used in 2023 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 2023 Expires in June 2024
SM of 4/21/2022 = 30th resolution of the Combined Shareholders' Meeting	**Capital increase reserved for employees** Authorization of authority granted to the Board of Directors to increase the share capital on behalf of employees in an amount not to exceed 3% of shareholders' equity 3%, or €462,966	26 months	Not used in 2023 Expires in June 2024
SM of 4/27/2023 = 28th resolution of the Combined Shareholders' Meeting	**New equity from contributions of securities** Authorization of the Board of Directors to make additions to equity without shareholders' preemptive subscription rights, up to a maximum of 10%, in repayment for securities contributed to the company	26 months	Not used in 2023 Expires in June 2025

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. Executive corporate officers with an interest in the matter 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 may be connected 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 entitlements:

The Chairman of the Board of Directors and the Chief Executive Officer benefit from the following commitments:

CHAIRMAN OF THE BOARD OF DIRECTORS: Alex BONGRAIN

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

(*) 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

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 2 years average monthly base gross	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 compensation	N/A	N/A

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 tied to chairmanship of one or more committees of the Board of Directors;
- 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 (a) one of the corporate officers or shareholders with a percentage of voting rights greater than 10% and (b) 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 entitlements

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

(*) 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

1.2.2.4 Modification of the compensation policy for 2024

The existing compensation policy has been reviewed by the Management and Compensation Committee. After hearing that committee’s analysis and recommendations, the Board of Directors proposes that the compensation policy for 2024 be modified to enable directors who are also Chairs of specialized committees to receive additional fixed compensation in connection with that role.

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 27, 2023 approved by a majority the draft resolution concerning the disclosures described in Article L. 22-10-34 I of the French Commercial Code.

Alex BONGRAIN - Chairman of the Board of Directors

	Amounts awarded on the basis of FY2023	Amounts paid in FY2022	Amounts paid in FY2021
Fixed compensation	€739,064	€659,064	€653,262
Annual variable compensation	€346,523	€339,418	€495,033
Multi-year variable compensation in cash			
Extraordinary compensation			€800,000
Stock options, performance shares or other securities allocated	No shares were awarded	No shares were awarded	No shares were awarded
Compensation in respect of the Directorship	The Chairman of the Board of Directors receives no compensation for serving as a Board Director	The Chairman of the Board of Directors receives no compensation for serving as a Board Director	The Chairman of the Board of Directors receives no compensation for serving as a Board Director
Benefits In-kind	€23,112	€23,112	€20,822
Supplemental pension	€8,148	€8,148	€7,618
Personal insurance	€4,871	€4,871	€4,556

(1) Relating to the extraordinary commitment and performance achieved.

Olivier DELAMÉA

	Amounts awarded on the basis of FY2023	Amounts paid in FY2022	Amounts paid in FY2022
Fixed compensation	€567,008	€567,068	€200,963
Annual variable compensation	€291,748	€260,000	€0
Multi-year variable compensation in cash	€200,000	€200,000	
Extraordinary compensation			
Stock options, performance shares or other securities allocated	No shares were awarded	No shares were awarded	No shares were awarded
In-kind benefits	€6,543	€6,543	€2,181
Supplemental pension	€10,778	€10,778	€2,520
Personal insurance	€6,443	€6,443	€2,008

Directors/Observer

		Amounts paid in 2023	Amounts paid in 2022
Armand BONGRAIN (1)(2)	Other fixed/variable compensation (2)	€259,038	€251,506
Pascal BRETON (3)	Directorship/Censor compensation	€10,500	€40,250
Anne-Marie CAMBOURIEU	Directorship compensation	€49,000	€43,750
Clare CHATFIELD	Directorship compensation	€59,500	€54,250
Xavier CRUSE (4)	Directorship compensation	€49,000	€43,750
Philippe GORCE (5)	Directorship compensation	€0	€0
Xavier GOVARE	Directorship compensation	€70,000	€50,750
Malika HAIMEUR	Directorship compensation	€61,250	€50,750
Martine LIAUTAUD	Directorship compensation	€47,250	€35,000
Annette MESSEMER	Directorship compensation	€36,750	€45,500
Christian MOUILLON	Directorship compensation	€68,250	€64,750
Ignacio OSBORNE	Directorship compensation	€43,750	€43,750
Vincenzo PICONE	Directorship compensation	€5,250	€33,250
Robert ROEDER	Directorship compensation	€45,500	€50,750
Sophie de ROUX	Directorship compensation	€52,500	€42,000
Bruno WITVOET (7)	Directorship compensation	€10,500	€0
François WOLFOVSKI	Directorship compensation	€10,500	€45,500

(1) The estimated amount of the annual annuity at the closing date was €12,275.
(2) Armand Bongrain, who also has ties to a subsidiary of the group by way of an employment contract, receives compensation in this respect.
(3) Non-voting observer until April 27, 2023
(4) Permanent Representative of Savencia Holding, Board Director.
(5) Philippe Gorce receives no compensation for serving as a director representing the employee shareholders
(6) Board Director until 7/31/2023.
(7) Board Director since September 14, 2023.

EQUITY RATIOS (SCOPE: SAVENCIA Fromage & Dairy FRANCE)

	Chairman of the Board of Directors	General Manager Officer
2023 financial year		
Average compensation of employees excluding corporate officers (1)	46 374 €	46 374 €
Median compensation of employees excluding corporate officers (1)	37 386 €	37 386 €
Compensation of the executive corporate officer (2)	1 040 023 €	919 881 €
Change in the compensation of the executive corporate officer vs Year N-1	-46%	342%
Change in the Company's performance vs Year N-1(4)	-9%	-9%
Ratio of compensation of the executive corporate officer/ Average compensation of employees (3)	22,4	19,8
Ratio of compensation of the executive corporate officer/ Median compensation of employees (3)	27,8	24,6
2022 financial year		From 9/1/2022 to 12/31/2022(5)
Average compensation of employees excluding corporate officers (1)	45 573 €	45 573 €
Median compensation of employees excluding corporate officers (1)	36 384 €	36 384 €
Compensation of the executive corporate officer (2)	1 916 756 €	207 951 €
Change in the compensation of the executive corporate officer vs Year N-1	88%	-84%
Change in the Company's performance vs Year N-1(4)	-5%	-5%
Ratio of compensation of the executive corporate officer/ Average compensation of employees (3)	40,8	4,6
Ratio of compensation of the executive corporate officer/ Median compensation of employees (3)	52,6	5,7
2021 financial year	€41,851	€41,851
Average compensation of employees excluding corporate officers (1)	€34,725	€34,725
Median compensation of employees excluding corporate officers (1)	€1,019,249	€1,266,863
Compensation of the executive corporate officer (2)	-1%	8%
Change in the compensation of the executive corporate officer vs Year N-1	16%	16%
Change in the Company's performance vs Year N-1(4)	24,4	30,3
Ratio of compensation of the executive corporate officer/ Average compensation of employees (3)	29,4	36,5
Ratio of compensation of the executive corporate officer/ Median compensation of employees (3)		
2020 financial year	€40,298	€40,298
Average compensation of employees excluding corporate officers (1)	€33,565	€33,565
Median compensation of employees excluding corporate officers (1)	€1,027,766	€1,173,931
Compensation of the executive corporate officer (2)	3 %	14 %
Change in the compensation of the executive corporate officer vs Year N-1	10 %	10 %
Change in the Company's performance vs Year N-1(4)	25,5	29,1
Ratio of compensation of the executive corporate officer/ Average compensation of employees (3)	30,6	35,0
Ratio of compensation of the executive corporate officer/ Median compensation of employees (3)		

	Chairman of the Board of Directors	General Manager Officer
2019 financial year	€39,288	€39,288
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)	993911	1033120
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

(1) In accordance with article L. 225-37-3 C.com of the French Commercial Code, compensation includes fixed compensation, variable compensation, extraordinary compensation, benefits in kind, profit-sharing, employer contributions to healthcare, personal insurance and supplementary pension plans (Article 83) and the Company's contributions to employee savings plans (PEG and PERCO). Compensation is calculated based on full-time equivalence. The notion of "employee" includes employees on permanent and fixed-term contracts and employees on secondment "continuously employed" during the financial year, i.e. employed without interruption between January 31 and December 31 of the financial year. Because certain variable components (objective-based bonuses, profit-sharing) are calculated on the basis of the time in employment in year N-1, the employees must prove that they have served at least three 3 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 matches the compensation paid during the year.

(2) Compensation includes fixed compensation, variable compensation, extraordinary compensation, benefits in kind, profit-sharing, employer contributions to healthcare, personal insurance and supplementary pension plans (Article 83/PERO) and the Company's contributions to employee savings plans (PEG and PERCO). The compensation presented matches the compensation paid during the year.

(3) As regards the Chairman of the Board of Directors., the Chief Executive Officer(;and each deputy Chief Executive Officer, the ratios are calculated between the compensation of each of these executives and a) the mean full-time equivalent compensation of the company's employees, excluding corporate officers and (b) the median full-time equivalent compensation of the company's employees, excluding corporate officers.

(4) The Company's performance refers to the operating profit from ordinary activities (EBIT) of SAVENCIA Fromage & Dairy.

(5) Appointed September 1, 2022

1.4. Information that could have an impact in the event of a tender offer

- The share capital structure as of February 7, 2024, the date of the last Identifiable Bearer Securities statement:
  - 10,290,799 registered shares = representing 19,979,641 net voting rights (excluding non-voting shares),
  - 3,742,131 bearer shares = representing 3,168,200 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 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):

SAVENCIA Holding held directly or indirectly, as of February 7, 2024: 66.64% of the equity (i.e., 78.56% in terms of gross voting rights, including non-voting shares) and 80.79% in terms of net voting rights (excluding non-voting shares).

- The list of holders of any securities with special rights of control and the description thereof (resulting in particular from preferred stock):

A double voting right is granted to shares registered in the name of the same shareholder for at least 6 years.

- 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, there is a preemptive 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 eight 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:

The Shareholders Meeting has delegated 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 €1,110 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. Internal control and risk management structure

2.1. General information

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 activity and position of the companies comprising the Group. It is also intended to provide reasonable assurance that the risks related to the various operational processes implemented within the different Group entities are understood and addressed.

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. Internal control serves to verify:

- compliance with 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;
- safeguarding of assets;
- the accuracy of the accounting and financial information communicated to the Group's corporate bodies with regard to the activity and position of the companies comprising it, in compliance with the laws and regulations in force.

Internal control also helps prevent and detect errors and fraud.

As with any system, these internal control procedures cannot provide an absolute guarantee that all risks are identified and controlled.

An Internal Control Department was created in April 2022 with a view to strengthening management of the overall procedure through the introduction of an Internal Control Framework and a self-assessment questionnaire for all operating subsidiaries.

Risk management, based on an Enterprise Risk Management (ERM) approach at all levels of the Group, and in particular risk mapping, is based on a strategy covering operational, financial, strategic risks. It aims to optimize:

- risk prevention methods;
- risk reduction or hedging (e.g. through insurance policies);
- the acceptance of certain risks.

2.2. Risk mapping

The Group has three risk maps established in coordination with Management. These maps serve to identify potential risks and develop measures to minimize the likelihood and scope thereof:

- a "Group" risk map;
- a "Sapin II Law" risk map;
- a "Duty of vigilance Law" risk map.

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 risk map. In 2022, 100% of subsidiary risk maps were finalized, along with the majority of site-specific risk maps.

Since 2023, the Group risk map has been based on a cross-tabulation of risks provided by the Strategy and Risk Management Departments. This collaboration aims to highlight strategic and operational risks, respectively. Combining a top-down and bottom-up approach allows for more accurate representation of risks and threats liable to adversely affect the sustainability of the Group's business.

STAGES OF RISK MAPPING:

- risk identification: the risk concerns an event that could occur, the consequences of which are liable to affect the Group's employees, assets, environment, objectives or reputation;
- risk severity assessment: risks are assessed according to two criteria, likelihood of materialization and 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:

STRATEGIC RISKS

The strategic risks identified in 2023 are as follows:

<u>Geopolitical tensions</u>

Geopolitical tensions or instabilities, as well as the possible tightening of customs barriers, may impact the Group's development or lead to decrease in sales volumes.

The Group continually monitors these risks to anticipate changes as early as possible.

<u>Lasting stoppage/closure of a strategic site</u>

Certain specialties and/or strategic ingredients are manufactured in or pass through a limited number of sites, and in some cases a single site. The occurrence of an event resulting in stoppage, the partial or even total 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 fire risks 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 based on various scenarios of unavailability. 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.

Increase in social and regulatory pressure concerning cheese products (health: fat and salt content, processing, etc.)

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 industrial products and lead to a decline in sales of our products. Initial responses to these societal trends include an updated CSR plan and appropriate communication.

Risk of reputational damage associated with livestock farming

The livestock sector is increasingly perceived as contributing to climate change, loss of biodiversity and lack of respect for animal welfare. Mindful of this trend and of changing consumer behavior, the Group has committed to undertaking concrete actions including: decarbonization, adherence to the Charter for Good Agricultural Practices on the part of farmers, certifications to guarantee milk quality, strong communication, etc. The Group's societal and environmental commitment is strengthened by continuous improvement of its traditional business and a non-stop quest for innovation, with the development of organic and plant-based product lines and the validation of its decarbonization trajectory by the SBTI.

Cyber attacks, data and IT system security

A cyber attack rendering IT systems unavailable could paralyze the Group's business.

Dealing with this technological risk requires the expertise of a strengthened IT security team. The commissioning of a Security Operations Center (SOC) in 2021 ensured the Group enhanced protection against cyber attacks. In 2023, five Group business continuity plans in the event of IT unavailability were initiated at industrial sites and are currently being rolled out. The aim is to ensure business continuity (failsafe mode) by anticipating such a contingency and identifying workarounds.

Climate incidents with an impact on business and facilities

Faced with the increasing number of severe climatic events liable to impact operations and facilities, sites are preparing for such events by carrying out specific impact studies and drawing up business continuity plans.

Plant and equipment failure

Various factors can render sites inoperative: aging infrastructure, obsolete equipment, malicious acts, etc. may all lead to unavailability. To combat this phenomenon, it is essential to conduct a comprehensive risk assessment and establish concrete action plans.

Globalization/regionalization of negotiations and alignments on 3xNet

Mergers and acquisitions among client companies, as well as the creation of European purchasing platforms, are increasing the influence of clients in business negotiations. This can result in a loss of CANG and price reductions through negotiation or coercion. In this context, it is important to ensure that conditions remain consistent and to support our employees during negotiations.

Staff shortage, lack of attractiveness, difficulty recruiting

Talent is in high demand, and candidates' job expectations are changing. In this context, recruitment is becoming a challenge. As such, it is essential to enhance attractiveness by making work less arduous and promoting the employer brand.

Attacks by stakeholders

Due to increased competition and the profusion of players (competitors, associations, authorities, consumers, etc.) the Group is exposed to destabilizing practices that are liable to impact its image and brands. In a context of constant exchange of information, particularly via social networks, it is important to identify all stakeholders, adopt a collaborative approach and set out a crisis communication strategy.

OPERATIONAL RISKS

Operational risks are determined by cross-referencing subsidiary and site risk maps. Some risks are identical to those presented in the strategic risks section. To avoid repetition, these risks are indicated but not detailed.

- Climate incidents with an impact on business and facilities;
- Staff shortage, lack of attractiveness, difficulty recruiting;
- Cyber attacks, data and IT system security;
- Health risks for employees and visitors.

The health and safety of the men and women who work for the Group is a priority. With a view to constantly improving safety at work, the Group implements an international mobilization, training and management program: "SAFETY is OUR business!" A set of guidelines is provided for all production units and the Golden Rules on display at all sites offer advice on risk prevention. A key tool in this program, the behavioral safety visit (BSV) helps raise awareness and encourage the involvement of all stakeholders: Corporate officers, management and operators. In addition, a program to protect the safety of employees during travel has been developed.

Contamination

Consumer confidence in the Group's brands is based on raw materials and finished products of the highest quality. The Group is therefore particularly attentive to the food safety of its products. The risk of contamination is generally of microbiological origin, but can also relate to possible chemical contaminants, allergens or foreign bodies introduced 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 for new business lines such as child nutrition and ingredients intended for the parapharmaceutical sector.

Risk of epidemic and pandemic

Certain factors, including the globalization of commercial flows, the interconnection of economies and the regular movement of the world's population, contribute to the development of an epidemiological risk that could reduce or hinder production at industrial or administrative sites.

The Covid-19 crisis bright into stark relief the importance of being prepared for this sudden and cyclical risk. The Group was able to ensure business continuity during the pandemic thanks to advance planning for work organization (e.g. providing employees with IT equipment for telecommuting), sufficient quantities of masks, gloves, hand sanitizer, etc. in proper working order, and establishment of crisis cells at both the Group and local levels.

2.2.2. "Sapin II Law" risk mapping

The Law of December 2016 on transparency, the fight against corruption and the modernization of economic life, known as the Sapin II law, requires the establishment of a detailed mapping of corruption and influence peddling risks, organized according to the geographical areas in which the Group operates.

Corruption risk mapping pursues a dual objective:

- identify, assess and prioritize corruption risks to ensure an effective and appropriate program of compliance;
- inform and provide the Management team with the visibility necessary for the implementation of prevention and detection measures proportionate to the issues identified.

In 2022, the mapping of Sapin II net risks was further extended with the introduction of corruption risk mapping in subsidiaries and the launch of action plans for certain subsidiaries that are particularly exposed (China, Ukraine, Brazil, Argentina, Hungary, Spain). This initiative continued in 2023 with guidance for subsidiaries Elvir, SPLI and those of the Alliance Fromagère Division.

2.2.3. "Duty of Vigilance Law" risk mapping

In accordance with the Duty of Vigilance => David REGIS Law, 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 as well as the Group website.

Note: a single 2023 Group Vigilance Plan was drafted.

2.2.4. General Data Protection Regulation (GDPR)

Group subsidiaries located within the European Union have completed their initial compliance procedures and are now focusing on maintaining compliance.

The DPO team has been strengthened to provide the necessary compliance control capacity to ensure continued respect for legislative and regulatory requirements.

2.3. Control procedures

Internal control and risk management (ERM) procedures are implemented with due regard for the Group's values, which emphasize the subsidiarity and autonomy of its units, as well as risk mapping. The parent company controls the activity of its subsidiaries through:

- Operational departments - responsible for coordinating and supervising business units;
- the Finance Department - responsible for assessing the relevance of the Group's results and 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, under the authority of Group Executive Management, assesses the internal control of each entity, as well as the increasing number of cross-functional processes in operation within the Group, based on the reference framework established 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. Entities are then required to establish action plans to implement the recommended improvements, and to report periodically on their progress. Implementation of these action plans is supervised by Operations Directors and monitored annually by the Internal Audit Department.

With regard to financial information, the process for preparing the financial statements of each subsidiary is based on:

- a standard chart of accounts applicable to all subsidiaries;
- an accounting procedure manual aimed at harmonizing the policies implemented in this area.

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 verifies the information received by the Finance Directors of each activity.

The individual 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. Appointment of these auditors is covered in 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, regarding 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 in accordance with proper internal control conditions, procedures have been established to guarantee the integrity of the data collected using a single tool with strictly controlled access. The reliability of the consolidation processes and the accurate image 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 French 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-owned 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: 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 materialization of risks;
- a system to monitor the measures implemented and assess the effectiveness thereof.

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 vis-a-vis its customers, employees and suppliers, as well as other relevant stakeholders. The Group 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, SAVENCIA has been a signatory of the United Nations Global Compact, the world's largest sustainable development initiative, 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 Duty of vigilance 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, 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 2023, it continued to review the progress of measures relating to the Duty of vigilance and associated action plans.

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 CSR 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 vigilance procedures, 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 in the fields of human rights and the environment related to the Group's activities.

Consultation with trade unions

Quality of life at work and labor 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);
- 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 June 2023, a presentation on labor relations issues within the Group was conducted before HR Departments responsible for coordination and representing the various geographic areas where Group subsidiaries are established.

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 particular, the commitments undertaken by SAVENCIA Fromage & Dairy cover all the fundamental criteria and elements of the DSF: greenhouse gas emissions, soil nutrients, waste, water, soil quality and retention capacity, biodiversity, animal care practices, working conditions, market development, rural economies, product quality and safety, compliance with local legislation, human rights and the fight against deforestation.

SAVENCIA Fromage & Dairy has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2021. It also relies on the expertise of the international NGO Compassion In World Farming (CIWF) for its Animal Welfare Charter.

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 suppliers;
- sale and consumption: direct sales to consumers (B2C) as well as sales to professionals (B2B).

3.4. Risk analysis

Our activities and operations have an impact on our ecosystem. SAVENCIA Group, along with 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 methodology adopted at Group level, as well as the procedures recommended by the French Anti-Corruption Agency with respect to compliance with the Sapin II Law, the Duty of vigilance focuses specifically on the risks that SAVENCIA Group poses to its environment and ecosystem.

Building on the results of an initial risk mapping exercise conducted in 2018, the work carried out at the end of 2022 with the support of an expert consultancy firm allowed the Group to set out a more precise classification of Vigilance risks and, more broadly, to perform a more in-depth analysis of the risks identified, with particular attention to local communities.

Risk categories

The first step consists of establishing a detailed definition of the risk categories covered by the Duty of vigilance in the areas of human rights and the environment. To allow for a precise assessment of risk levels according to the nature of the risk and the potential impact on the SAVENCIA ecosystem, these two overarching categories are broken down into specific risk areas, taking into account the main categories of people whose rights may be impacted. The approach led to the following classification of risks:

Issues relating to the Duty of Vigilance			
Human rights and fundamental freedoms	Personal health and safety	Environment	Local communities

Associated risks			
Union rights	Worker 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 wellbeing	
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)			

For human rights risks, the Group takes into account the human rights internationally recognized in the International Bill of Human Rights and the fundamental conventions of the International Labor Organization (ILO), in particular:

- fundamental rights and principles at work: freedom of association and the right to collective bargaining, elimination of forced or compulsory labor, abolition of child labor, elimination of discrimination in respect of employment and occupation (e.g. representation of women, equal pay), a safe and healthy working environment;
- other rights at work: organization of work, compensation and benefits, workplace wellbeing and quality of life (e.g. freedom from violence and psychological or sexual harassment, transformation of the work environment), respect for privacy, provision of essential infrastructure and services (e.g. catering, sanitary facilities, housing);
- rights of local communities: access to natural resources (e.g. water), acquisition, leasing and use of land (e.g. property rights and free, prior and informed consent), the health, safety and security of local communities.

Based on this risk classification, risk analysis procedures were carried out in late 2022 on 24 categories of Group purchases and activities in the following areas:

- direct purchases, including those for the Group's strategic agricultural raw materials - milk, cocoa, meat and fish,
- indirect purchases,
- technical purchases,
- product processing activities.

The scope covered is that of SAVENCIA and its subsidiaries, as well as its suppliers and subcontractors, in accordance with the requirements of the French Duty of vigilance law.

Risk analysis

To determine the most significant risks to which SAVENCIA is exposed, i.e. the most severe potential negative impacts that the Group's activities could cause to people and the environment, an analysis was conducted based on open-source literature (online publications, books, public indicators, etc.) and internal consultations with industry experts who provided their assessment of the level of exposure to the risks in question.

For risks related to the geographical scope of SAVENCIA's activities, assessments are based on various recognized indices:

- Worldwide Governance Indicators (World Bank Index), which reflects risks in terms of human rights (rights of individuals, local communities and consumers);
- Environmental Performance Index (Yale and Columbia University), which reports environmental risk;
- Corruption Perceptions Index (Transparency International), which presents the risk of corruption as an aggravating factor for social and environmental issues.

Two criteria are used to assess the significance of the risks analyzed:

- severity, by determining the impacts that would be most significant in terms of intensity, scope and irreparability;
- likelihood, by assessing the probability of the risk materializing.

The result is a “gross” analysis of the risks inherent in the Group’s activities.

Next, taking into account the prevention and mitigation actions implemented by the Group and its subsidiaries, the “net” level of risk is assessed according to four levels of risk control (weak, partial, acceptable, strong).

Risk mapping

Based on the results of this analysis, SAVENCIA Group elaborated a risk map, determining the level of priority according to the severity of the impact on human rights and the environment in relation to the Group's level of risk control.

It should be noted that no risk of serious impact on human rights and the environment was identified according to the results of the Vigilance risk assessment carried out in early 2023.

However, based on the Vigilance risk map, the following risks, broken down by category, have been identified as requiring particular attention, and mainly concern our supply of agricultural materials.

Categories	Priority risks (Human rights in blue, Environment in green)
MILK	● Producer health and safety ● Compensation and working hours ● Contribution to climate change ● Natural resources, biodiversity and animal wellbeing
COCOA	● Producer health and safety ● Compensation and working hours ● Child labor ● Forced Labor ● Local communities ● Contribution to climate change ● Natural resources, biodiversity
FISH	● Worker health and safety ● Natural resources, biodiversity and animal wellbeing
CHICKEN AND PORK	● Worker health and safety ● Compensation and working hours ● Natural resources, biodiversity and animal wellbeing
SOY/PALM	● Contribution to climate change ● Natural resources, biodiversity
NUTS	● Producer health and safety ● Child labor ● Natural resources, biodiversity
EGG PRODUCTS	● Natural resources, biodiversity and animal wellbeing
WATER	● Natural resources ● Pollution
ENERGY	● Contribution to climate change
PACKAGING	● Contribution to climate change ● Natural resources, biodiversity ● Pollution

This prioritization does not exclude monitoring other vigilance issues analyzed as being of lower risk, which are also covered by action plans incorporated into the Group's CSR approach, nor the inclusion of any new risks that may be identified as significant.

The results of the risk analysis communicated to the Group's subsidiaries in 2023 have raised awareness of the risks regarding the Duty of vigilance among the relevant management committees, and prompted them to take preventive and remedial action.

The priority measures intended to mitigate and prevent the potential damage caused by these risks are reviewed in consultation 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.

3.5. Regular assessment based on 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.

- 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,
- age breakdown in the workforce;
- gender equality in the workplace;
- employment and integration of people with disabilities;
- working hours;
- absenteeism;
- training, as well as wages and expenses;
- labor 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 wellbeing

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 in 2022, and then gradually to all Group employees.

Furthermore, a concern for the wellbeing of its employees led the Group to put in place a tool intended to assess the workplace wellbeing of Group employees through periodic internal opinion surveys and implementation of improvement plans. An internal opinion survey was carried out in June 2022 among almost all SAVENCIA subsidiaries with more than 50 employees. The survey uses the Great Place To Work (GPTW) methodology together with the Trust Index questionnaire, which comprises 60 questions focused on five major factors of satisfaction: credibility, respect, fairness, pride and camaraderie. In 2023, subsidiaries reported the actions currently being rolled out. (see Chapter 2 of the Non-Financial Performance Statement - "Employee wellbeing").

More generally, the various communication channels available to employees provide a means of listening and 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 - 3.8 "Whistleblowing system and processing of reports").

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 evaluate 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.

The audit plan may be also adapted according to the upstream risk assessment, including country risk assessments concerning 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 works with an independent body for 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 Europe status for 10 straight years.

In addition, 14 of the countries in which the Group operates have been awarded "Top Employer" certification. In Europe, Belgium, the Czech Republic, France, Germany, Poland, Slovakia and Spain have been certified. As such, the Group has been granted Top Employer Europe certification for the tenth straight year. In the Asia-Pacific region, Top Employer certification has been awarded in China, South Korea, India and Japan. In the Americas, Top Employer certification has been awarded in Brazil, Argentina 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, 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 to quickly plan new appropriate corrective measures (See Vigilance Plan - 3.6 for detailed actions related 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 - 3.6 for detailed actions related to consumer health and safety risks).

Suppliers

The Group is particularly vigilant regarding risks associated with this supply chain. Such risks are considered high-priority.

The Group's Responsible Purchasing approach includes assessing the positioning of suppliers with regard to Vigilance risk mapping (see Vigilance Plan - 3.6.2 Responsible Purchasing).

3.6. Risk mitigation and prevention of serious harm

This section 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 harm. It also provides information on the monitoring of corresponding results.

In addition, this section 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 2023 and translated into all Group languages, this program aims to raise employee awareness of the risks of serious harm in the areas 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.

By 2023, 85% of the Group’s employees with access to the computer platform will have received e-learning training in the Duty of vigilance.

3.6.1. Group actions

This chapter presents the actions taken to prevent and remedy harm potentially resulting from the activities of the Group and its suppliers. These actions are linked to the significant risks identified in the Vigilance mapping; others sometimes reflect a lower level of risk, but nonetheless remain extremely important for the Group.

For each risk identified, information is included on the measures taken and the monitoring of results.

Where appropriate, this monitoring includes references to the corresponding chapters and indicators of the 2023 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 - “Risk analysis.”

- 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 Responsible Purchasing Charter cover child labor.	At December 31, 2023, more than 1,345 Responsible Purchasing Charters had been signed, covering 75.2% 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 2023, 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.	Since 2014, Valrhona has been involved in programs designed to facilitate and improve access to education: 14 schools have thus been built and renovated in Côte d'Ivoire, Ghana, the Dominican Republic and Venezuela.
As part of its Live Long Cacao 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 2017, Valrhona joined the NGO International Cocoa Initiative (ICI), which operates in Ghana and Côte d'Ivoire. This organization works to ensure a better future for children in cocoa-growing communities. ICI has tested and rolled out solutions for the development of Child Labor Monitoring and Remediation Systems (CLMRS). The priority is to address these solutions with regard to our West African resources, which are the most at risk.	In 2023, Valrhona and its partners in Côte d'Ivoire and Ghana committed to setting up a child labor monitoring and remediation system in each country, based on the ICI (International Cocoa Initiative) method.
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.	

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. Group subsidiaries sourcing nuts call upon their suppliers to sign the Responsible Purchasing Charter.	

- 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 Responsible Purchasing Charter cover forced labor.	At December 31, 2023, more than 1,345 Responsible Purchasing Charters had been signed, covering 75.2% 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 - "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 to ensure that products are not the result of forced or child labor.	In 2023, 100% of the 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 sectors."

- 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 SAVENCIA Group supports a responsible milk purchasing policy and encourages producers to join a collective structure, either a cooperative or a producer organization. In 2023, SAVENCIA Fromage & Dairy continued its policy of promoting the dairy sector in the context of the French EGalim law.	
As part of the Sustainable Dairy Production Assessment (SDPA), the criteria of "Profitability of financial operations" and "Financial autonomy" are evaluated and monitored. Specific financial and support measures have been developed for the Terroirs de lait 2032 program. Young farmers receive a start-up support package including financial aid, a long-term contractual commitment and technical assistance to help consolidate their project.	In 2023, 25.6% of the volume of milk collected was covered by the Sustainable Dairy Production Assessment (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%). In 2023, 187 young farmers received at least one form of start-up financial support. See the SAVENCIA Holding Non-Financial Performance Statement - "Sustainable agriculture sectors."

Actions implemented	Results
MEAT	
Bordeau Chesnel is developing trusted partnerships with farmers to create a more sustainable industry, helping them adopt more virtuous farming models, in particular by guaranteeing remuneration higher than the average going rate for pork, with added bonuses for the best farms. This initiative reflects a commitment to guaranteeing fair remuneration for farmers, in line with the cost of grains.	In 2023, the partnership with Bordeau Chesnel for a sustainable pork sector brought together nearly 230 farmers. Gradual implementation of this program will continue until 2025. In 2023, 76% of pork rillettes were sources from the "sustainable quality" supply chain.
The "Our Shared Values" approach rolled out in 2021 in the chicken sector aims to create a lasting commitment with local producers and Bordeau Chesnel partners: in particular, it consists of guaranteeing fair compensation for farmers by taking into account production costs and ensuring long-term visibility thanks to a contractually-agreed system.	In 2023, 59% of supplies were sourced from responsible chicken producers. Implementation of this approach has slowed owing to a drop in partners' capacities following the disruption of the French market caused by avian flu. See the SAVENCIA Holding Non-Financial Performance Statement - "Sustainable agriculture sectors."
COCOA	
Mindful of the complex and far-reaching social, economic and environmental challenges facing the cocoa industry, Valrhona is working in partnership with all the players in the French cocoa sector through the French Initiative for Sustainable Cocoa (IFCD), with a joint commitment to three concrete, time-bound objectives: – Improve the income of cocoa farmers to ensure that they enjoy a "decent living" by 2030. – Halt cocoa sourcing from deforested areas by 2025. – Intensify the fight against child labor in French cocoa sourcing by 2025.	As a player in the cocoa industry, Valrhona chooses to purchase the vast majority of its cocoa from producers grouped together in cooperatives and associations. Since 2021, all cocoa purchases have come from long-term partnerships, thereby contributing to the achievement of our objectives. Efforts are being made to ensure that purchasing contracts with partner suppliers evolve towards international fair trade standard certification by 2030, guaranteeing fair and equitable remuneration for cocoa producers.

- 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
GROUP	
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.
Harassment	
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 SEC).	The employee training catalogue includes an e-learning module on harassment. HR and SEC harassment officers receive training to raise awareness of the risks of harassment.
Disabilities	
In order to change the view of disabilities among employees and promote the recruitment and retention of people with disabilities, the Group pursues a "Disability Action" policy implemented by Disability Officers in subsidiaries. The commitment is based on four areas of action: • raising awareness to combat stereotypes; • maintaining employment; • recruitment of people with disabilities; • developing partnerships with the shelter and protection sector. The Handicap France network of Disability Officers conducts awareness-raising campaigns based on a communication kit. The following themes were addressed in 2023: ocular disabilities, mental and psychiatric disabilities, ASD, digital access to content, diabetes, "dys'abilities" and caregivers.	In 2023, 12 subsidiaries had an employment rate of over 6% for people with disabilities. The overall rate within the Group is 3.6%, i.e. 894 employees.
Every November, during the European Week for Employment of People with Disabilities (SEEPH), the Group organizes awareness-raising activities to strengthen the commitment of its subsidiaries and employees. During this week-long event, the subsidiaries also participate in the DUO-DAY program.	Conferences, digital games, information meetings and other awareness-raising events are organized over the week to raise employee awareness. DUO-DAY 2023 brought together 45 people with disabilities, who teamed up with employees to discover the business lines and industrial or administrative activities of the Group's subsidiaries.
Certain subsidiaries call on service providers employing people with disabilities, thus contributing to the activity of these service providers.	

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. The working group established in 2022 to support female leadership analyzed extensive quantitative data from both inside and outside the company, conducted interviews with male and female employees, and maintained links with the Management Committee. An action plan and implementation schedule were drawn up for 2023. A specific budget allocation is planned in France to make up for any wage gaps observed between men and women in equivalent positions. As part of the "Moving Towards a Societal Foundation" Roadmap project, discussions were held with social partners in France throughout 2023 on the topic of professional gender equality and support for employees with children.	In 2023, women accounted for 45.5% of the Group's managers. 80.9% of women of all socio-professional categories participated in at least one training session in 2023. The Group's score in the 2023 Gender Equality Index in France is 86, and areas of improvement have been identified. See the SAVENCIA Holding Non-Financial Performance Statement - "Employee wellbeing"

- 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
GROUP 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
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 "Moving Towards a Societal Foundation" Roadmap project, negotiations were held with employee representative bodies in France in 2022 on the topic of "Recognizing the career paths of employee representatives." The agreement focused on the following issues: ● Promoting respectful labor relations with due regard for stakeholders' roles, responsibilities and individuality, all in a spirit of openness and dialogue; ● Supporting and enhancing the career development of employee representatives, thereby promoting their role in social dialogue at the local and central levels; ● Ensuring that employee representatives (elected or appointed) can fully exercise the rights and duties associated with their position, in compliance with legal and regulatory standards and collective agreements.	An agreement on this subject was signed with French trade unions on January 17, 2023, and has been implemented in France through Social and Economic Committees following the recomposition of these bodies in 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 Dairy Production Assessment (SDPA) includes a "Producer Quality of Life" indicator that evaluates farmers' workload and management responsibilities.	25.6% of the volume of milk collected is covered by the Sustainable Dairy Production Assessment (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%).
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 2023, 81.3% of our worldwide milk supply in volume (compared to 86.8% in 2022) met the standards laid out in this Charter or alternative standards recognized as equivalent in the countries or sectors in question. The change in this indicator is linked to the inclusion of Williner in Argentina in 2023. In 2024, local teams in charge of dairy supplies will continue the actions launched this year, with a view to implementing our commitments in this new collection area. See the SAVENCIA Holding Non-Financial Performance Statement - "Sustainable agriculture sectors."

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
GROUP A "SAFETY is OUR business" program, based on an OHS 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 Group languages and accessible to everyone 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 2021, a set of operational rules known as the "The 10 SAVENCIA Safety Essentials" has been progressively implemented. These Essentials aim to prevent accidents and injuries, especially the most severe or potentially serious incidents. Each Safety Essential targets a specific risk, and is based on four rules that can be applied by everyone and in any circumstances. A comprehensive digital kit, available in all Group languages, provides all SAVENCIA subsidiaries with the tools and methods to support implementation of the Safety Essentials. In addition to the overall roll-out plan, targeted measures are also being taken, including a project implemented in multiple pilot sites with support from specialized service providers to enhance safety for employees working on equipment and energy sources.	In 2023, all Group industrial and logistics sites carried out a self-assessment on the 10 SAVENCIA Safety Essentials. This information gathered will help to fine-tune key prevention measures both locally and throughout the Group. In 2023, 48% of subsidiaries reported no accidents resulting in sick leave (permanent and temporary workers). Behavioral Safety Visits (BSV) are conducted on-site or remotely. In 2023, the number of such visits increased by 29.6% compared to 2022. See the SAVENCIA Holding Non-Financial Performance Statement - "Employee wellbeing."

Actions implemented	Results
Awareness-raising and training actions include: ● The organization of an 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 included in 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.	Subsidiaries continued conducting workplace health and safety training in 2023.
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 in France aimed at reducing temporary workers' exposure to workplace 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.	To ensure continuous improvement, quarterly reviews have been organized with the national management teams of four main TEAs. These reviews focus on monitoring implementation of the measures instituted and development of associated performance indicators.

- 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 SAVENCIA Holding Non-Financial Performance Statement - "Healthy, delicious and responsible eating."

Actions implemented	Results
Consumer health	
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.	The Quality Department supports sites in implementing these foodstuff management systems on a case-by-case basis.
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.	A survey of certifications related to food safety is carried out annually.
Managing supplier food safety risks	
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 Quality/Purchasing teams on the basis of a checklist reflecting the Group's specific requirements. The results of these audits are monitored over time.	Annual assessments of these suppliers, carried out by the subsidiaries, confirm that the materials delivered meet requirements, with corrective actions implemented where necessary to ensure continuation of the business relationship. Joint Quality/Purchasing teams also conduct field audits on the premises of certain suppliers, with subsequent follow-up actions.

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).

Actions implemented	Results
GROUP	
To limit internal human causes, subsidiaries are responsible for implementing training plans suited to employees' duties and responsibilities. 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.	In addition to organizational measures, the Group makes significant investments in: • wastewater treatment plants; • fire prevention and protection systems.
The Group takes into account noise, olfactory and air pollution (particles in the atmosphere), which exhibit an overall downward trend.	Such pollution is handled on a case-by-case basis.

- Use of natural resources, harm to biodiversity and animal wellbeing

Risk of excessive water use

Actions implemented	Results
GROUP	
The Group implements responsible practices to minimize its impact on water resources, thus reducing the risk of water stress. Indeed, water plays a key role in the Group's technical processes, in particular to ensure a high level of hygiene and product safety. It may also serve as a technical adjunct during manufacturing by serving as a heating or cooling medium. Water is also used in our fire prevention and firefighting equipment. Certain situations of water stress are expected to become more acute due to climate change. 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 in the context of any project to renovate or renew the Group's production infrastructure. The work carried out by our teams on the potential for recovering water from milk and dairy products has continued, and regulatory approval is expected as early as 2024.	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
A number of actions have been taken to reduce the impact of the Group's activities on water resources.	
For example, at one CF&R site, new washing tunnels for cheese molds and risers have been installed.	This new water-efficient process led to a 30% reduction in the use of detergents in 2023, while also saving the equivalent of one month of water consumption at the site.
At the Sofivo plant in Pontmain, a plan to reduce water consumption has been in place for three years. Several water-saving measures have been implemented, including optimized washing procedures, daily IT-based consumption monitoring, and using recycled water rather than drinking water for certain processes. Optimization of the reverse osmosis process by reusing industrial wastewater has led to a significant reduction in tap water consumption.	Implementation of these various measures led to an 11% reduction in water consumption at the site in 2023.
At the Fromageries Lescure site, all water generated by the industrial process is reused to wash cleaning equipment and reverse osmosis circuits.	This procedure has reduced water consumption by 10%.
Several sites both in France and abroad are implementing optimization measures to reduce upstream discharges: at the Angatuba site in Brazil, a project has been launched to enhance the performance of the effluent treatment pond. A natural filter composed of stones, sand and plants will be installed to filter effluent before it enters the pond.	
The working group dedicated to controlling water consumption, made up of both in-house experts and operational staff, has met regularly. Its work focused on reducing consumption and exploring the possibility of reusing cow water (recovered from milk) with a view to preserving resources.	2022 Group water abstraction was down 7% compared to 2015, in m3/metric ton manufactured. For additional actions and outcomes, see the SAVENCIA Holding Non-Financial Performance Statement - "Environmental footprint."

Risk of harm to biodiversity and animal wellbeing

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	
Biodiversity is among the areas for improvement identified in our Sustainable Dairy Production approach offered to all our milk suppliers. Once the assessment has been carried out, solutions are presented to producers to: ● preserve soil fertility; ● safeguard the natural environment; ● adopt favorable crop practices.	At the end of 2023, 25.6% of our worldwide milk supply in volume (compared to 23.8 % in 2022) came from farms that have carried out the Sustainable Milk Production Assessment.
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. This requirement is gradually being extended to all milk collection systems worldwide. 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 current version includes an evaluation of animal welfare in dairy herds via an assessment followed by an individual progress plan established together with the producer. Our subsidiary SAVENCIA Ressources Laitières (SRL) has joined the "Pour une Agriculture du Vivant" movement, which calls on all players in the agricultural and food ecosystem to participate in the shift towards a resilient, value-generating model based on agroecology. With this commitment, SRL will draw on its scientific and agronomic expertise to roll out agroecology practices in a number of pilot areas, in particular using the Regeneration Index.	In 2023, 81.3% of our worldwide milk supply in volume (compared to 86.8 % in 2022) met the standards laid out in this Charter or alternative standards recognized as equivalent in the countries or sectors in question. The change observed in this indicator is linked to the inclusion of a company located in Argentina in 2023. In 2024, local teams in charge of dairy supplies will continue the actions launched this year, with a view to implementing the Group's commitments in this new collection area. See the SAVENCIA Holding Non-Financial Performance Statement - "Sustainable agriculture sectors."
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 2023, 69% of Dairy Supply employees at SAVENCIA sites had received training in animal welfare (compared to 61.5% in 2022). Employees 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. Animal welfare audits were carried out on 1,394 farms in 2023, and will continue until 2025.

Actions implemented	Results
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.	See the SAVENCIA Holding Non-Financial Performance Statement - "Sustainable agriculture sectors."
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 2023, 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 sectors."

Actions implemented	Results
COCOA Through its Live Long Cacao plan, Valrhona affirms its commitment to creating a fair and sustainable cocoa industry. For many years, Valrhona has been developing and implementing diverse projects to enhance the sustainability and resilience of the cocoa sectors with which it works. The depth and authenticity of these commitments can be seen in Valrhona's second B Corp. In its sourcing areas (Belize, Brazil, Madagascar, Peru, São Tomé, Ghana and Côte d'Ivoire), Valrhona relies on Nitidae, an NGO specialized in managing projects that combine environmental preservation and initiatives to strengthen local economies, with a view to better targeting actions on the ground aimed at reducing carbon emissions. B Corp® certification of our Ecuadorian subsidiary República del Cacao recognizes the company's commitments with regard to corporate governance and actions benefiting workers, consumers, communities and the environment. 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.	100% of Valrhona's cocoa comes from long-term partnership contracts with cooperatives or plantations. In 2023, 86% of the cocoa beans sourced by Valrhona were traceable back to the producer. A mapping plan has been drawn up to identify protected and deforestation zones. Cocoa plots are mapped to ensure that they are not located in protected areas. Each supplier is audited on site at least once a year. Funding has been provided for a training center in Daloa to ensure that producers and community players enjoy easy access to training programs. 1,942 cocoa farmers have received training in forest protection and the restoration of existing ecosystems. The proportion of raw cocoa materials (beans, cocoa mass and cocoa butter) certified by UTZ (part of the Rain Forest Alliance) has risen significantly, coming to 98% in 2023 (compared to 75.3% in 2022). Traceability to the plantation or cooperative has also been considerably reinforced, covering 100% of cocoa bean supplies in 2023. See the SAVENCIA Holding Non-Financial Performance Statement - "Sustainable agriculture sectors."
EGG PRODUCTS Since 2021 Coraya has discontinued use of eggs from battery hens, in accordance with the commitments that earned the brand the 2020 "Golden Egg" prize from the NGO Compassion In World Farming (CIWF). The Elvir subsidiary has made the following commitments: • For egg powders (whites or yokes), work with a certified qualified supplier to ensure that products come from free-range hens. In the event of absolute unavailability of the desired product, the supplier has undertaken to supply us, at the very least, with eggs from barn hens. • For liquid yolks: Elvir has resolved to use free-range eggs for branded products as of 2024. For private-label products, the subsidiary is encouraging its retail customers to follow suit, with the aim of using exclusively free-range eggs by the end of 2025. Regarding international activities, a Korean subsidiary sources eggs with "Animal welfare" certification, under the auspices of the Korean Ministry of 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 with a view to limiting the risk of impact on climate change and adapting to a changing climate.

Actions implemented	Results
The various programs undertaken are continuing under the Oxygen Plan. In 2023, the Science Based Target Initiative validated SAVENCIA Fromage & Dairy's "well below 2°" decarbonization trajectory, which commits to reducing greenhouse gas emissions by 2030 compared with 2019 by: ● 27.5% in absolute terms for Scopes 1&2, ● 22.5% per metric ton of manufactured products for Scope 3 (commitment covering 96% of Scope 3 emissions). This commitment complements the measures taken over the past several years to reduce greenhouse gas emissions, and clearly demonstrates the determination of SAVENCIA Fromage & Dairy to actively combat climate change.	Several modernization projects have been launched, involving cooling facilities, energy recovery systems and heat pumps to reduce energy consumption by recovering the heat produced by refrigeration equipment: detailed information on these initiatives is presented in Chapter 4 of the Non-Financial Performance Statement - "Environmental footprint."
Within the Operations Department, a dedicated team is responsible for implementing and monitoring this decarbonization plan, with two main fields of action: ● energy reduction initiatives, with the implementation of measurement plans and digital energy management, as well as replacement of obsolete and energy-intensive washing machines, ● conversion initiatives requiring significant capital expenditure to switch from fossil fuels to low-carbon, competitive and resilient energy sources. Studies are being carried out regarding installation of heat pumps, emerging technologies and implementation of innovative solutions. Action plans are already in place, particularly in the dairy sector, which is the main source of emissions for SAVENCIA Cheese & Dairy. For activities at SAVENCIA Gourmet, the working group set up to design and structure the decarbonization approach has continued its work.	As a % of change versus 2015, the Group has reduced its Scope 1 & 2 GHG emissions by 17.3% in metric tons of CO2e/metric ton manufactured.* 2021 and 2022 values for the Pontmain site (Sofivo) have been corrected a posteriori to provide updated emission factors. As such, the values presented have been restated. 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. 2022 Scope 3 emissions (other indirect emissions) at SAVENCIA Fromage & Dairy were calculated using the GHG Protocol methodology. Work is continuing to improve the Scope 3 emissions assessment, with a view to continuous improvement. The SAVENCIA Fromage & Dairy carbon footprint is available in the SAVENCIA Holding Non-Financial Performance Statement - "Environmental footprint."

Actions implemented	Results
In 2023, the Group also continued to explore the possibility of using renewable energies according to local or national contexts: introduction of electricity featuring a Guarantee of Origin has been prioritized in countries where grid electricity is the most carbon-intensive. In China and India, 100% of electricity features a Guarantee of Origin. **Transportation** SAVENCIA is committed to decarbonizing its transportation and travel activities. Several actions were implemented in 2023 to reduce the associated carbon footprint. In particular, the full fleet of company-owned trucks at our Messageries Laitières logistics platform runs exclusively on Oleo 100, a pure vegetable oil that is 100% biodegradable and made in France. In 2023, our subsidiary SAVENCIA Ressources Laitières was awarded "Objectif CO2: Carriers Committed" certification, which recognizes our long-standing commitment to this ADEME-certified approach. The Normandie Bretagne Transports inter-plant transportation fleet also features "Objectif CO2: Carriers Committed" certification in recognition of its distinguished energy and environmental performance. Our fleet operates with alternative fuels, in particular with trucks powered by biofuels such as XTL, B100 and BioGNV.	Detailed results are available in the SAVENCIA Holding Non-Financial Performance Statement - "Environmental footprint." The CO2 emissions of the owned fleet rose in 2023 with a total of 1,235 metric tons of CO2e: this slight increase was due to the growth of the Messageries Laitières fleet. The reduction in the carbon footprint of milk collection (volume of milk collected, in metric tons of cumulative CO2e compared to 2010, in France) comes to - 341,345, exceeding the 2025 target of - 300,000 metric tons of cumulative CO2e. These three types of fuel were introduced for all collection trucks in 2023, reducing the carbon footprint by some 3,800 metric tons. Service providers and cooperative partners are encouraged to use alternative fuels and enjoy the benefit of targeted technical expertise, as well as attractive rates obtained from energy suppliers through a call for tenders.
Group sites also lead initiatives among employees, including Mobility Week, observed in 2023 for the fifth straight year to encourage as many people as possible to adopt alternative and soft modes of transportation rather than driving. Employees in participating sites had the opportunity to take part in several initiatives: various types of bicycles provided on loan, sustainable transportation challenges, support for carpooling, a bike repair workshop, etc.	In 2023, this event made it possible to reduce individual car traffic by more than 122,833 km.

Actions implemented	Results
MILK	
The Group is committed to significantly improving the carbon footprint of its partner producers by taking all available measures to promote sustainable dairy production: herd efficiency, feed, treatment of manure, carbon sequestration, etc. In 2021, the Group calculated the emissions linked to upstream dairy production in our collection areas in France and abroad. Emissions from upstream dairy operations accounted for a significant proportion of the Group's "Scope 3" carbon footprint, a characteristic common throughout the agri-food sector. Recent years have seen an acceleration in the implementation of measures within dairy farms, through establishment of relevant action plans, as well as technical and financial support for innovations and the transition as a whole.	In 2023, the Group exceeded its goal with a 2022 reduction of 341,345 metric tons of CO2e compared to a target of -300,000 metric tons of CO2e by 2025.
SAVENCIA Fromage & Dairy has implemented a five-year decarbonization roadmap for partner producers based on 3 components: • Accelerate the introduction of farm carbon footprint measurements, in particular using the CAP2'ER dairy industry diagnostic tool for France; • Establish ambitious action plans with producers; • Provide technical and financial support for the transition and overall innovation on farms. Improving animal welfare, through feed or living conditions, has a positive impact on the environmental footprint of the upstream dairy industry. For instance, the Terroirs de Lait France program aims to secure sustainable milk from dairies and to improve the environmental footprint by applying the Sustainable Dairy Production approach. For more than a year, SAVENCIA Fromage & Dairy has been involved in a multi-stakeholder program to test proposed methods for reducing bovine methane emissions. Some 20 volunteer farms in our collection areas in France and Poland are participating in this initiative. In France, this test is part of a broader program of collective technical support around the "feed" component, aimed at reducing cows' enteric methane emissions.	At the end of 2023, 25.6% of our global volumes came from farms that have carried out the Sustainable Milk Production diagnosis (compared to 23.8% in 2022).

Actions implemented	Results
PACKAGING	
The Group is looking to reduce waste overproduction risk. In 2023, the Group continued implementing the Charter for Responsible Packaging drafted in 2019. This Charter sets out guidelines and orientations, particularly in terms of packaging eco-design. The Group aims to design packaging that fulfills essential functions with a reduced environmental impact.	In 2023, recyclable or biodegradable packaging made up 85.8% of all packaging. For details on the actions implemented, see the SAVENCIA Holding Non-Financial Performance Statement - "Environmental footprint."
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 industrial waste sorting and recovery, promoting circular solutions with the aim of reducing risks of pollution.	In 2023, 72.7% 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. For details on the actions implemented, see Chapter 4 of the Non-Financial Performance Statement - "Environmental footprint."

<table>
<tr><th>Actions implemented</th><th>Results</th></tr>
<tr><td>DEFORESTATION

Soy

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), which aims to eliminate 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.</td><td></td></tr>
<tr><td>Regarding the milk supply chain, 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 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 in animal feed.

Close-up on the Soy, Palm and Cocoa Action Plan

A working group was set up in late 2023 to address the risk of deforestation potentially linked to the raw materials Soy, Palm and associated derivatives, as well as cocoa. The action plan currently being established takes into account the risks of these materials with regard to the environment, but also human rights, all while remaining consistent with the requirements of the European Deforestation-free Regulation (EUDR), which came into force in June 2023.</td><td>At the end of 2023, 25.6% of our global volumes came from farms that have carried out the Sustainable Milk Production diagnosis (compared to 23.8% in 2022).</td></tr>
</table>

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 Responsible Purchasing Charter, SAVENCIA Group calls on its suppliers to commit to taking into account 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. The Group thus contributes to value creation and the dynamism of collection and processing areas by maintaining jobs and other activities in often less attractive rural areas.

COCOA

Through its partnerships, the Group is committed to supporting producer communities.

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 2023, Valrhona reaffirmed its objective of sourcing 100% of its cocoa beans from long-term partnerships, thereby contributing to meeting community preservation objectives.

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 sectors").

One of the three pillars of the Rev'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 "Code of Conduct for SAVENCIA Group Purchasers" 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 2023, three Group subsidiaries were recognized by EcoVadis for their CSR performance: Armor Protéines, Corman Gmbh and Valrhona received the Gold 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 vis-a-vis 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 suppliers to uphold its culture and values by signing a "Responsible Purchasing Charter" established to reflect the Group's Ethics Charter.

CSR assessment of Group suppliers

Assessment of suppliers' positioning with regard to 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, 2023, more than 1,345 Responsible Purchasing Charters had been signed, covering 75.2% of the Group's expenditure overseen by the Purchasing Department and carried out with major suppliers (exceeding €1 million per year)*, with the exception of agricultural raw materials.

The EcoVadis assessment of CSR risks was carried out for 918 suppliers. EcoVadis assessments cover 80.8% of Group expenditures overseen by the Purchasing Department and carried out with major suppliers (exceeding € 1 million per year)*, with the exception of agricultural raw materials.

The average score obtained was 56/100 (compared to 46/100 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.*

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 Responsible Purchasing Charter, 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. Report on Vigilance Plan implementation

This section details the results concerning application of the Vigilance Plan by subsidiaries and vis-a-vis suppliers in 2023.

3.7.1 Strategy and governance

In 2023, the Risk Management and Compliance Director, who is in regular contact with the SAVENCIA Fromage & Dairy Executive Committee, continued to oversee the implementation of the Duty of vigilance action plan.

The Compliance Steering Committee ensured effective monitoring of the measures implemented. A summary was presented to the Group Ethics and Culture Committee (GECC) in December 2023.

3.7.2 Vigilance risk mapping

In May 2023, the human rights and environmental risk map was presented to the Executive Committee, which validated the significant risks requiring priority action.

A Compliance Steering Committee meeting was held in September 2023. This meeting served to structure the priorities to be implemented concerning the significant risks identified for 2024-2025.

The Vigilance risk map was also presented in 2023 to the Audit and Risk Committee of SAVENCIA Fromage & Dairy and the Supervisory Board of SAVENCIA Saveurs & Spécialités.

3.7.3 Outcome of Vigilance Plan implementation within the Group

• Employee compliance with applicable rules

The Applicable Rules are part of Group Culture that all Subsidiaries are called upon to respect. The rules are recalled in the Ethical Charter entitled "The Group and its Culture," which is communicated to all new employees and available in the ELIUM digital library.

The Group-wide whistleblowing system SARA - SAvencia Recueille vos Alertes (SAvencia Receives your Alerts) - available to a large proportion of Group employees, helps monitor compliance with these rules by all subsidiaries. Subsidiaries must ensure that their employees are aware of the whistleblowing system (see Chapter 3.8 – Whistleblowing system and processing of reports).

• Keeping track of subsidiaries

Subsidiaries assess compliance with the rules applicable within the Group and communicate these assessments as part of their annual reporting activities (social reporting, CSR, etc.).

In particular, the effectiveness of the measures put in place is assessed on the basis of incident reports submitted to the Audit and Risk Committee, which meets twice a year.

In 2023, no specific measures were implemented in response to serious incidents. In addition, as part of the Internal Audit Plan, the Internal Control Framework and the work of the Compliance Department, the following points are subject to specific controls:

- verification that the mandatory information concerning the existence of the Group's whistleblowing hotline and the Anti-Corruption Code of Conduct has indeed been provided to employees;
- verification of the application of Group policies and procedures on specific subjects.

In 2023, 85% of Group employees received e-learning training on the Duty of vigilance as part of the mandatory Compliance training program.

3.7.4 Outcome of application of the Plan vis-a-vis suppliers

• Supplier compliance with the rules in force

Since 2010 SAVENCIA has called upon its suppliers to uphold its culture and values by signing a "Responsible Purchasing Charter" established to reflect the Group's Ethics Charter.

Actions were taken in 2023 to extend adherence to the Charter among the Group's major suppliers.

• Tracking of supplier assessments

As described in Chapter 3.6.2 of this document, the Group relies on EcoVadis CSR assessments to evaluate suppliers' policies and actions. Suppliers at risk are assessed with greater frequency.

3.7.5 Appropriate risk mitigation and damage prevention measures

The following data reflect the effectiveness of the measures

implemented by the Group in 2023, based on the identified risks to human rights, health and safety, and the environment:

Areas of risk	Indicators (see SAVENCIA Holding Non-Financial Performance Statement)	2022	2023	Progress
Health - safety	% of subsidiaries with no workplace accidents resulting in sick leave (registered workforce and temporary workers) during the year	47.2%	48.8%	↗
Human rights	% of female managers	45.2%	45.5%	↗
Human rights	% of employees with the benefit of collective employee representation bodies	/	81.8%	↗
Human rights	% of employees concerned, trained on the concept of ethics and fraud	94.0%	94.0%	=
Human rights **Health - safety** **Environment**	Expand the “Best Farming Practices Charter” worldwide (% volume of milk collected)	85.8%	81.3%	↘*
Human rights **Health - safety** **Environment**	Introduce the Sustainable Milk Production diagnosis (%volume of milk collected)	23.8%	25.6%	↗
Human rights **Health - safety** **Environment**	% of cocoa purchases from long-term partnerships	100.0%	100.0%	=
Human rights **Health - safety** **Environment**	% of regional sustainable quality supplies for pork rillettes	60.0%	76.0%	↗
Human rights **Health - safety** **Environment**	% of fish in the Coraya surimi range from sustainable fishing	100.0%	100.0%	=
Human rights **Health - safety** **Environment**	% of supplies sourced from responsible chicken producers	73.0%	59.0%	↘**

Areas of risk	Indicators (see SAVENCIA Holding Non-Financial Performance Statement)	2022	2023	Progress
Human rights **Health - safety** **Environment**	% of Group external expenditure overseen by the Purchasing Department and carried out with major suppliers under the Responsible Purchasing Charter	66.8%	75.2%	↗
Human rights **Health - safety** **Environment**	% of the Group's external expenditure overseen by the Purchasing Department and carried out with major suppliers through EcoVadis assessments	75.7%	80.8%	↗
Environment	% of Dairy Supply employees at SAVENCIA sites trained in animal welfare	61.5%	69.0%	↗
Environment	Reduction of GHG Scopes 1 & 2 (in metric tons of CO2e/ ton manufactured)	-11.7%	-17.8%	↗
Environment	Reduction in the carbon footprint of milk collection (volume of milk collected, in metric tons of cumulative CO2e vs. 2010 in France)	-311,000	-341,345	↗
Environment	Reduction of water abstraction (in m^3/metric ton manufactured)	-2.3%	-7.0%	↗
Environment	% of non-hazardous waste collected for recycling	68.5%	72.7%	↗
Environment	% of packaging recyclable or biodegradable	85.0%	85.8%	↗

* *The change in this indicator is linked to the inclusion of Williner in Argentina in 2023.*

** *Implementation of this approach has slowed owing to a drop in our partners' capacities following the disruption of the French market caused by avian flu).*

3.7.6 Alert recording and management system

In 2023, the Group strengthened internal communication around its whistleblowing system, and a specific section on ELIUM was dedicated to the alert system now known as SARA - SAvencia Recueille vos Alertes (SAvencia Receives your Alerts).

Employees can consult that publication to find the updated procedure for using the alert system (see Chapter 3.8 – Whistleblowing system and processing of reports).

3.8. Whistleblowing system and processing of reports

Since 2018, the Group has had a single whistleblowing and report collection system. Every employee in every subsidiary, as well as all external stakeholders, can report issues on a strictly confidential basis.

In 2023, the Group carried out a communication campaign among Group employees to raise awareness of the whistleblowing system, which was renamed SARA - SAvencia Recueille vos Alertes (SAvencia Receives your Alerts) - to help employees better remember the hotline. Posters have been translated into all Group languages to ensure that information is accessible to all and easy to understand.

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/rse/notre-approche-rse);
- The Code of Conduct for Group Purchasers;
- The Charter for sustainable purchasing;
- The Workplace Health and Safety Charter;
- Procedure for using the SAVENCIA Group SARA whistleblowing system

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/);
- The Responsible Supplier Relations Charter (https://www.economie.gouv.fr/mediateur-des-entreprises/charte-relations-fournisseurs-responsables).

5

ANNUAL SHAREHOLDERS MEETING OF APRIL 25, 2024

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, 2023, net income for the year and proposed allocation

We ask that you approve the parent company and consolidated financial statements for the year ended Sunday, December 31, 2023 as presented. We propose to allocate the profit for the financial year, amounting to €13,957,674.78, which, together with the previous retained earnings of €366,097,978.05, constitutes an available amount of €380,055,651.83, as follows:

In €	
To the shareholders, a dividend of €1.40 per share (*)	19,646,102.00
To retained earnings	360,409,549.83
TOTAL	**380,055,651.83**

(*) Including the dividend amount corresponding to treasury shares, which is not paid but allocated to retained earnings

The dividend would be paid on May 15, 2024 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 May 13, 2024.

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 20

Composition of the Board of Directors

The terms of office of all 15 Directors making up the Board of Directors expire at the close of the next Ordinary Shareholders' Meeting. We propose that you renew for a period of one year, i.e. until the close of the Ordinary Shareholders' Meeting called in 2025 to approve the financial statements for the year ended December 31, 2024, the terms of office of all Directors:

Ms. Anne-Marie Cambourieu, Ms. Clare Chatfield, Ms. Martine Liautaud, Ms. Annette Messemer, Ms. Malika Haimeur, Ms. Sophie de Roux, Mr. Alex Bongrain, Mr. Armand Bongrain, Mr. Xavier Govare, Mr. Christian Mouillon, Mr. Ignacio Osborne, Mr. Robert Roeder and Mr. François Wolfovski, as well as the company SAVENCIA Holding.

We further ask that you ratify la co-option of Mr. Bruno Witvoët as Director and renew his term for a period of one year.

Resolution 21

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 22 and 23

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 a new Deputy Chief Executive Officer be appointed), as presented in in paragraph 1.2 of the Corporate Governance Report, with effect from FY 2024.

Resolution 24

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 25 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 for the past financial year to Mr. Alex Bongrain, Chairman of the Board of Directors, and Mr. Olivier Delaméa, Chief Executive Officer, in respect 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 2023 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:

- as coverage for 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;
- as coverage for 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;
- the 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 compliance with practices authorized 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.

Resolutions 28 and 29

Appointment of the organization responsible for certifying sustainability information

In accordance with the provisions of Article L. 232-6-3 of the French Commercial Code, you are asked to approve the appointment of the firms KPMG SA and Deloitte & Associés, for the remainder of their terms as Principal Statutory Auditors, to the position of Statutory Auditors responsible for certifying sustainability information. As the provisions relating to sustainability information enter into force as of FY2024, certifying organizations can be appointed as of present.

1.2. Within the remit of the Extraordinary shareholders' Meeting

Resolution 30

Delegation of authority to be granted to the Board of Directors to increase the share capital by incorporation of reserves, profits and/or premiums

We ask that you renew the delegation of authority granted to the Board of Directors to increase the share capital by incorporation of reserves, profits and/or premiums, up to a limit of €5,000,000.

In accordance with the law, this authorization will be granted to the Board of Directors for a period of 26 months.

Resolution 31

Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities conferring access to the share capital (of the Company or a company of the Group) and/or debt securities with preferential subscription rights

We ask that you renew the delegation of authority granted to the Board of Directors to issue ordinary shares and/or securities conferring access to the share capital of the Company or a company of the Group, up to a nominal amount of €5,000,000 for shares to be issued and a nominal amount of €200,000,000 for debt securities that may be issued.

In accordance with the law, this authorization will be granted to the Board of Directors for a period of 26 months.

Resolution 32

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 without preferential subscription rights for the benefit of members of a company savings plan pursuant to Articles L. 3332-18 et seq. of the French Labor Code

Subsequent to the previous resolution, we ask that you renew the delegation of authority previously granted to the Board of Directors to decide whether to open the share capital to employees who are members of a company or group savings plan set up by the Company or related companies under the conditions of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code, up to a limit of 3% of the share capital on the day of the issue.

The maximum amount of funds allocated to this transaction will be €196,461,020, with the maximum share purchase price set at €140 per share.

In accordance with the law, this authorization will be granted to the Board of Directors for a period of 26 months.

Resolution 33

Authorization to be granted to the Board of Directors to allocate free shares to employees and/or certain corporate officers

We ask that you authorize the Board of Directors to grant, in accordance with Articles L. 225-197-1, L. 225-197-2, L. 22-10-59 and L. 22-10-60 of the French Commercial Code, on one or more occasions, ordinary shares in the Company, either existing or to be issued, to employees of the Company or of companies or Economic Interest Groups that are directly or indirectly affiliated therewith within the meaning of Article L. 225-197-2 of the French Commercial Code, and/or to corporate officers who fulfill the conditions set out in Article L. 225-197-1 of the French Commercial Code.

The total number of free shares granted may not exceed 3% of the share capital. Shares will be definitively acquired by beneficiaries at the end of a vesting period set by the Board of Directors, which may not be less than one year. Beneficiaries will be required to retain said shares for a period set by the Board of Directors and equal to not less than the period required to ensure that the combined vesting and retention periods, where applicable, is no less than two years. By way of exception, shares will be definitively acquired prior to the end of the vesting period in the event of disability affecting the beneficiary and corresponding to categories 2 and 3 provided for in Article L. 341-4 of the French Social Security Code. The identity of beneficiaries, the number of shares to be allocated per beneficiary and the conditions and criteria for definitive acquisition of shares will be set by the Board of Directors.

In accordance with the law, this authorization will be granted to the Board of Directors for a period of 38 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 granting of the authorization by the Extraordinary Shareholders' 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, 2023

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, 2023 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. This loan ended in 2023.

- Terms and conditions:

The interest for 2023 came to €.5,106,650.

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, 2024
The Statutory Auditors

KPMG S.A .	Deloitte & Associés
Arnaud RINN	Emmanuel GADRET
Partner	*Partner*

3.2. Statutory Auditors' Report on the issue of other securities with retention of the Shareholders' preferential subscription rights

Combined (Ordinary and Extraordinary) Shareholders' Meeting of 25 April 2024 – 31st 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 with, and construed in accordance with, French law and professional standards applicable in France

To the Shareholders' Meeting of Savencia S.A.,

As Statutory Auditors of your Company, and pursuant to the assignment set forth in Article L. 228-92 of the French Commercial Code (Code de commerce), we hereby report to you on the proposed delegation of authority to the Board of Directors to issue ordinary shares and/or other securities of the Company, on which you are asked to vote.

The maximum nominal amount of capital increases that may be carried out immediately or in the future, may not exceed 5 000 000 euros.

Based on its report, your Board of Directors proposes that you delegate to it, for a period of 26 months, the authority to decide on the issuance of shares. The Board of Directors will set, the final issuance conditions.

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 information extracted from the financial statements and on the proposed transaction, and on certain other information concerning this transaction, as set out in this report.

We conducted the procedures we deemed necessary in accordance with the professional standards applicable in France to such engagements. These procedures consisted in verifying the information provided in the Board of Directors' report about this transaction and the methods used to set the issue price of the shares to be issued.

As this report does not specify the process for determining the issue price of future securities issued pursuant this resolution, we cannot express our opinion on the items used to calculate the issue price.

In addition, the definitive terms and conditions of the issues have not been set, we do not express an opinion thereon.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report, as required, when the Board of Directors makes use of this delegation of authority.

The Statutory Auditors

Paris-La Défense, March 29, 2024
KPMG S.A

Arnaud RINN
Partner

Paris-La Défense, March 29, 2024
Deloitte & Associés

Emmanuel GADRET
Partner

3.3. Statutory Auditors' report on the issuance of ordinary shares or other securities granting access to share capital, reserved for employee members of Company saving plans

Combined (Ordinary and Extraordinary) Shareholders' Meeting of 25 April 2024 – 32nd 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 with, and construed in accordance with, French law and professional standards applicable in France

To the Shareholders' Meeting of Savencia S.A.,

As Statutory Auditors of your Company, and pursuant to the assignment set forth in Articles L. 228-92 et L. 225-135 *et seq*. of the French Commercial Code (*Code de commerce*), we hereby present our report on the proposed delegation of authority to the Board of Directors to issue ordinary shares or securities granting access to share capital, with cancellation of preferential subscription rights, reserved for employee members of one or more company saving plans implemented within the Group, comprising the Company and/or by companies, in France or abroad, related to it within the meaning of Articles L. 225-180 of French Commercial Code and L.334-1 of French Labour Code (Code du Travail), a transaction on which you are asked to vote.

The overall par value amount of share capital increases that may be carried out, immediately or in the future, may not, according to this resolution, exceed 3% of the Company's share capital.

This proposed share capital increase is subject to your approval in accordance with the provisions of Article L.225-129-6 of the French Commercial Code and Articles L.3332-18 *et seq*. of the French Labour Code.

Based on its report, your Board of Directors proposes that you grant, for a period of 26 months, to the Board the authority to decide one or more increase in the share capital and to cancel your preferential subscription rights to the ordinary shares or securities to be issued. Where appropriate, the Board of Directors shall determine the definitive terms and conditions of the transaction.

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 responsibility is to express an opinion on the fair presentation of the information extracted from the financial statements and on the proposed cancellation of preferential subscription rights, and on certain other information concerning this transaction, as set out in this report.

We conducted the procedures we deemed necessary in accordance with the professional guidance of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this assignment. These procedures consisted in verifying the information provided in the Board of Directors' report about this transaction and the process for determining the issue price of future securities.

Subject to reviewing at a future date the terms and conditions of any issues that may be decided, we have no comments to make on the process for determining the issue price of the future securities, as set out in the Board of Directors' report

As the definitive terms and conditions of the issues have not been set, we do not express an opinion thereon and, as such, on the proposed cancellation of preferential subscription rights on which you are asked to vote.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report, as required, when the Board of Directors makes use of this delegation of authority to issue of ordinary shares, or equity securities granted access to other securities, or the issue of securities granting access to future equity securities.

The Statutory Auditors

Paris-La Défense, March 29, 2024	Paris-La Défense, March 29, 2024
KPMG Audit S.A.	**Deloitte & Associés**
Arnaud RINN	Emmanuel GADRET
Partner	*Partner*

3.4. Statutory Auditors' report on the authorization to grant existing shares or shares to be issued

Combined (Ordinary and Extraordinary) Shareholders' Meeting of 25 April 2024 – 33rd 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 with, and construed in accordance with, French law and professional standards applicable in France

To the Shareholders of Savencia S.A.,

In our capacity as Statutory Auditors of Savencia S.A. and in accordance with article L. 225-197-1 of the French commercial Code (*Code de commerce*), we hereby report to you on the proposed authorization to grant free existing or newly issued shares to employees and/or corporate officers of the Company, which is submitted to you for approval. The total number of shares that may be granted under this authorization may not exceed 3% of the Company's share capital.

On the basis of its report, the Board of Directors proposes that you authorize it, for a 38-month period, to grant free existing shares or shares to be issued.

It is the Board of Directors' responsibility to prepare a report on the proposed transaction. It is our responsibility to provide you with our observations, if any, on the information provided to you on the proposed transaction.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying in particular that the proposed terms and conditions described in the Board of Directors' report comply with the applicable legal framework.

We have no matters to report on the information provided in the Board of Directors' report, with respect to the proposed authorization to grant free shares.

The Statutory Auditors

Paris-La Défense, March 29, 2024

KPMG Audit S.A.

Arnaud RINN

Partner

Paris-La Défense, March 29, 2024

Deloitte & Associés

Emmanuel GADRET

Partner

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, 2023

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 €13,957,673.78, namely the balance sheet, income statement and notes to the financial statements established at December 31, 2023, 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, 2023

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 €96,479,438, namely the balance sheet, income statement and notes to the financial statements established at December 31, 2023, 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, 2023, in the amount of €13,957,673.78 which, when added to the €366,097,978.05 in retained earnings from prior years, constitutes an available amount of €380,055,651.83, as follows:

In €	
To the shareholders, a dividend of €1.40 per share (*)	19,646,102.00
To retained earnings	360,409,549.83
TOTAL	**380,055,651.83**

(*) 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 for each share is set at €1.40.

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% discount (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 would be paid on May 15 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 set for May 13.

It is 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
2021	2020	14 032 930	€20,560,102	€1.50	40%
2022	2021	14 032 930	€20,498,992	€1.50	40%
2023	2022	14 032 930	€17,510,020	€1.30	40%

(1) Excluding shares not conferring dividend rights.

The Shareholders' Meeting notes that there were no sumptuary expenses in 2023 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 close of this meeting, resolves to reappoint Mr. Alex Bongrain as Director for a period of one year, i.e. until the close of the Ordinary Shareholders' Meeting called in 2025 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 close of this meeting, resolves to reappoint Mr. Armand Bongrain as Director for a period of one year, i.e. until the close of the Ordinary Shareholders' Meeting called in 2025 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 close of this meeting, resolves to reappoint Ms. Anne-Marie Cambourieu as Director for a period of one year, i.e. until the close of the Ordinary Shareholders' Meeting called in 2025 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 close of this meeting, resolves to reappoint Ms. Clare Chatfield as Director for a period of one year, i.e. until the close of the Ordinary Shareholders' Meeting called in 2025 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 close of this meeting, resolves to appoint Ms. Sophie de Roux as Director for a period of one year, i.e. until the close of the Ordinary Shareholders' Meeting called in 2025 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 close of this meeting, resolves to reappoint Mr. Xavier Govare as Director for a period of one year, i.e. until the close of the Ordinary Shareholders' Meeting called in 2025 to approve the financial statements for the previous financial year.

Resolution 11

Renewal of the term of office of Ms. Malika Haimeur as Director

The Ordinary shareholders' Meeting, noting that the term of office of Ms. Malika Haimeur expires at the close of this meeting, resolves to reappoint Ms. Malika Haimeur as Director for a period of one year, i.e. until the close of the Ordinary Shareholders' Meeting called in 2025 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 close of this meeting, resolves to reappoint Ms. Martine Liautaud as Director for a period of one year, i.e. until the close of the Ordinary Shareholders' Meeting called in 2025 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 close of this meeting, resolves to reappoint Ms. Annette Messemer as Director for a period of one year, i.e. until the close of the Ordinary Shareholders' Meeting called in 2025 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 close of this meeting, resolves to reappoint Mr. Christian Mouillon as Director for a period of one year, i.e. until the close of the Ordinary Shareholders' Meeting called in 2025 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 close of this meeting, resolves to reappoint Mr. Ignacio Osborne as Director for a period of one year, i.e. until the close of the Ordinary Shareholders' Meeting called in 2025 to approve the financial statements for the previous financial year.

Resolution 16

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 close of this meeting, resolves to reappoint Mr. Robert Roeder as Director for a period of one year, i.e. until the close of the Ordinary Shareholders' Meeting called in 2025 to approve the financial statements for the previous financial year.

Resolution 17

Ratification of the co-opting of Mr. Bruno Witvoët as Director

The Annual Shareholders' Meeting ratifies the co-option of Mr. Bruno Witvoët as Director, as decided by the Board of Directors on September 14, 2023, for the remainder of his predecessor's term of office, i.e. until the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2023.

Resolution 18

Renewal of the term of office of Mr. Bruno Witvoët as Director

The Ordinary Shareholders' Meeting, noting that the term of office of Mr. Bruno Witvoët expires at the close of this meeting, resolves to reappoint Mr. Bruno Witvoët as Director for a period of one year, i.e. until the close of the Ordinary Shareholders' Meeting called in 2025 to approve the financial statements for the previous financial year.

Resolution 19

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 close of this meeting, resolves to reappoint Mr. François Wolfovski as Director for a period of one year, i.e. until the close of the Ordinary Shareholders' Meeting called in 2025 to approve the financial statements for the previous financial year.

Resolution 20

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 close of this meeting, resolves to reappoint the company SAVENCIA Holding as Director for a period of one year, i.e. until the close of the Ordinary Shareholders' Meeting called in 2025 to approve the financial statements for the previous financial year.

Resolution 21

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 close of this meeting, resolves to renew the term of / appoint 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 close of the Ordinary Shareholders' Meeting called in 2025 to approve the financial statements for the previous financial year.

Resolution 22

Approval of the compensation policy for 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 2024.

Resolution 23

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 in, with effect from Financial Year 2024.

Resolution 24

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 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. 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 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 Delaméa, Chief Executive Officer

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 Delaméa, Chief Executive Officer, 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 as follows:

- as coverage for stock option plans and/or bonus share plans (or similar programs) for employees and/or corporate officers of the Group, including Economic Interest Groups (EIGs) and affiliates, 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;
- as coverage for 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 compliance with practices authorized 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 subsequent delivery thereof as a means of exchange or payment in the context of potential merger, demerger, contribution or external growth transactions within 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, 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 Ordinary Resolution 27 of the Combined Shareholders' Meeting of April 27, 2023.

The authorization thus granted to the Board of Directors is valid for a period of 18 months from the date of this meeting.

Resolution 28

Appointment of the organization responsible for certifying sustainability information

The Ordinary Shareholders' Meeting, having reviewed the Board of Directors' report, and in accordance with the provisions of Article L. 232-6-3 of the French Commercial Code, resolves to appoint KPMG SA, the Company's Principal Statutory Auditor, to carry out the task of certifying sustainability information, for the remainder of its term of office as Principal Statutory Auditor with responsibility for certifying the financial statements, i.e. until the close of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2024.

Resolution 29

Appointment of the organization responsible for certifying sustainability information

The Annual Shareholders' Meeting, having reviewed the Board of Directors' report, and in accordance with the provisions of Article L. 232-6-3 of the French Commercial Code, resolves to appoint DELOITTE & ASSOCIES, the Company's Principal Statutory Auditor, to carry out the task of certifying sustainability information, for the remainder of its term of office as Principal Statutory Auditor of the Company with responsibility for certifying the financial statements, i.e. for a period of three financial years expiring at the close of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2026.

4.2. Within the remit of the Extraordinary shareholders' Meeting

Resolution 30

Delegation of authority to be granted to the Board of Directors to increase the share capital by incorporation of reserves, profits and/or premiums

The Extraordinary shareholders' Meeting, having reviewed the Board of Directors' report and in accordance with the provisions of Articles L. 225-129-2, L. 225-130 and L. 22-10-50 of the French Commercial Code:

1) Delegates to the Board of Directors its authority to increase the share capital, on one or more occasions, at the times and in the manner it determines, by incorporation of reserves, profits, premiums and/or other amounts that may be capitalized through the issue and allocation of bonus shares or by increasing the par value of existing ordinary shares, or a combination of these two methods;

2) Resolves that, in the event that the Board of Directors uses this delegation, in accordance with the provisions of Articles L. 225-130 and L. 22-10-50 of the French Commercial Code, in the context of a capital increase by way of bonus share allocations, fractional rights shall not be negotiable or transferable and the corresponding equity securities shall be sold; the proceeds from the sale will be allocated to the rights holders within the timeframe provided for by regulations;

3) Sets at 26 months the period of validity of this delegation, as of date of this Shareholders' Meeting;

4) Resolves that the amount of the capital increase under this resolution shall not exceed the nominal amount of €5,000,000, excluding the nominal amount of the capital increase necessary to preserve the rights of the holders of rights or securities conferring access to the Company's share capital, in accordance with the law and, where applicable, the contractual provisions providing for other cases of adjustment. This cap is independent of all caps provided for in the other resolutions of this Shareholders' Meeting;

5) Grants to the Board of Directors all powers to implement this resolution and, generally speaking, to take all measures and carry out all formalities required for the successful completion of each capital increase, to record its completion and to make the necessary amendments to the articles of association;

6) Acknowledges that this delegation of authority supersedes, as of this date, any unused portion of any previous delegation with the same purpose.

Resolution 31

Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities conferring access to the share capital (of the Company or a company of the Group) and/or debt securities with preferential subscription rights

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 the French Commercial Code and, in particular, Articles L. 225-129-2, L. 228-92 and L. 225-132 et seq :

1) Delegates to the Board of Directors its authority to issue, free of charge or for consideration, on one or more occasions, in the proportions and at the times it deems appropriate, on the French and/or international market, i.e. either in euros, foreign currencies or in any other unit of account established by reference to a set of currencies:

   – ordinary shares,

   – and/or securities conferring access to the share capital and/or debt securities;

In accordance with article L. 228-93 of the French Commercial Code, the securities to be issued may confer access to ordinary shares to be issued by any company that directly or indirectly owns more than half of its share capital or of which it directly or indirectly owns more than half of the share capital.

2) sets at 26 months the period of validity of this delegation, as of date of this Shareholders' Meeting;

3) Resolves to set, as follows, the limits of the amounts of the authorized issues in the event of use by the Board of Directors of this delegation of authority:

   – The total nominal amount of ordinary shares that may be issued under this delegation may not exceed €5,000,000;

   – This cap may be complemented, where required, by the nominal amount of the capital increase necessary to preserve the rights of the holders of rights or securities conferring access to the Company's share capital, in accordance with the law and, where applicable, with the contractual provisions providing for other cases of adjustment, the caps set out above are independent of all caps provided for in the other resolutions of this Shareholders' Meeting;

4) in the event that the Board of Directors uses this delegation of authority in the context of the issues referred to in paragraph 1 above:

   a. Resolves that the issuance of ordinary shares or securities conferring access to the share capital shall be reserved by preference for shareholders who may subscribe on an irreducible basis,

   b. Resolves that if the subscriptions on an irreducible basis, and where applicable on a reducible basis, have not absorbed the entire issue referred to in paragraph 1, the Board of Directors may use the following options:

- limit the amount of the issue to the amount of subscriptions, where applicable within the limits provided for by regulations;
- freely distribute all or part of the unsubscribed shares;
- offer all or part of the unsubscribed shares to the public;

5) Resolves that the issuance of warrants on the Company's shares may be carried out by means of a subscription offer, as well as by free allocation to the owners of the existing shares, it being specified that the Board of Directors will have the option to decide that the allocation rights forming fractional shares shall not be negotiable and the corresponding securities will be sold;

6) Resolves that the Board of Directors shall have, within the limits set above, the powers necessary, in particular, to set the conditions of the issue(s) and determine the issue price, if applicable, record the completion of the resulting capital increases, amend the articles of association accordingly, charge, at its sole initiative, the costs of the capital increases to the amount of the related premiums and deduct from this amount the amounts necessary to increase the legal reserve to 10% of the new share capital after each increase and, more generally, take the necessary measures in this respect.

7) Acknowledges that this delegation supersedes, as of this date, any unused portion of any previous delegation with the same purpose.

Resolution 32

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 without preferential subscription rights, for the benefit of members of a company savings plan pursuant to Articles L. 3332-18 et seq. of the French Labor Code.

The Extraordinary Shareholders' Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, and deliberating pursuant to Article L. 225-129-6, L. 225-138-1 and L. 228-92 of the French Commercial Code and Article L. 3332-18 et seq. of the French Labor Code:

1) Delegates its authority to the Board of Directors to increase the share capital on one or more occasions through the issuance of ordinary shares or securities conferring access to the Company's share capital, for the benefit of members of one or more company or group savings plans established by the Company and/or by French or foreign affiliates thereof under the conditions of article L. 225-180 of the French Commercial Code and article L. 3344-1 of the French Labor Code;

2) Removes, in favor of said beneficiaries, the preferential subscription rights to the shares and securities that may be issued under this delegation;

3) Sets the period of validity of this delegation at 26 months from the date of this delegation;

4) Limits the maximum nominal amount of the increase(s) that may be carried out by use of this delegation to 3% of the share capital on the date of the decision to issue, this amount being independent of any other cap provided for with respect to delegations to carry out capital increases. This cap may be complemented, where applicable, by the nominal amount of the capital increase necessary to preserve the rights of the holders of rights or securities conferring access to the Company's share capital, in accordance with the law and, where applicable, the contractual provisions providing for other methods of preservation;

5) Resolves that the price of the shares to be issued, pursuant to paragraph 1 of this delegation, may not be more than 30% lower, or 40% lower when the lock-up period provided for by the plan pursuant to articles L. 3332-25 and L. 3332-26 of the French Labor Code is greater than or equal to 10 years, than the average share price during the 20 trading sessions preceding the decision setting the opening date of the subscription, nor higher than this average.

6) Grants full powers to the Board of Directors to determine all the terms and conditions of said transaction(s), within the limits set above, in accordance with the law and the articles of association;

7) Acknowledges that this delegation supersedes, as of this date, any unused portion of any previous delegation with the same purpose.

The Board of Directors may implement or refrain from implementing this delegation, take all necessary measures and carry out all necessary formalities.

Resolution 33

Authorization granted to the Board of Directors to allocate free shares to employees and/or certain corporate officers

The Extraordinary Shareholders' Meeting, having reviewed the Board of Directors' report of the and the Statutory Auditors' special report, authorizes the Board of Directors, in accordance with Articles L. 225-197-1, L. 225-197-2, L. 22-10-59 and L. 22-10-60 of the French Commercial Code, to allocate, on one or more occasions, ordinary shares of the Company, either existing or to be issued, for the benefit of:

- employees of the Company or of companies or Economic Interest Groups that are directly or indirectly affiliated therewith within the meaning of Article L. 225-197-2 of the French Commercial Code;
- and/or corporate officers who fulfill the conditions set out in Article L. 225-197-1 of the French Commercial Code.

The total number of free shares allocated under this authorization may not exceed 3% of the Company's share capital at the date of this Shareholders' Meeting, it being specified that such number may not exceed the maximum percentage stipulated at the date of the decision to allocate shares. This cap is independent. It may be complemented, where required, by the nominal amount of the capital increase necessary to preserve the rights of beneficiaries of free share allocations in the event of transactions affecting the Company's share capital during the vesting period.

Shares will be definitively acquired by beneficiaries at the end of a vesting period set by the Board of Directors, which may not be less than one year.

Beneficiaries will be required to retain said shares for a period set by the Board of Directors and equal to not less than the period required to ensure that the combined vesting and retention periods, where applicable, is no less than two years.

By way of exception, shares will be definitively acquired prior to the end of the vesting period in the event of disability affecting the beneficiary and corresponding to categories 2 and 3 provided for in Article L. 341-4 of the French Social Security Code.

The Board of Directors is fully empowered to:

- set the duration of the vesting period;
- decide whether or not to impose an obligation to retain shares at the end of the vesting period, and if so, determine the duration of said obligation, and take all necessary measures to ensure that beneficiaries comply therewith;
- set out the conditions and, where applicable, the criteria for definitive acquisition of shares;
- determine the identity of beneficiaries and the number of shares allocated to each beneficiary;
- as required:
  - establish that there exist sufficient reserves and, at the time of each allocation, transfer to an unavailable reserve account the amounts required to pay up the new shares to be allocated;
  - decide, in due course, the capital increase or increases by incorporation of reserves, premiums or profits related to the issuance of the new free shares;
  - purchase the shares required under the share buyback program and allocate said shares to the allocation plan;
  - determine the impact on beneficiaries' rights of transactions carried out during the vesting period with the effect of modifying the share capital or potentially affecting the value of the shares allocated and, consequently, modify or adjust, as necessary, the number of shares allocated to preserve the rights of beneficiaries;
  - and, generally, take the necessary measures under current legislation to implement this authorization.

This authorization entails the waiver as of right by shareholders of their preferential subscription rights to new shares issued by incorporation of reserves, premiums or profits.

This authorization is granted for a period of 38 months as of the date of this Shareholders' Meeting.

4.3. Within the remit of the Ordinary shareholders' Meeting

Resolution 34

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