

Non-Financial Performance Statement **2022**



**GROUPE
SAVENCIA**
Saveurs & Spécialités

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Savencia Fromage & Dairy, the world's 12th largest dairy group and 5th largest cheese group.

Savencia Gourmet, an international player in premium food service and sweet gastronomy, and which offers retail brands of charcuterie, seafood and chocolate in France.

OUR MISSION
Leading the way to better food

Resources

25,212 EMPLOYEES committed to our shared values. 58.6% men / 41.4% women.

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

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

COCOA PRODUCERS in long-term partnership with Valrhona.

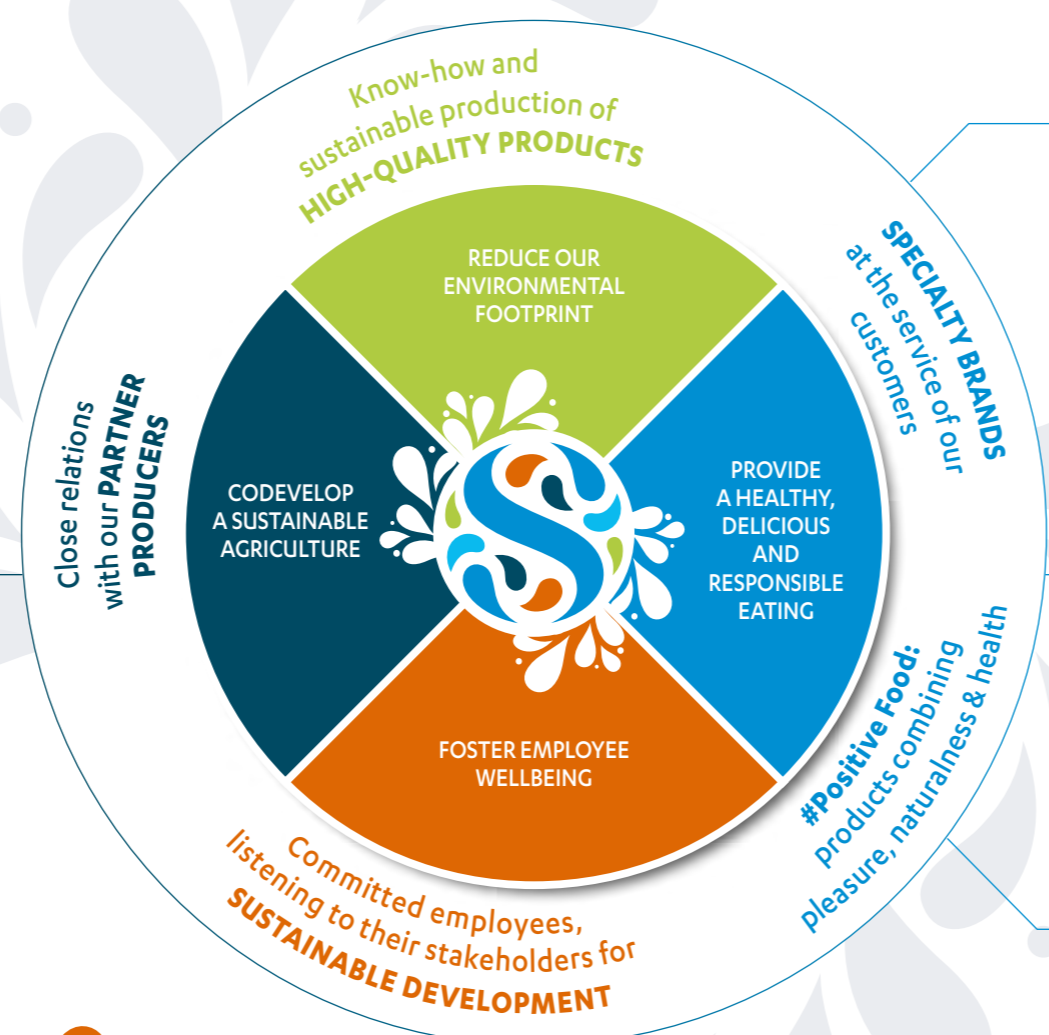
Quality, R&D and business expertise in our **PRODUCTION SITES** around the world. Continuous improvement in natural resources management.

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** controlling Savencia Fromage & Dairy, listed on the stock exchange.

Value creation



OUR STRATEGY
Creating value through specialty differentiation and innovation

Retail

Cheese Products
Butter, cream, infant formula
Charcuterie, seafood products
Chocolate, retail & E Commerce

Food service

Cheese, butter, cream, cheese sauces
Chocolate and sweet preparations

Industry

Dairy ingredients and nutritional solutions
Technical butters



Shared value

FOR EMPLOYEES: a recognized HR policy with 14 countries certified as Top Employer 2022-2023. Commitment to youth employment with 570 apprenticeship contracts in 2022. 45% of female managers.

FOR PRODUCERS: 137 young dairy farmers supported with our Installation Pack. Support for cocoa producers under the "Live Long" plan.

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

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

FOR THE ENVIRONMENT: -311,000T CO2 eq between 2010 and 2022 for our milk collection. 12% reduction in our GHG emissions, scopes 1 & 2, per ton manufactured between 2015 and 2022.

FOR SOCIETY AND COMMUNITIES: we contribute to the development of local territories. 62% of our subsidiaries support solidarity actions.

OUR CULTURE
Values: tolerance, courage, honesty, loyalty
Principles for action: subsidiarity, collegiality, autonomy





1 Introduction

CSR: at the heart of our mission 🍷

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

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

One group, two entities:

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

SAVENCIA Gourmet is an international player in the premium food service and sweet gastronomy sectors. In addition, it provides specialty delicatessen, seafood and chocolate products to French super/hypermarkets.

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

Commitment and adaptation in the unprecedented and turbulent environment in 2022

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

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



Vision and outlook in a changing world

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

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

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

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



2 *Our CSR approach*

CSR governance

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

Group-level governance

- **The Board of Directors of SAVENCIA Fromage & Dairy** determines the strategic directions for the Group's business activities and oversees their implementation. The Board of Directors is assisted by specialized committees. The Board provides those committees with the necessary means and resources to perform their missions, offers them support from the various departments concerned and allows them to seek advice from outside the Group. Each committee holds several meetings a year and whenever its advice and feedback are deemed necessary by the Chair of the Board, the Board or the actual Committee Chair. The Board of Directors has enlisted the Social & Environmental Responsibility Committee (SERC) to examine and oversee the Group's CSR issues.
- **The Social & Environmental Responsibility Committee of SAVENCIA Fromage & Dairy (SERC)** comprises members of the Board of Directors and is chaired by an independent director. The SERC is responsible for assisting the Board of Directors in assessing the Group's CSR issues and anticipating the associated opportunities, challenges and risks. It helps the Board address the company's ethical issues as well as any matters relating to the Group's social and environ-

mental responsibility that could arise for senior management. In 2022, the committee held five meetings and worked on a variety of topics, including changes in legislation.

- **The Group Ethics and Culture Committee (GECC)** comprises the Group's Chief Executive Officer, Chief Administrative Officer, Committee Chair, Chief Financial Officer, Chief Legal Officer, Chief Human Resources Officer and Chief Compliance Officer. This committee is responsible for leading the Group's compliance policies, especially relating to due diligence. It holds at least two meetings a year and whenever warranted by the latest events.
- **The Audit and Risks Committee of SAVENCIA Fromage & Dairy (ARC)** assists the Board with closing the accounts and assessing the process of preparing the Group's financial information and statements. It also ensures that the internal and external control systems are appropriate and effective.
- **The Management and Compensation Committee of SAVENCIA Fromage & Dairy (MCC)** assists the Board of Directors with applying the Group's Human Resources Policy and makes recommendations for appointing or re-appointing directors, non-voting members and corporate officers.
- **The Group's CSR Department** deploys the Oxygen strategy worldwide, develops and implements the Sustainable Development strategy, and assesses and manages the risks relating to environmental and social issues. The Chief CSR Officer is a member of the Executive Committee.

• The **Oxygen Committee** was created in 2019 under the CSR Division's responsibility. This committee brings together supporting expertise from the Human Resources, Dairy Supply, Purchasing, Nutrition, Quality, Compliance and Industrial Departments. It provides its expertise and follows up the action plans.

In the subsidiaries and business units

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

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

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

Risk management and compliance

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

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



Materiality assessment

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

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

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

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

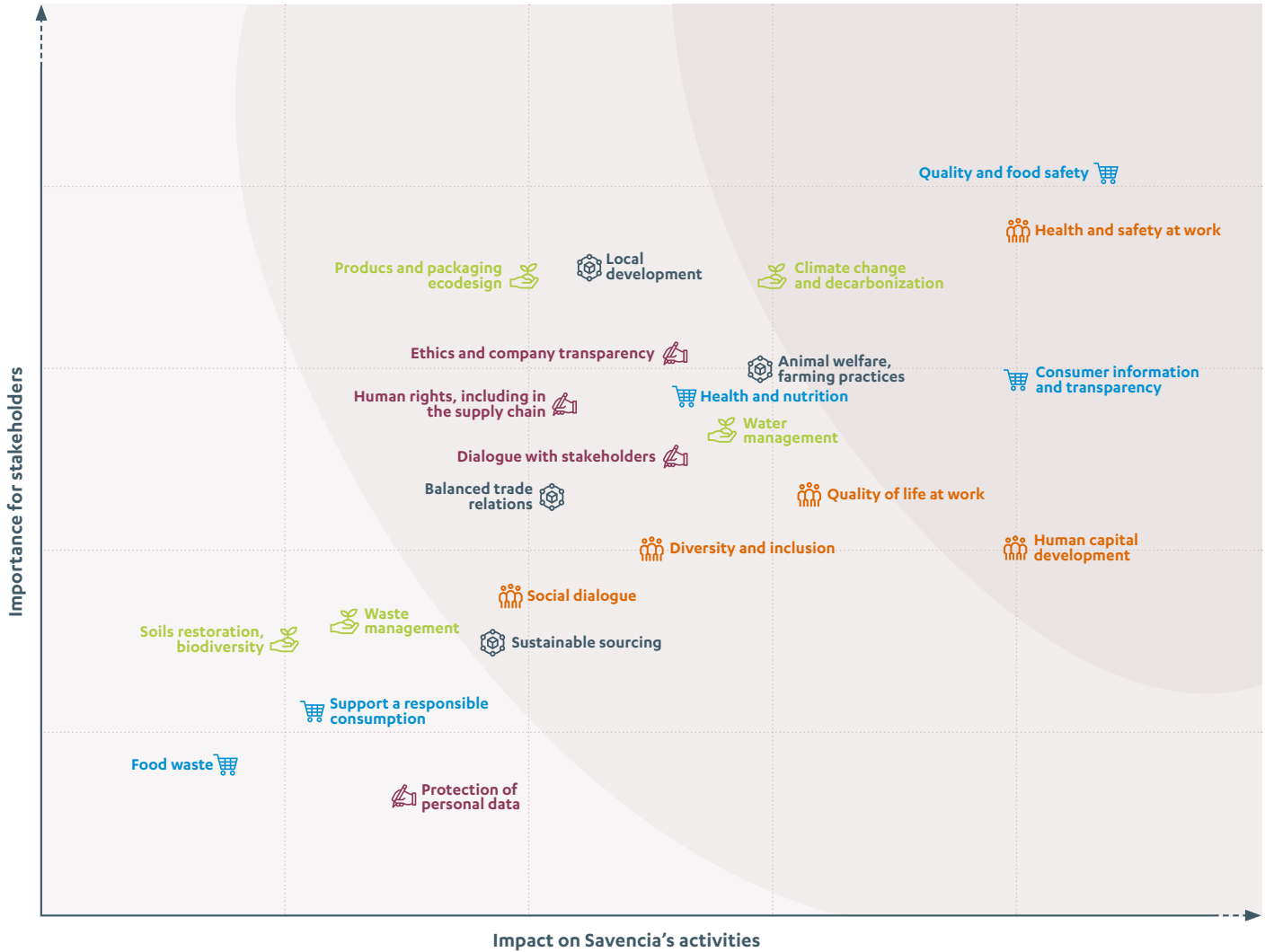
We have also checked that our reporting activities comply with legal requirements by ensuring that they cover the areas stipulated in the regulations (social, societal, environmental, human rights, anti-bribery and anti-tax evasion) and the other expected topics (climate change, circular economy and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

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

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

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

Materiality analysis, CSR priority issues




Healthy, delicious and responsible eating


A sustainable agriculture


Environmental footprint


Employee wellbeing and community


Ethics and compliance

Our key issues

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



3 *Healthy, delicious and responsible eating*

Improve the nutritional quality and design of our products 🍋

Issue, risk and policy

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

In response to growing consumer expectations in terms of food and given the potential impact on their health, we are committed to developing high-quality products that go through minimal processing and are as natural as possible.

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

In 2022, the Group continued rolling out SAVENCIA’s Charter for Responsible Packaging defined in 2019.

The goals of the Charter are to:

- Provide all subsidiaries with guidelines and proactive directions for more sustainable and responsible design and redesign of our products;
- Establish cross-functional goals;
- Facilitate the audit process and structure proposals for product and packaging improvement plans;
- Share methods and a common vocabulary throughout our teams.

The Charter has three parts:

- **Responsible product design**
 - Ensuring the best possible nutritional composition, in terms of the organoleptic quality and use of each product;
 - Achieving, as much as possible, the nutritional composition of our products targeting children, with the thresholds provided by the WHO’s marketing guide for products destined for children;
 - Preserving the natural nutritional properties of the ingredients used (protein, calcium and vitamins in milk).
- **Eco-design of packaging**

Groupe SAVENCIA’s ambition is to design packaging reconciling its indispensable functionalities (contain and conserve the product’s qualities – protect the product from shocks, light and contaminants – store, regroup and transport the product), and to adapt to new consumption patterns, with minimum environmental impact.

Responsible communication and marketing

Responsible communication is based on a number of principles: transparency in responses provided to consumers, sincerity in commitments, encouragement to eat well, and attentiveness to the societal and environmental impact of our communication. These principles are applied to all forms of brand communication, whatever the targeted group (customers, consumers, users, etc.) and whatever the targeted media (packaging, audiovisual media, printed materials, point-of-sale advertising, etc.).

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

Actions implemented and results

A global network of internal correspondents has been created with the aim of improving the roll-out of the #PositiveFood approach launched by the Group in 2020. This approach promotes a positive food transition and a diversified food model, with portions and consumption frequencies tailored to each food category. The idea is to encourage a flavorsome flexitarian diet with a positive impact on society and the environment.

The Group Nutrition Division holds regular meetings with the network of #PositiveFood correspondents and the subsidiaries' R&D and marketing teams. The purpose of the meetings is to support them in formulating proposals and building actionable, targeted plans aimed at continuously improving the nutritional quality and design of our products, and providing consumers with the best support in embracing healthier and more sustainable and responsible eating habits.

The Clean Label section of SAVENCIA's Charter for Responsible Design has been updated, including further details about the definition of the different Clean Label levels within the Group's approach, as well as an update to the list of additives that must be scaled down to an absolute minimum.

The indicators underwent an in-depth review to help track the improvement plans with greater efficiency. The glossary was revised to clarify and update certain entries.

The Oxygen steering committee, in charge of packaging eco-design (see "Developing eco-designed packaging") and tracking achievement of the established goals, met on a regular basis during the year.

Nutritional improvement plans were implemented by multiple brands in 2022 in a bid to optimize the nutritional profile of their products, including:

- Reducing salt content:
 - Maroilles Fauquet: 13% reduction
 - Chavroux logs: 7% reduction in the salt content

- Lowering the sugar content:
 - Molkerei Sôbbeke: 2% sugar reduction in its main products
 - Révillon: 6% sugar reduction in the authentic Révillon products

- Reducing the fat content
 - Lactose-free Burgo de Arias: 15% reduction in the fat content
 - Polenghi: 16% reduction for individual slices of cheddar, prato and mozzarella
 - Elle & Vire Professionnel: 10% reduction for cream cheese
 - NaTurek: 24% reduction
 - Gollandsky: 10% reduction

Clean Label improvement plans were also put into action for the following brands:

- Milkaut La Cremeria, Biser Proteins 200 g, Elle & Vire Professionnel extra dry organic butter, Medve Yoyo, British cheddar PDO and Montfleuri organic butter
- Elle & Vire's 12% liquid whipping cream and the entire Toni Delaco Junior brand range are additive-free.
- Palm oil has been removed from the fresh pastry range developed by La Maison du Chocolat
- Villars Maître Chocolatier: soy lecithin and palm oil have been removed, and 14 products in the range are now additive-free
- The De Neuville spread has been reformulated and is now additive-free, organic and vegan.

Key performance indicators

In 2022, 78.8% of our new branded products adopted a Clean Label approach.

	2020	2021	2022	2025 Target
% of new branded products having adopted a Clean Label approach	51.3%	57.4%	78.8%	100%

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

Promote responsible consumption

Issue, risk and policy

Helping consumers and our employees adopt more reasoned habits of consumption is both a societal challenge and one of the Group's objectives.

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

An effective source for the development of a balanced and diversified diet is portion size. The Group has set a goal that, by 2025, 100% of its branded retail products will include per-portion nutrition labeling, thereby going above and beyond local regulatory requirements. The official recommendations issued in many countries are based on frequency of consumption and portion sizes for each food category. By adding per-portion nutrition labeling for all its retail brands, the Group seeks to provide consumers with an improved understanding of the nutritional benefits of its products. For fixed-portion products like cheese slices, or products showing a picture of the portion like chocolate squares, the actual size of the unit (one or more units) is specified on the label so that consumers can identify the portion and consume in a well-considered and well-informed manner.

For products not in fixed portions, portion size is roughly the recommended portion (30 grams of cheese) or the portion usually consumed as part of a balanced diet (40 grams of rillettes).

In addition to per-portion nutrition labeling, we have been using the Nudge methodology since 2016 to encourage smarter and healthier consumption of our products, especially by adding serving size visuals to the product and/or packaging.

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

Actions implemented and results

Encouraging consumers and employees to adopt smarter eating habits

- In 2022, we continued to roll out our nutrition policy. The Nutrition Department assists all Group brands in their efforts to optimize the nutritional value of our products as part of a healthy, balanced diet.
- In 2022, we continued rolling out the #PositiveFood approach that was launched in 2019 and which embodies our commitment to responsible diets, combining both pleasure and health, with products that are natural or processed as little as possible. Our quiveutdufromage.com, jaime-le-fromage.ch and ich-liebe-kaese.de digital platforms offer flexitarian recipes for balanced and tasty meals. At the end of 2022, we had more than 630 Positive Food recipes around the Group's major brands. Recipes with a Nutri-Score rating of A or B have been proposed by several brands in France and abroad: Caprice des Dieux, Bresse Bleu, St Môret, Fol Epi, Ferrari, Holland Master, Le Coq, Tartare, Saint Agur, Chavroux, Camoscio d'Oro, Apetito, Liptov, Pribinacek, Lucina, NaTurek Kortos, Balade and Coraya.

- As part of our determination to move the food transition forward, supporting and guiding consumers towards healthier and more responsible eating habits is high on Groupe SAVENCIA's priority list. That explains why we are implementing solutions to encourage consumers to change their purchasing practices and eating habits in favor of flexitarian diets packed full of flavor. For example, a #PositiveFood campaign is being spearheaded in France with the JOW app to promote balanced and flavorful dishes featuring lots of seasonal vegetables, where our cheeses can help bring the perfect balance in nutrition and taste to vegetarian recipes. JOW is an app that makes everyday life easier for consumers by giving them access to a wide selection of recipes and allowing them to add all the ingredients to their grocery cart before heading to the checkout. Five of the Group's brands took part in this campaign, namely Tartare, Elle & Vire, Chavroux, Saint Môret and St Agur. This initiative enabled some 53,000 JOW users to increase the number of vegetarian recipes and the percentage of fruits and vegetables in their grocery carts with indulgent cheese recipes.
- In 2022, the Marmissimo operation was carried out in partnership with Marmiton and Doctissimo for the second year running, which involved distributing recipes that promote a varied, healthy and tasty diet, including a reasonable portion of cheese, as well as articles to educate and inform consumers about the natural nutritional benefits of food and our products.
- The Group continued rolling out initiatives as part of its Institute for Positive Food, such as organizing a number of webinars and videos (available on our LinkedIn page and YouTube channel) addressing topics relating to the food transition, especially the fight against food waste.
- The Institute also carried on deploying the ALISA program that it launched in 2021 to promote healthy, sustainable and affordable food in partnership with the Paul Bocuse Institute Research Center, the Vivons en Forme (VIF®) program and the cities of Écully (69) and Meyzieu (69). In conjunction with local authorities, these three partners are pooling their experience and resources to implement the ALISA action campaign among people aged 55 and over. This collaborative project aims to provide solutions adapted to the needs of these populations, thanks to an approach that directly involves the inhabitants as of the design of the content. Ultimately, thanks to the training of the supervisors and facilitators of these cities, tools and experiences will be offered, to promote a pleasant, healthy and sustainable diet, accessible to the greatest number. In 2022, the program was proposed by Écully and Meyzieu. A webinar focusing on the results of the ALISA program was organized with the different stakeholders. Program deployment will continue in 2023 with the ambition of garnering the support of other cities in France.
- Our Serbian subsidiary, Mlekoprodukt, pushed ahead with the development of its CSR project "Biser Nutry Academy" concerning #PositiveFood, which aims to raise awareness of the importance of a healthy and balanced diet for children's development. A program designed to educate consumers about the merits of providing children with an enjoyable and healthy diet reached 2.4 million contacts through three digital campaigns.

• In 2022, tangible in-store initiatives were also conducted with retail chains as part of our engagement with the Consumer Goods Forum (CGF) as well as collaborative actions within Carrefour's Food Transition Pact:

– SAVENCIA has joined the Steering Committee for the CGF's Collaboration for Healthier Lives coalition in a bid to play a more active role in defining and implementing actions to advocate Better Eating practices.

– Balanced flavorsome recipes with a Nutri-Score rating of A or B and featuring a high content of seasonal vegetables were proposed during several in-store campaigns (e.g. gourmet food pairings) with the objective of promoting meals that combine the pleasure of eating with the recommendations for a healthier and more sustainable diet.

– Our Vivre Vert brand participated in a specific initiative that was organized to raise awareness of the benefits in adopting a more plant-based diet alongside CGF and Carrefour. The campaign was led in liaison with other agri-food manufacturers and received the Sirius Sustainable Collaboration Transition award from the French Institute of Commerce. The positive impact on the shopping basket has been demonstrated by measuring sales, particularly of vegetables.

• The e-learning nutrition training module continued to be rolled out to Group employees. It aims to provide them with basic nutritional concepts. This educational course, made up of five modules, was developed by experts and nutritionists while there was input from AgroParis Tech. In 2022, 60% (compared with 60% in 2021) of employees who were connected to the Learning@Savencia platform completed at least one module in the nutrition training program.

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

Combating food waste

As a responsible company aware of the global challenges in terms of access to food and preservation of resources, Groupe SAVENCIA combats food waste by implementing several types of initiatives aimed at:

• raising consumer awareness:

– SAVENCIA Fromage & Dairy has undertaken to reduce food waste by signing the Consumption Dates Pact launched in France by Too Good To Go (TGTG) and backed by the French Ministries for Ecological Transition and Solidarity and Agriculture and Food. The St Môret brand pushed ahead with this commitment by including best-before date pictograms on its packaging.

– In 2022, the Chavroux brand added TGTG's "Look, Smell, Taste, Don't Waste" messaging to its packaging to educate consumers about date labels and avoid food waste.

– De Neuville and La Maison du Chocolat are also committed to tackling food waste. The Too Good To Go app helped save some 4.8 tons of goods for De Neuville and nearly 800 pastries for La Maison du Chocolat.

– The DELACO brand in Romania masterminded a 360-degree campaign harnessing digital technologies to provide consumers with anti-waste solutions and recipes.

• encouraging donations to associations to combat food insecurity:

– Groupe SAVENCIA, which is part of the Entreprises Solidaires des Banques Alimentaires (made up of companies working in solidarity with Food Banks), confirmed its commitment to them and its desire to fight food waste while helping the most disadvantaged access quality products. Several initiatives have been carried out with this aim in mind:

• Product donations continued and practically doubled versus 2021 (49.5% increase).

• The partnership created in 2021 as part of the Paniers Solidaires operation was renewed. A virtual collection platform, monpaniersolidaire.org, set up by food banks at the time of the national collection for those who wish to support their cause without going to the store. The principle is as follows: the donor selects a basket type (student, baby, family, etc.) and gifts it to food bank beneficiaries in the form of a financial donation. SAVENCIA Fromage & Dairy made a commitment during this campaign to double consumer donations.

• As part of the skills sponsorship system within the company, our employees rallied to the cause and rolled up their sleeves alongside the food banks by taking part in the national collection campaign in November, which was held in 8,000 stores across France.

• A check for €50,000 was handed over to the food banks. This achievement bears testament to the efforts of our employees from 25 countries who sprang into action when the Occupational Health & Safety Challenge threw down the gauntlet by inviting them to rack up the greatest number of steps, which were subsequently transformed into euros. This donation allowed the food banks to distribute the equivalent of 30,000 meals.

– Other associations receive regular donations from our subsidiaries, and in 2022, 78.6% of donations made by production sites were product donations.

Key performance indicators

• In 2022, 60.6% of our branded retail products included per-portion nutrition labelling.

	2020	2021	2022	2025 Target
% of branded retail products including per-portion nutrition labelling	43.6%	48.8%	60.6%	100%



4 Sustainable Agriculture

Codevelop more sustainable sourcing with our suppliers of agricultural raw materials

Issue, risk and policy

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

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

To meet the growing societal expectations of our consumers and aware of their responsibility vis-à-vis these issues, the dairy supply teams are committed to developing quality branches that respect animal welfare and the environment while valuing the work of producers to avoid the

risk that poor animal husbandry or crop farming practices worsen the impacts of these activities.

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

- Milk, with the extension of our Charter for Best Farming Practices (or its equivalent by country or sector) to all our milk sourcing worldwide, by 2025 and the deployment of our “Sustainable Milk Production” approach to 50% of our milk producers by late 2025, and a reduction in the carbon footprint of the upstream dairy sector;
- Cocoa, with 90% purchases from a long-term partnership in 2025;
- Pork, with 90% of regional sustainable quality supplies for pork rillettes in 2025;
- Responsible purchases for the majority of our other strategic agricultural raw materials by 2025.

Milk

Actions implemented

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

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

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

Collaborative development of a more sustainable dairy supply process

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

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

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

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

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

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

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

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

The charter was updated in 2022 and allows livestock farms to implement the social responsibility approach championed by the French milk industry's "France Terre de Lait" program. The 2022 version includes a new feature, namely an audit to assess the level of animal welfare in dairy herds followed by an individual progress plan defined with the producer. Furthermore, 24.9% of our global milk volumes collected in 2022 were sourced from so-called "differentiated" segments:

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

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

organized at the Surgères creamery to encourage them to engage with the process.

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

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

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

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

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

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

This strategy features two focus areas:

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

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

- welcome and onboard new producers: 57 producers chose to join us in 2022;
- help young producers get their farms up and running. Young farmers are provided with a "getting started pack" entitling them to financial aid and a contractual commitment over the long term. This pack also includes technical support: carrying out an individual audit and a 10-day training program (operations management, environmental approach, etc.). 137 young farmers benefited from start-up support this year;

build loyalty: in addition to ensuring fair prices for their milk and bolstering the investments made in the farms, we have set up a number of investment support programs with various partners. This system supports projects conducted on farms through tangible investments (dairy machinery and livestock) and intangible investments (training).

Promoting animal welfare

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

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

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

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

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

- quality, sustainable and local animal feed: ensure the quantity and quality of animal feed via best practice charters and audits, use special quality animal feed via differentiated supply chains (organic, GMO-free or even locally sourced from the PDO zone);
- guaranteed access to the outdoors: promote pasture grazing for dairy cows, wherever climatic conditions permit, target of 100% for ewes by 2025;
- comfortable housing: guarantee litter bedding for 100% of goat farms in 2025 and a place in a stall or a minimum surface area of 10 m² per cow in a fully straw-covered area for 100% of dairy cows by 2030, eliminate the practice of tethering cows by 2030, reduce the time spent by calves in individual pens to no more than eight weeks;
- better consideration of health: communicating for the careful use of antibiotic treatments, treat the pain of young cattle during horn disbudding, and eliminate adult dehorning by 2030 in all our milk sourcing areas.

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

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

Reducing the carbon footprint from our milk sourcing activities

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

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

In 2022, we ramped up our actions within the different dairy farms, such as defining relevant action plans and delivering technical and financial support to help producers upgrade their practices and embrace innovation. We actually exceeded our objective by achieving a reduction of 311,000 tons of CO₂ eq in 2022 compared to our target of 300,000 tons of CO₂ eq by 2025.

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

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

- Our milk tanker fleets are committed to the "CO₂, Carriers Commit" approach certified by Ademe, and our drivers receive regular training on green driving practices. In 2022, we also confirmed our commitment to Ademe's "FRET 21: shippers go green" initiative for our fleet of milk collection vehicles.
- Our Normandie Bretagne Transports inter-plant transport fleet is "Objectif CO₂"-certified in recognition of its superior energy and environmental performance.
- Alternative fuels have been deployed across our fleet, especially BioNGV-powered vehicles. For one of our vehicles, this biogas comes from a partnership established with a local anaerobic digestion facility with the aim of building a circular economy and reducing the

environmental impact. Trucks running on synthetic biodiesel and biofuels were trialed during 2022.

- In France, we are actively encouraging our milk transportation providers to switch over to alternative fuels. In 2022, we consulted and listed several suppliers with the aim of building a range of solutions at preferential rates.

Key performance indicators

	2020	2021	2022	2025 Target
Expand the "Charter for Best Farming Practices" worldwide (% milk volume sourced)	83.1%	85.8%	86.8%	100%
Deploy the Sustainable Milk Production diagnosis (% milk volume sourced *)	19.2%	21.6%	23.8%	50%

* The volume of milk collected subject to deployment of the diagnosis is estimated on the basis of the average volume of milk collected per farm for the applicable scope (with contractual milk supply from Compagnie des Fromages & RichesMonts - CF&R - at around 37%).

	2020	2021	2022	2025 Target
% of Dairy Supply employees at SAVENCIA sites trained on animal welfare	N/A*	N/A*	61.5%	100%

* Indicator created in 2022.

	2020	2021	2022	2025 Target
Reduction in the carbon footprint associated with our milk collection (volume of milk collected, in tons of CO ₂ eq compared with 2010 in France)	-252,000	-282,000	-311,000	-300,000

Cocoa

Our commitment: 90% of our cocoa bean purchases sourced from long-term partnerships with our producers in 2025.

Actions implemented

Through its partnerships, the Group undertakes to preserve aromatic cocoa and support communities of producers.

- Through the "Live long cocoa" plan implemented in 2015, our subsidiary Valrhona supports the development of producer organizations and helps improve the living conditions of the communities.

The partnerships established a framework for cross-cutting collaboration from the quality of cocoa to the development of the "terroirs". In 2022, the average term of all Valrhona partnerships was 8.5 years.

This commitment is reflected in the projects that have been implemented for the benefit of the local communities, most of

which are located in rural and sometimes isolated areas that do not always have the necessary infrastructures, particularly in terms of education and access to drinking water:

- In São Tomé, Valrhona participated in supplying drinking water to the Ferreira Governo fountain, meaning that the community's 224 residents now have access to this drinking water source.
- The 15,000 inhabitants of Dibobly (Côte d'Ivoire) frequently struggle to procure drinking water. Every year during the dry season, the wells dry up. Families are forced to walk several miles to access water. In 2022, a well was drilled, a water tower was built, a pump was installed and three public fountains were created. As a result, 10,000 liters of water are now distributed during the dry season.
- After launching our access to education program in 2018, over 2,500 children now have access to good conditions for learning. For example, the Pieso high school in Ghana will be inaugurated early next year. The 145 students used to study in a dilapidated building with a roof that was in danger of collapsing, but now they will have access to an IT room equipped with computers and sanitary facilities supplied by a well.

The traceability of supplies is an essential element in order to control the quality of the beans. Since 2021, 100% of Valrhona's supplies of beans can be traced back to the producer.

- Our Swiss subsidiary Villars is maintaining its commitment within the Swiss sustainable cocoa platform, which is aiming to source at least 80% of its cocoa supplies from sustainable supply chains by 2025.

- The percentage of UTZ-certified (Rain Forest Alliance) cocoa-based raw materials (beans, cocoa paste and cocoa butter) increased sharply from 46.0% in 2021 to 75.3% in 2022.
- Traceability to the plantation or cooperative has significantly increased, representing 76% of cocoa bean supplies in 2022 (versus 51% in 2021).
- The other main raw materials in Swiss chocolate (milk and sugar) are sourced locally in Switzerland.

Key performance indicators

Since 2021, we have achieved our goal of sourcing 100.0% of our cocoa bean purchases from long-term partnerships.

	2020	2021	2022	2025 Target
% of cocoa purchases from long-term partnerships	98.0%	100.0%	100.0%	100%

Pork

Our commitment: 90% of supplies sourced from local sustainable quality sectors for pork rillettes in 2025.

Actions implemented

- ▶ Bordeau Chesnel is developing trustworthy partnerships for a more sustainable supply chain, working hand in hand directly with the breeders to guide them towards more virtuous pig breeding models through:
 - The guarantee of a better remuneration, on average 20% higher than the average price of pork, and much higher for the most virtuous farms.
 - Controlled feed with 100% French cereal seeds containing at least 20% barley.
 - The introduction of preventive hygiene measures to cut the use of antibiotics as much as possible.
 - A financial incentive to deploy breeding models focusing more on animal welfare, such as breeding on straw or “open-air maternity”.
 - Assistance in reducing their environmental impact, with the introduction of a tool that measures and monitors their environmental footprint.
- ▶ As part of the new Rillettes du Mans product launched last year, Bordeau Chesnel is committed to steering the pork industry towards more virtuous breeding practices. In 2021, this commitment culminated in the creation of a responsible farm designed specifically for this new product. It was developed in partnership with two young Breton breeders and received support from Cooperl (Grand Ouest farming and agri-food cooperative).
- ▶ Bordeau Chesnel is also committed to:
 - Guaranteeing a fair remuneration for the breeders and which keeps pace with the cost of cereals.
 - Purchasing 100% of the pig production from this new farming model for at least five years.
 - For each jar purchased, 8 euro cents will be donated to a support fund that will help finance projects aimed at improving animal welfare or reducing the environmental impact of farmers involved in the “Our Shared Values” approach. The goal is to raise €25,000 to help fund three improvement projects.

In 2022, the support fund financed three projects aimed at improving animal welfare and protecting the environment. €25,000 were collected and distributed in April 2022 between three young breeders. The project that won first place involved creating a straw-bedded farrowing building allowing sows to spend all their time in complete freedom and enjoy similar conditions to the outdoor environment but without suffering any exposure to the elements.

Key performance indicators

In 2022, nearly 190 farmers had signed up alongside Bordeau Chesnel to this partnership for a sustainable pork sector. This program will continue being deployed steadily until 2025.

	2020	2021	2022	2025 Target
% of regional sustainable quality supplies for pork rillettes	30.2%	40.0%	60.0%	90%

Fish

Our commitment: responsible purchases for most of our other strategic soft commodities by 2025.

Actions implemented

- ▶ Since the end of 2018, Coraya has opted to source fish exclusively from sustainable fishing for its surimi sticks. These supplies are inspected by an independent organization, guaranteeing fishing practices that are more respectful of the seabed, the environment, fish stocks and stocks of species.
- ▶ Since 2021, Coraya has shunned eggs from caged hens, in line with its commitments for which the brand was awarded the “Golden Egg” prize by Compassion In World Farming (CIWF) in 2020.

Key performance indicators

In 2022, 100.0% of the fish in the Coraya surimi range were sourced from sustainable fishing, audited by an independent organization, which is over and above the commitment made.

	2020	2021	2022	2025 Target
% of fish in the Coraya surimi range from sustainable fishing	100.0%	100.0%	100.0%	90%

Chicken

Our commitment: responsible purchases for most of our other strategic soft commodities by 2025.

Actions implemented

Bordeau Chesnel favors a local supply: the chicken farms are normally 100% French and located mainly in the Grand Ouest region (Pays de Loire, Normandy and Brittany). However, a small part of the supply was extended to all territories within the European Union in 2022 in the wake of the avian influenza epidemic.

The “Our Shared Values” approach, which has been under deployment in the chicken sector since 2021, aims to create a sustainable commitment with local producers and Bordeau Chesnel’s partners, and thereby:

- Guarantee a fair level of remuneration to breeders, taking into account production costs and promising long-term visibility through a contractualization system.
- Control the feeding of the animals: based on 100% French cereal grains and a 100% plant, mineral and vitamin feed.
- Make progress on breeding practices by improving animal welfare. In this respect, several actions have already been implemented:
 - Access to natural light;
 - The fitting out of hen houses with perches and pecking stones to facilitate the expression of natural behavior;
 - Increasing the space available for animals.
- Implementing an environmental improvement plan based on several levers: landscape integration of the buildings, energy production on the farm by: solar panels, anaerobic digestion of waste, production of natural fertilizers via livestock, and so on, to feed the crops.

Key performance indicators

This process was launched in 2021. At the end of December, 73.0% of our supplies came from a responsible chicken sector.

	2020	2021	2022
% of our supplies from a responsible chicken industry	N/A*	39,0%	73,0%

* Indicator created in 2021.

Promotion of biodiversity

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

Biodiversity is a source of added value for our ecosystems, as well as farmers and our milk suppliers. Their activities play a major role in protecting biodiversity. This is one of the areas for improvement identified in our Sustainable Milk Production audit, offered on a volunteer basis to our milk suppliers, which is measured using the indicator developed by Céréopa (center for research on the animal production economy and industry). This indicator is defined on the basis of the share of permanent pastures on the farm, areas of ecological interest (trees, hedges, bodies of water and ditches) and also the diversity of animal and plant species on the farm. Once the audit has been performed, solutions are offered to producers to:

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

SAVENCIA is focused on promoting collective actions to combat

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

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

- a green dispersion zone was commissioned in March 2022 at the Grand'Ouche site in Réparsac, France (16). This landscaped area is located in the grounds of the plant's wastewater treatment facility. 40% of the funding for the dispersion zone was awarded by the Adour-Garonne water agency. It comprises a series of three vegetated basins through which the water flows. Several phenomena occur in each basin, including natural evaporation across the entire water surface, infiltration into the soil, water consumption by the plants for their metabolism and growth, and purification of the water through absorption of the micropollutants by the plants. The plant species were chosen for their major capacity to absorb and purify water, such as reeds, willow and grass. The wetland habitats created represent a conducive environment for developing local biodiversity.

- in Saint-Brice-en-Coglès (35), volunteer employees at Armor Protéines have planted a traditional orchard at the site to preserve the old tree species. Over 20 fruit trees have been planted, obviously including apple trees but also cherry and plum trees.

- the CF&R site in Vigneulles (55) launched a number of initiatives:

- an eco-grazing agreement has been established between the cheese-making facility and a local sheep farm. A plot of land has been made available to the farmer's sheep. Once the grass is short and no longer nutritious, the sheep will be moved to another plot of land so that the grass can grow. This initiative not only helps develop the local biodiversity, but also reduces the environmental impact with the aim of naturally fertilizing the soil.

- as part of the green infrastructure project led by the combined district council of Vigneulles, which involves creating or restoring ecological corridors, the hedge around the site was enriched with 312 additional plants. This project was carried out in partnership with the Lorraine national park.

- a seed library, where users can swap and donate flower, vegetable and fruit seeds. The seed library is filled and emptied according to the seeds taken or deposited by the employees.

- in the United States, the employees at our SAVENCIA Cheese USA and Advanced Food Products subsidiaries planted 30 oak and maple trees at the site during their dedicated "Family Day".

- in Denmark, the teams at our sales subsidiary, BC Nordics, cleaned up the beaches to the north of Zealand.

- in Argentina, our subsidiary has partnered with its milk producers to plant more than 1,400 trees on their farms. Employees volunteered to take part in this initiative.

our brand Coraya is also committed to preserving marine environments with:

- Surimi made with wild fish caught by responsible fishing, namely fishing on the high seas, complying with quotas, fishing seasons, habitats and marine ecosystems.
- For the ninth year running, a day devoted to cleaning the Utah Beach in Normandy. End result: almost 2 m3 of waste collected by forty or so volunteers and about ten kilometers of beaches cleaned.
- The development of a partnership with ocean protection association “Un Océan de Vie”, involving a promotional campaign where 10 centimes are donated to the association every time a certain product is sold. A beach and seabed clean-up operation was also organized in the bay area of Les Catalans.

Valrhona, a B Corp®-certified company, promotes productive farming practices that involve fewer inputs and protect the environment.

Preserving forest areas and promoting good agricultural practices will play a decisive role in the coming decades, especially for reducing the carbon footprint and protecting biodiversity.

Empowered by the positive results and impacts of our previous project in Haiti, we decided in 2022 with our Haitian partner Feccano (federation of cocoa cooperatives in northern Haiti) and French NGO AVSF (Agronomes et Vétérinaires Sans Frontières) to relaunch a new three-year project that will last until 2024. The aim behind this new project is to regenerate the Creole gardens of our production partners and thereby demonstrate that cocoa farming can be both eco-friendly and profitable. The producers benefiting from the project take part in personalized audits into their plots, and the findings are then used to determine what action should be taken to accelerate production. Pruning, grafting and replanting cocoa trees, providing training on how to manufacture natural fertilizers, and introducing subsistence crops such as taros and yams are just some of the solutions that have been put into action. These actions are helping diversify their sources of income, improve food security and protect biodiversity.

The project also aims to summarize and disseminate these approaches across the country, so that as many families as possible can implement these practices for their own plots. In 2022, 89 new producers took part in the project, and 31 have already regenerated their plots. The impacts can already be seen:

- Income for some plots has doubled after planting fruit and forest trees, cocoa plants, bananas, yams and ginger roots.
- The plots proved to be more resilient to inclement weather.
- Cocoa yields have been increased by more than 80%, from 250 to 450 kg/hectare.

the Group is also supporting agroforestry projects, which have a direct impact on protecting biodiversity, through its “Bien Nourrir l’Homme” endowment fund for promoting access to healthy food, for example:

– the Bayon school in Siem Reap, Cambodia, has developed a vocational training program on agroecology for young people with the objective of turning them into real agroecology practitioners and showing them how to ensure greater sustainability when mobilizing the principles and ecological processes of the ecosystems. After completing the course, students should be proficient in a number of skills, such as managing small productive farms, selling their organic produce on the local market, and knowing how the agricultural and food systems work. In 2022, 16 young people from disadvantaged regions in northern Cambodia received training. After finishing the course, all the students in this class have found a job enabling them to support themselves and their families.

– in Madagascar, the Naturevolution association is working with local communities as part of its “seeds of change” project to guarantee their food security while protecting biodiversity in the forests across the Makay region. The island of Madagascar is renowned for its exceptional biological wealth, but unfortunately most of its forest cover has disappeared. Today, the country’s unique biodiversity can only be found in a handful of unspoiled areas, such as the Makay, which is a spectacular massif of ruiniform sandstone that has become a real safe haven for nature. Groups of villagers are increasingly setting up temporary but enduring settlements in the Makay Massif’s forests. In the process, they clear entire plots and remove lemurs, tubers, palm trees and firewood. This phenomenon is currently having the most serious impact on this region’s sensitive natural habitats and unique biodiversity. Naturevolution is pioneering a school allotment project to educate local communities about agroecology, crop cultivation, cooking and new, more resilient vegetables that can be grown and eaten when rice is scarce. They are also trained on a new rice farming technique that boasts higher yields and uses less water. Community granaries are also set up to keep stock levels under control throughout the year and regulate rice prices. The produce from the allotments is used by the school canteens, which help improve schooling.

Promote responsible purchasing

Issue, risk and policy

Following the enactment of France’s “Sapin II” and Due Diligence laws, the Group has reinforced its legacy systems to ensure that its purchasing processes comply with its obligations for eliminating undeclared labor, ensuring transparency, tackling bribery, and preventing violations of human and environmental rights.

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

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

Since 2010, a Charter for Sustainable and Supportive Purchasing has been submitted to the Group’s main suppliers for signing. The charter is consistent with the Group’s Ethical Charter and with the Charter for Best Purchasing Practices prepared under the aegis of France’s Ministry for the Economy, Finance, Industry, Competition and National Mediation and signed by the Group on January 10, 2012. Since January 1, 2018, the Charter for Sustainable and Supportive Purchasing, supplemented by the Group’s recently published Charter for Combating Corruption and Influence Peddling, has been renamed the Responsible Purchasing Charter.

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

The four areas assessed are environment, social, ethics and corruption, supplier relations and supply chain.

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

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

Actions implemented and results

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

Key performance indicators

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

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

As of December 31, 2022, more than 1,045 Responsible Purchasing Charters had been signed, covering 66.8% of the Group’s expenditure overseen by the Purchasing function and carried out with major suppliers (exceeding €1 million per year)* excluding agricultural raw materials.

The assessment of CSR risks by EcoVadis was performed for 672 suppliers. The EcoVadis evaluations cover 75.7% of Group expenditures overseen by the Purchasing function and carried out with major suppliers (exceeding €1 million per year)* (excluding agricultural raw materials). The average score obtained was 53.9/100 (versus 44.8/100 on average for the EcoVadis Food & Beverage Panel).



5 *Environmental footprint*

Reduce our greenhouse gas emissions

Issue, risk and policy

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

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

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

One guide in particular, the "CSR Guide for Manufacturers", covers all the issues requiring attention and specifies the actions to be taken. This document is made available to all relevant stakeholders by the Operations Division.

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

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

Groupe SAVENCIA undertakes to:

- Lower the environmental impact of its activities with a reduction, per ton produced, of 20% by 2025 (*versus 2015*) when it comes to greenhouse gas emissions from production and transport.
- Increase its use of renewable energies.
- Reduce the carbon footprint of the volume of milk sourced by 300,000 tons of CO₂ eq by 2025 (*versus 2010*).

Actions implemented and results

Reducing energy use

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

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

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

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

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

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

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

- Our subsidiary Sofivo, which specializes in producing milk powder, launched a project at its site in Pontmain (53) in 2022 to simultaneously produce the heat and cold required for the site's needs by installing a heat pump. A preliminary analysis has been carried out into all the systems using energy (cooling and heating), and the areas where energy use can potentially be reduced have been identified. Ultimately, over 3,000 tons of CO₂ eq should be saved.
- Several sites belonging to our subsidiary Compagnie des Fromages & RichesMonts also took a number of measures in 2022 to scale down their energy use:
 - The Bénestroff (57) site commissioned a heat pump in March to reduce its energy use by more than 50%.
 - The Besse (63) site's decision to install a new chiller not only improved the facility's energy efficiency, but also enabled the site to replace certain refrigerants with fluids featuring a lower global warming potential.
 - In May 2022, the Vire (14) site obtained ISO 50001 certification, bearing testament to its responsible and efficient energy management practices by implementing an effective energy management system.
- Following a trial in 2021, one of our sites in Brazil installed LED lamps with automatic detection sensors for its outdoor lighting systems in 2022. This initiative has resulted in a saving of 20,160 kWh.
- In Saint-Maurice-de-Lignon (43), our subsidiary Souchon d'Auvergne, which specializes in manufacturing and marketing cold cuts and cured meats, has replaced its gas boiler with a heat pump, which has lowered its carbon footprint by more than 70%.
- Luissier Bordeaux Chesnel launched a project to recover and transfer the heat from an air compressor to a heating network designed to

de-ice the site's coolers and heat the workshops, offices and roof space. Over 2022, a saving of more than 270,000 kWh has already been achieved.

- SAVENCIA's management teams came together during two digital seminars to discuss and accelerate the Group's net zero roadmap. Following an awareness-raising session on climate issues and their impact on the agri-food industry led by experts from consultancy Carbone 4, the second session focused on sharing experiences and best practices, including the dairy industry, purchasing and energy performance at industrial sites. All net zero strategies were addressed with the aim of empowering everyone to take action at their own level to attain the Group's objectives.
- To share proven best practices and the applicable standards, three global Group-wide forums were organized and led by the Group Operations Division. The overriding theme for the workshops was energy efficiency. In addition to sharing best practices, the workshops offered advice from external experts. Each session attracted more than 60 participants.

• Roadmaps incorporating the energy efficiency and net zero strategy developed jointly by Group and subsidiary experts are being deployed across all our sites.

- The Group has decided to deploy the Climate Fresk within its subsidiaries. Senior executives attended a Climate Fresk workshop in October. An initial deployment plan for the Climate Fresk workshops has been put into action (eight subsidiaries took part in 2022) and should continue into 2023.
- In the Gourmet business, a specific working group comprising several subsidiaries has been created to build and bring greater structure to the net zero strategy and the associated action plans. As such, several training modules have been produced to raise awareness of climate issues among the widest possible audience, including a module on the carbon footprint of the cocoa industry and the deforestation caused by cultivation.

In 2023, new programs will be launched at our sites to sustain the Group's efforts to rein in energy use and greenhouse gas emissions.

Development of renewable energies

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

- We continued the prospective inventory that was launched last year in France to extend, more specifically in our businesses, the potential of the solar and anaerobic digestion sectors, to better guide our choices.
- In 2022, the Group pushed ahead with its plans to roll out electricity from guaranteed renewable sources, and new sites have engaged with the process. Over 9,600 tons of CO₂ eq were saved across the Group during the year.

- Local initiatives are continuing with several sites installing solar panels.
- Our subsidiary Sosa, which offers a wide range of ingredients for fine-dining professionals, can now cover 32% of its electricity needs after installing a hydraulic turbine and solar panels at its site.
- In an effort to support the switchover to more eco-friendly vehicles, plug-in hybrid and electric vehicles have been incorporated into the Group's vehicle policy. To improve the level of uptake for these models, the Group has asked all its subsidiaries to examine the technical feasibility of installing electric charge points at their sites. To help the sites with this process, the Group Purchasing Division has produced a guide containing the best practices for installing electric charging solutions. In 2022, several charge points were set up at our sites in France.
- SAVENCIA Fromage & Dairy is a member of the Club des Entrepreneurs pour le Climat, launched by the Orygeen Institute, a consortium of French family-owned businesses working to combat climate change.

Reduction of greenhouse gas emissions generated by transport

Multiple initiatives have been launched:

- In Spain, Arias has received the Lean & Green award from AECOC, one of Spain's largest multi-sector business associations, which brings together all the professionals across the value chain, from producers and manufacturers through to logistics operators and distributors. This award recognizes Arias's commitment to reduce the CO₂ emissions from its logistics activities by 20% within five years.
- Since 2021, all 23 trucks owned by our logistics hub Les Messageries Laitières now run exclusively on Oleo100, a 100% plant-based and fully biodegradable oil made in France. This initiative will have a major impact on our CO₂ emissions, since a 60% reduction is expected. The decision to switch over to this biofuel dovetails with the continual improvement actions that the Group has already implemented to shrink its environmental footprint, such as training on green driving practices with an in-car IT system, the use of a transport optimization system, and a tire management solution.
- Delivery routes have been improved by implementing a system that groups deliveries together for customers based in the same geographic area. This solution increases the truck fill rate and reduces the distance traveled.
- In France, our subsidiary Les Messageries Laitières is involved in the Normandy Hydrogen Network Club run by the region's Chamber of Commerce and Industry (CCI) and is taking part in working groups on alternative energies and shared logistics services. For example, members are focusing on the role that hydrogen can play in moving Normandy's energy transition strategy forward, while creating a fully-fledged industrial sector.

Other initiatives were undertaken directly with employees, including:

- Mobility Week was held in the Group for the fourth year running. The objective of this event is to encourage as many people as possible to adopt a sustainable eco-citizen approach by favoring soft modes of transport as an alternative to the private car. As in previous years, several initiatives were proposed to employees at the sites involved in the challenge, such as a loan scheme for various types of electric bicycles, outdoor clean-ups with eco-friendly hiking, promotion of the car-sharing scheme, and bicycle repair workshops. Their collective efforts in 2022 paid off by saving more than 84,400 km.

Key performance indicators

% change versus 2015

Reduction in Scope 1 & 2 GHG emissions	2020	2021	2022	2025 Target
Variation in Scope 1 & 2 GHG emissions (tons of CO ₂ eq/ton produced)	-6.3%*	-7.5%*	-11.6%	-20%

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

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

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

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

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

This sharp reduction in CO₂ emissions is linked to the switchover of the fleet of trucks owned directly by Messageries Laitières to Oleo 100, a 100% plant-based and fully biodegradable oil made in France.



Control our water resources

Issue, risk and policy

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

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

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

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

Actions implemented and results

- The working group for reducing our water use held several meetings in 2022. The group's members include both internal experts and operations staff. Their efforts were mainly directed at lowering our water consumption and investigating the prospect of reusing the condensate of whey ("cow" water) to safeguard resources.
- The site in Saint-Brice-en-Coglès (35) has implemented a reverse osmosis-based milk concentration process combined with a system for recovering the water from milk, as well as a filtering system for the water contained in the milk, which will ultimately reduce the amount of drinking water used at the site. According to estimates, the gains will amount to over 200 m³ a day.
- Our site in Le Tholy (88) installed a new cooling unit, which has eliminated a large part of the open-circuit cooling systems and thereby reduced the amount of water taken from the natural environment by over 70%.
- The CF&R site in Ducey (50) has installed a new range of equipment, including new washing machines and a more efficient cooling tower, which have resulted in significant savings, i.e. water savings estimated at 50 m³/day, as well as a reduction in the amount of detergents used, thereby lowering the amount of phosphorus entering the wastewater treatment plant by nearly 20%.
- The Hodonin site in the Czech Republic has installed a system for monitoring its water use and replaced its cooling pumps, which has resulted in significant savings (over 40% versus 2021).

- Tests on a method for identifying the potential for reducing water use have also been deployed at one of our major sites in France.
- In addition to the efforts aimed at curbing the amount of water discharged prior to reaching the wastewater treatment plants, action has also been taken to improve performance at several sites:
 - The Beauzac site in France's Haute-Loire region has installed a tertiary treatment process to improve the quality of the treated and discharged wastewater. The Brioude site appointed an external consultancy to analyze the volume and type of effluent produced. In response to the consultancy's findings, a preliminary treatment system has been temporarily installed upstream of the municipal wastewater treatment plant until such time as a permanent treatment system has been defined.
 - The Champdeniers site in France's Deux-Sèvres region has replaced the aeration system for the effluent treatment lagoons.
- Tests have also been launched at some pilot sites:
 - Tests were carried out in Saint Loup (79) to improve the legacy system and increase its performance while avoiding the need to build concrete surfaces with the aim of protecting the environment.
 - Our subsidiary Tessier conducted tests at its site in Cornillé-les-Caves (49) with the objective of reusing its treated wastewater in its facilities, especially its boiler room.
- Due to the soaring temperatures that struck the country during the summer months, many of our sites were faced with a lack of water resources. This situation galvanized the Group's experts into action, and immediate solutions were rolled out to adapt to the scarce resources. Some of the measures have actually become permanent solutions for decreasing water use outside periods of drought.

• Our teams are also looking into the prospect of reusing the water from milk and other dairy products. Just like our trade organization, we are hoping to see a degree of regulatory flexibility on this particular issue.

Key performance indicators

% change compared to 2015

Reduction of water withdrawals	2020	2021	2022	2025 Target
Variation of water withdrawals (in m ³ /ton produced)	1.7%	1.2%	-2.3%	-10%

Optimize waste management

Issue, risk and policy

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

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

Actions implemented and results

- An "anti-waste" working group, made up of subsidiary representatives and corporate department employees, was created to reduce the quantity of waste generated at the source and to optimize and identify local recycling opportunities. It held regular meetings in 2022. Roadmaps are being drawn up to reduce and better recover biowaste. Adjustments have also been made to comply with regulatory requirements following the implementation of the AGEC law (anti-waste and circular economy law). The area relating to communication with employees and consumers is also addressed through, for example, awareness-raising campaigns on the difference between the use-by date and the best-before date, to limit waste at the time of consumption.
- Our Les Messageries Laitières logistics hub, which was already working with a local vocational rehabilitation center, has developed its partnership further by setting up a system for recycling damaged pallets that are beyond repair. The parts that cannot be repaired are crushed and reconditioned into pellets that are given free of charge to the center as fuel for its biomass boiler. Heating is therefore provided for the center's horticultural greenhouses and part of its storage building by recovering all our damaged pallets. Four tons of wood, representing approximately 300 pallets, have been recycled, which has enabled the center to save significant money. This partnership will accelerate in 2023, since the Les Messageries Laitières hub has agreed with its transportation partners to take back all their broken pallets and increase the recycling rate.
- Valrhona has continued deploying its "Consigne by Valrhona" project, which aims to deliver products to catering professionals and chefs in returnable, washable and reusable containers to reduce waste to an absolute minimum. The project was launched in 2020 and is modeled on the principles of the circular economy. It involves testing deliveries of a new type of packaging in the form of a 6 kg bean container, which is recovered, washed and then reintroduced into the production circuit. This unique initiative in the B2B agri-food sector has met with

a positive response from the professional customers who tested the solution (qualitative study in 2022 - 82% of users are satisfied or very satisfied). These containers have a much less negative impact than the usual type of packaging (3 kg bags) when they are delivered within a 500 km radius of the chocolate factory. In 2022, the "Consigne by Valrhona" scheme equated to 22 tons of chocolate sold, i.e. 260 kg of waste not produced and 2.4 tons of CO₂ eq avoided.

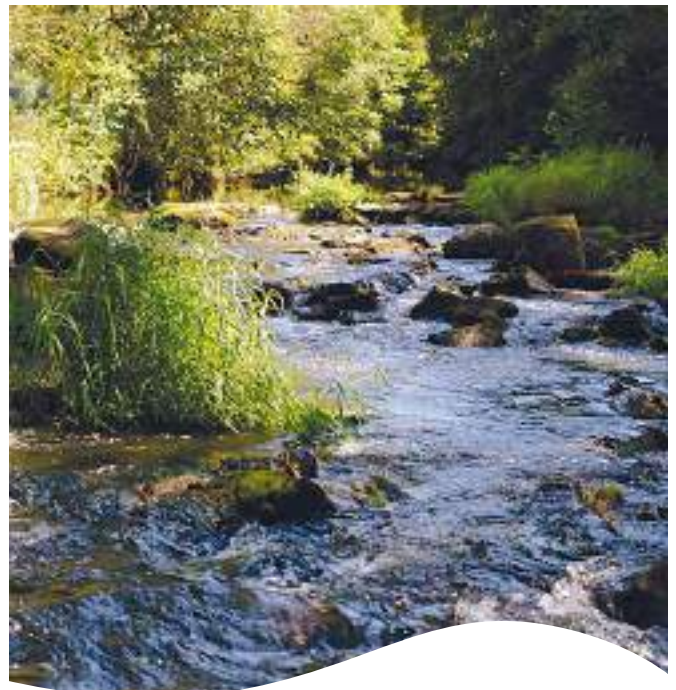
Key performance indicators

In 2022, 68.5% of our non-hazardous waste was collected for recycling (*).

	2020	2021	2022
% of non-hazardous waste collected for recycling	68.4%	69.2%	68.5%

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

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



Developing eco-design of our packaging

Issue, risk and policy

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

The Charter for Responsible Design drawn up in 2019 thus provides guidelines and focuses for the eco-design of packaging. In particular, it includes elements such as reduction measures at source and use of recycled materials to promote the transition to a circular packaging economy

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

Actions implemented and results

The Oxygen Steering Committee, dedicated to eco-designed packaging and tasked with meeting the established target, held three meetings in 2022. An additional action area was added to the priority list this year, namely reducing the carbon footprint of our packaging, which brings the number of action areas to six:

- Reduce the use of materials at source;
- Ban controversial materials;
- Aim for 100% recyclability or biodegradability;
- Include as many recycled materials as possible;
- Prioritize the use of renewable materials;
- Reduce the carbon footprint of our packaging.

The buyer/packaging developer pairs that were set up in 2020 have continued working on the selected priorities and disseminating the results of their research over the Group's internal platform.

A new dedicated forum for eco-designed packaging attracted over 150 Group employees in March from various departments, subsidiaries and categories. The objectives of this event were to allow employees to take ownership of the priority areas, illustrated by concrete examples and to inspire by sharing successful experiences within the Group. Several French and international initiatives were presented during the forum.

Packaging eco-design projects, based on all the objectives of the Eco-Design Charter, have been initiated by all the subsidiaries. 2022 was rocked by a crisis affecting most of the materials used for packaging, which led to supply shortages, and a further crisis that saw spiraling energy prices. These events have led to delays in implementing the Group's waste improvement projects. However, here are a few examples:

- St-Morêt: creation of a 500-gram tray whose simplified composition means that it can be fully recycled.
- Tartar: integration of bio-based plastic representing up to 30% of the packaging's volume, while remaining recyclable.
- Polenghi: reduced thickness of the pots and trays, resulting in 26 tons of plastic eliminated.
- Saint Agur: incorporation of at least 20% recycled plastic with a medium-term objective of 40%, i.e. 33 tons of recycled plastic to date.
- Bresse Bleu: the cheese packaging is now 100% recyclable, representing 10 tons of complex packaging that can be recycled every year.
- Lucina: elimination of the plastic lid, which not only lowers the amount of plastic used, but also reduces the size of the transport boxes and improves the truck fill rate.
- Valrhona: the Valrhona gifting range has been redesigned, which has led to an 18% reduction in the weight of the packaging and a 93% reduction in the amount of plastic, representing a saving of 10 tons of plastic and 4 tons of cardboard.
- Révillon: reducing the collars for the roasting bags has helped save 26,000 m² (1 ton) of plastic.

Key performance indicators

Recyclable or biodegradable packaging made up 84.2% in 2022.

	2020	2021	2022	2025 Target
% of recyclable or biodegradable packaging	86.0%	85.0%	84.2%	Aim for 100%

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



6 *Employee wellbeing*

Ensure the safety of our employees

Issue, risk and policy

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

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

Over ten years ago, the Group initiated its focus on safety supported by the "SAFETY is OUR business" program. This program builds on our Health & Safety At Work Charter, cosigned by the Group's CEO and Vice-President, underscoring our target of zero work-related accidents.

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

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

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

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

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

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

Actions implemented and results

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

- The Group’s safety culture has been enshrined in the Safety Policy, and training sessions are provided when new employees join the Group as part of the onboarding process.
- To support the deployment of the safety culture and help the sites improve their safety maturity level, SAVENCIA uses the Dupont methodology and especially the Bradley Curve, which associates the level of safety maturity with one of four stages (reactive, dependent, independent and interdependent). In 2022, a new safety survey was carried out among part of SAVENCIA’s sites, especially the industrial sites in France (with the highest accident rates). Most sites have made progress, but the majority are still in the “dependent” stage. In this stage, employees obey the instructions and procedures, but they only take partial responsibility for safety. They apply the rules to avoid any disciplinary action, but not out of conviction. There is still a lack of active participation and engagement. To cross the cultural bridge and move towards stage 3, known as the “independent” stage, all employees need to play an active role in the process. In an effort to improve performance and achieve progress, the subsidiary is defining an action plan, and a new survey will be conducted in 2025. Safety leadership training is being offered across the Group to support the transformation and involve everyone.
- Since 2021, the Group has gradually been deploying a set of operational rules known as “The 10 SAVENCIA Safety Essentials”. These Essential rules are designed to prevent accidents and injuries, especially the most serious incidents or high potential incidents. Each Safety Essential focuses on a specific risk and contains four rules that everyone must follow under all circumstances. A complete digital toolkit has been translated into all the Group’s languages and provides all SAVENCIA subsidiaries with the tools and methods for rolling out the Safety Essential rules. In addition to the global deployment plan, targeted actions are also being rolled out, such as a project to ensure safety when working on equipment and power systems, using on-the-ground feedback from a few pilot sites.
- In a bid to prevent musculoskeletal disorders (MSDs), a survey was carried out among the subsidiaries in anticipation of launching a vast Group-wide program aimed at progressively adapting and automating the most exposed workstations. This program builds on the underlying policies already implemented in many subsidiaries.
- Since 2021, an e-learning course on health and safety at work has been added to the onboarding process for new employees. This specific procedure on the risk of accidents in the Group is available in several languages. It consists of a module common to all Group employees entitled “zero accident objective”, and a second module dedicated to managers. A SAVENCIA Safety passport is issued once the training course is completed and the employee achieves 100% correct answers in the quiz.

- Since 2015, an international health and safety week has been organized in all the subsidiaries. This year’s event was held in June on the overriding theme of Health and the 10 Safety Essentials. To coincide with the event, a connected challenge was organized throughout the month of June, which ended on the last day of the Occupational Health and Safety Week. With 615 teams from 26 countries participating in the event, each team took on the challenges relating to physical health, nutrition, mental health and knowledge of the 10 Safety Essentials. A SAVENCIA supportive sports challenge was held during the month with participants notching up some 325,000 km, which allowed the Group to present the food banks with a check for €50,000.
 - Several forums bringing together the entire global network of Group safety officers were organized remotely. Every time, a specific theme is chosen for sharing best safety and accident prevention practices using feedback and experiences from participants.
 - The Safety e-platform, which contains a wealth of reference documents, best practices and safety-related content, was updated and amended to reflect feedback from the subsidiaries.
- A plan aimed at reducing the risk of work-related lost time accidents for temporary workers has been launched in France. This plan consists of implementing a set of campaigns before, during and after the intervention of temporary workers on the industrial sites. Each quarter, a review of the system is carried out with the three partner temping agencies to continuously improve it.
- Occupational health and safety training was carried out in the subsidiaries during the financial year and represents 31.8% of training campaigns in the Group.
 - Behavioral Safety Visits (BSV) are also regularly conducted on-site or remotely. In 2022, their number rose to 20,020. Their number is up by 9.2% compared with 2021.
 - The frequency rate for permanent and temporary employees¹ amounted to 11.3 in 2022 versus 11.3 in 2021. During the year, 494 work-related lost time accidents were recorded, compared with 491 in 2021.

Key performance indicators

	2020	2021	2022
% of subsidiaries with no workplace accidents resulting in time off (permanent and temporary employees) during the year	45.6%	49.2%	47.2%

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

Improve quality of life at work

Issue, risk and policy

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

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

To that end, and to prevent the risk of deterioration in working conditions and impact on employee well-being, the Group strives to promote and maintain social dialog, internal communication and employee feedback. SAVENCIA Fromage & Dairy thus develops solutions to improve working conditions and quality of working life and regularly measures their effectiveness with a view to continuous improvement.

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

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

Actions implemented and results

In June, an internal opinion survey was conducted in almost all SAVENCIA subsidiaries with over 50 employees based on the Great Place To Work (GPTW) methodology and using the Trust Index questionnaire, featuring 60 questions and investigating 5 key themes, namely credibility, respect, fairness, pride and camaraderie.

The last group survey dated back to 2019, and results have clearly improved with an average Trust Index score of 65%, i.e. up 7 points, and an overall positive perception of 70% on the question of "a great place to work". Subsidiaries with a Trust Index score greater than or equal to 65% are GPTW-certified.

20 French subsidiaries and 10 international subsidiaries have obtained certification, representing 30.0% of the workforce. This survey is in keeping with the Group's continual improvement process. The results have been shared and action plans are being developed. At the same time, the Group intends to carry out flash surveys in addition to the Group survey scheduled every three years.

To improve quality of working life, the Group also wanted to step up its actions focusing on occupational health. As a result, the SAVENCIA health sessions were launched in June in line with its Caring@SAVENCIA program. Every month, two dates are proposed for a connected meeting addressing the topic of physical health and nutrition. This concept will continue in 2023 with a series of nutrition and mental health workshops.

- The Group has signed an agreement with Stimulus to offers a variety of services:
 - A 24/7 anonymous helpline for anyone experiencing difficulties
 - A Stimulus "Caring" application for employees to take care of their mental well-being and physical health
 - Conferences on the theme of "wellness in the workplace"
- Since 2019, office-based employees have had the option of working from home two days a week, provided that homeworking is compatible with their job. As such, employees are equipped with the necessary tools for this type of hybrid work model, and various kits are available to employees for adapting their home environment to homeworking, such as the "IT Kit" with a double screen, the "Comfort Kit" to cover the cost of purchasing the appropriate equipment, and the "Ergonomic Kit" for employees who require specific arrangements on account of their health. E-learning modules are also available to help managers and employees adapt to homeworking.
- Each subsidiary sets up specific activities according to its employees' needs and suggestions, such as inter-company nurseries.
- In 2022, several subsidiaries promoted various types of sports activities, including bike rides and hikes, weekly fitness breaks, sponsorship of sports events and associations, access to gyms, warm-up sessions, and entry in races.
- To provide the Group's employees in France with a clearer insight into its labor policy and the various schemes available, including pensions, savings and employee benefits, individual total rewards statements were distributed to all employees across France in June (excluding Compagnie des fromages & RicheMonts), i.e. 7,568 employees.
- Average Group-wide length of service remained stable in 2022 at 12.7 years.

Key performance indicators

	2018-2020	2019-2021	2020-2022	2025 Target
% of subsidiaries having performed an internal employee survey in the last three years*	99.0%	98.0%	92.4%	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.

Develop employee skills

Issue, risk and policy

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

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

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

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

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

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

For many years, a policy of dual vocational training has been favored for the integration of apprentices or other trainees. These methods are the most suitable for accompanying future young graduates in their first steps within the company to offer them subsequent lasting employment within SAVENCIA.

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

Actions implemented and results

Since our subsidiaries in several European countries are Top Employer-certified, our Group was awarded the Top Employer Europe label for the ninth year running. These are: Germany, Belgium, Spain, France, Poland, the Czech Republic and Slovakia. China obtained Top Employer certification for the fourth year running, as well as Brazil, South Korea and India for the second time. Argentina, Japan and the United States obtained Top Employer certification for the first time.

- Face-to-face training resumed in 2022, and all appropriate social distancing measures were taken in response to the health situation. Some of the programs have been decentralized to cut down on the amount of travel, including the Sales Excellence programs held in various European countries, Asia and Latin America, as well as the New Executive Training program in Asia. In addition, the Group has continued implementing the multimodal training delivery method, and nearly a quarter of the courses are now available in distance learning format.

- To promote the Group's employer brand, an editorial timetable and guidelines for social media were implemented in 2022. At the same time, the "#WeAreSAVENCIA" ambassador program has been relaunched. This program is designed to step up communication over social media via the network of ambassadors selected from within the Group.

- In line with its efforts in previous years, SAVENCIA is committed to working with young people by continuing the Group's "500 Apprentices" campaign aimed at recruiting 500 apprentices. All the subsidiaries have rallied to the cause and are offering a wide range of positions for candidates with anything from A-levels to a postgraduate degree.

- To attract new talent, the number of quality partnerships with general and specialized schools (business, engineering and agri-food schools) has risen sharply.

- In light of the increasingly globalized marketplace and the ever larger number of subsidiaries participating in the scheme, Graduate Programs are growing in popularity. To support young employees with their professional development, the first class has already completed a rotation, and a second class has begun its program, especially in Belgium and Switzerland.

- As part of our roadmap called "Promoting the social protection floor", an agreement on voluntary internal mobility was signed in France with the unanimous approval of the trade unions. This agreement aims to safeguard skills, knowledge and culture within the Group by supporting employees wishing to transfer to another subsidiary. If employees transfer to a different subsidiary within the Group, specific organizational and financial measures are provided, including support for their spouse/partner.

Key performance indicators

	2020	2021	2022
% of employees trained during the year (permanent employees)	63.1%	73.5%	74.4%

	2020	2021	2022	2025 Target
Number of ongoing apprenticeship contracts	523	585	570	558

Commit to diversity and inclusion

Issue, risk and policy

Faithful to its values and in compliance with regulatory requirements, SAVENCIA promotes equal opportunity for all to avoid any discrimination risk. The Group's Ethical Charter recalls that "respect for people" and "equal opportunity" are cornerstones of our corporate culture. With that in mind, agreements have been signed and initiatives taken to facilitate the integration of young people (see Chapter 3 - the "Develop employee skills" chapter), the employment and employability of people with disabilities, and gender equality.

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

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

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

Actions implemented and results

- Promoting gender equality:

– Based on an idea by the HR teams, a working group has been created to accelerate female leadership. The group will concentrate on defining an action plan after analyzing a wealth of internal and external quantitative data, carrying out interviews with employees (men and women), and liaising with the Group's Management Committee.

- A specific budget envelope is planned to mitigate any pay gaps observed between men and women in equivalent positions.
- The gender equality index for France in 2022 is 89/100, and opportunities for improvement have been identified.
- On average, 69.1% of women (all socioprofessional categories combined) took at least one training course in 2022.
- A working group made up of volunteers was set up at headquarters to identify concrete actions to be implemented to promote equality between men and women.
- Last year, Mlekoprodukt (Serbia) received an award paying tribute to those companies that are most attentive and involved in lobbying for gender equality. Mlekoprodukt is continuing to build on the initiatives already in place and maintaining its high standards in this particular area.

- Commitment to people with disabilities:

- Our Spanish subsidiary Arias was awarded national Equality in Business certification in 2021. Follow-up audits are carried out every year to ensure that certification is maintained.
- Through its Disability Action policy and its network of Disability officers, the Group promotes various initiatives throughout the year to raise awareness and dispel stereotypes. In 2022, a monthly information campaign was launched across France with a specific theme every month. A meeting is therefore organized each month with the officers to present the communication kit.
- To coincide with the European Disability Employment Week in November, the Group is spurring its subsidiaries into action in an effort to educate their employees and combat stereotypes about disabilities through conferences, digital games, briefing sessions and awareness-raising workshops. During the week, the subsidiaries also take part in the DuoDay program. In 2022, 38 people with disabilities were invited to pair up with an employee and discover the core businesses and the industrial and administrative activities of the Group's subsidiaries.
- A ceremony has been scheduled for January 2023 to unveil SAVENCIA's disability film and shine the spotlight on the work carried out by the network of Disability officers. "Disability Action" Inclusion Awards 2022 will be presented to the best contributors.
- In 2022, 10 subsidiaries had an employment rate of more than 6% for people with disabilities. Within the Group, this rate is 3.3% and concerns 688 employees.

Key performance indicators

	2020	2021	2022	2025 Target
% of women managers	44.0%	44.4%	45.2%	50%

Encourage employees to engage with solidarity

Issue, risk and policy

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

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

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

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

Actions implemented and results

- The Group renewed its sponsorship agreement with Planète Urgence, which allows volunteer employees the opportunity to spend two weeks on a humanitarian mission as part of a socially inclusive vacation providing their skills to a local NGO in Africa, Asia or South America.
- Since 2011, the "Arrondi sur salaire" program enables volunteer employees to donate the cents portion of their net monthly pay. Groupe SAVENCIA matches their donation amount. In 2022, 1,050 employees who joined the programme made it possible to collect and donate more than 20,960 euros to the four partner associations.
- The Group-wide "Bien Nourrir l'Homme" endowment fund for promoting access to healthy food supports employees who are actively involved in associations, and finances initiatives throughout the world that provide actionable solutions to ensure sustainable access to sufficient, quality food that respects people and the planet (school canteens, community grocery stores, market gardening, animal husbandry, food education, etc.).

In partnership with the country's network of food banks, the Group launched its skills sponsorship scheme during the national collection campaign in France in November. This was the ideal opportunity for many employees to take part in their first sponsorship operation by collecting food products for the association in various stores.

- For several years, the Group has nurtured relations with the "SAPERE Les Classes du Goût" association, which teaches young children about food. The Group's employees can volunteer to lead workshops in local primary schools and/or leisure centers during their working hours. After receiving training on the method for developing children's senses, the workshop leaders (working in pairs) organize six sessions with a dozen children on discovering taste and the other five senses (games, tasting sessions, discussions, etc.). The goal is to help children and the younger generations become consumers who are capable of making balanced food choices through simple and fun educational activities.
- Several subsidiaries carried out supportive "Christmas Box" campaigns featuring various types of products, such as warm clothing, beauty products, toys, books and plush toys. The boxes were made by employees and their families, and then offered to those in need.
- In Spain, 90 people signed up for the sports-based "e-Health Challenge" to promote solidarity.
- Several subsidiaries invited their employees to take part in Pink October by organizing workshops and solidarity walks. The money raised was donated to the François Baclesse Center and other organizations involved in the fight against cancer.
- The teams in the Asia-Pacific region lent their support to a number of community outreach activities, such as preparing meals for the most impoverished populations (Willing Hearts association in Singapore and Food Angel by Bo Charity Foundation in Hong Kong) and cleaning up beaches in Taiwan and the Philippines.
- The Valrhona Foundation's employability program ("Graines de Pâtissier") celebrated its fifth anniversary in 2022. This general-interest program allows young people between the ages of 16 and 25 without any training or employment to discover and try the profession of confectioner before signing an apprenticeship contract. This program allows confectionery professionals (pastry chefs, confectioners, restaurants, etc.) to meet young people and offer them an internship with a view to subsequently hiring them.
- In 2022, 30.9% of subsidiaries supported employees in carrying out solidarity campaigns in connection with our "Leading the way to better food" mission compared with 23.7% in 2021.
- In 2022, 35.8% of subsidiaries made employees available to carry out solidarity campaigns or events compared with 28.0% in 2021.

Key performance indicators

	2020	2021	2022	2025 Target
% of subsidiaries supporting at least one solidarity campaign	36.0%	50.0%	61.8%	100%

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



7 *Ethics and compliance*

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

Respect for Human rights

Issue, risk and policy

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

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

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

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

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

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

Actions implemented and results

• In accordance with the law relating to the due diligence of parent companies and contracting companies, a due diligence plan is established annually to assess and thus prevent serious harm related to the activities of the company and those of its subcontractors. and

suppliers, whether with regard to human rights, fundamental freedoms, health, personal safety or the environment. This plan is available online on the Group's website.

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

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

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

Key performance indicators

	2020	2021	2022	2025 Target
% of employees with access to collective employee representative bodies **	N/A*	N/A*	81.4%	85.0%

* Indicator created in 2022.

** For subsidiaries with over 10 employees.

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

Other indicators are available in the vigilance plan.

Combating corruption

Issue, risk and policy

To avoid the risks of unethical practices, the fight against all forms of fraud and corruption is not only a regulatory requirement but a priority, rooted in our corporate culture.

Our action principles and rules of conduct are included in the Ethical Charter, "The Group and its Culture", given to each new employee joining the Group.

The Group's Ethical Charter and internal control system help prevent and detect all forms of corruption. Certain countries are subject to special scrutiny on these essential points.

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

The Group's subsidiaries undertake to:

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

In the framework of France's so-called "Sapin II" law, the Group has established a map detailing the risks of corruption and influence peddling incurred by the Company.

The objective is to identify, assess and prioritize corruption risks to ensure an effective and appropriate compliance program. The mapping is designed to inform management and provide it with the necessary visibility for implementing measures of prevention and detection proportionate to the issues encountered.

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

Actions implemented and results

- An Anti-Corruption Code of Conduct has been translated into 19 languages and applies to all Group employees.
- The e-learning course on anti-corruption awareness continued in 2022 for the employees concerned. It is part of the mandatory onboarding program for all targeted new hires.

- A Purchasing Code of Conduct sets out the rules for purchasers in their dealings with suppliers in the four major areas of ethics and integrity, communication and collaboration, performance and progress, and sustainable and responsible purchasing.
- The internal compliance whistleblowing system is operational with a special telephone number and email address. To guarantee the confidentiality and security of information shared, only four members of the Compliance Division, including the Chief Compliance Officer, are authorized to receive calls and view emails from these systems. If necessary, reports are then handled to guarantee a prompt and measured response. In 2020, the informative poster for the Group internal whistleblowing system, reviewing the proper procedure to follow, was translated into 19 languages and posted at all our sites.
- As part of the fight against bribery and corruption, compliance officers are responsible for overseeing implementation of the compliance mechanisms in all the subsidiaries
- In accordance with applicable laws and regulations, the Data Protection Officer (DPO) is responsible for implementing the General Data Protection Regulation (GDPR) and overseeing its application within the Group. Each of the European Union subsidiaries has appointed a GDPR correspondent who has been trained over the past two years by the DPO, as have the general managers. In addition, employees likely to be involved in data processing follow training in digital format. In 2022, 89.0% of these employees concerned were trained.

Key performance indicators

	2020	2021	2022	2025 Target
% of employees concerned*, trained on the concept of ethics and fraud	83.8%	96.5%	94.0%	100%

* Under the so-called «Sapin II» law.

Combating tax evasion

Issue, risk and policy

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

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

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

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

Through its internal process, Groupe SAVENCIA ensures that it does not invest in any "non-cooperative" countries⁽¹⁾. All tax, legal and cash management departments are responsible for complying with any and all applicable regulations.

Actions implemented and results

- The tax department of the Finance Division also monitors and updates the list of non-cooperative states prepared by the Council of the European Union to ensure that the Group meets its obligations in this area.^{(2) (3)}
- The Group's internal audit teams ensure that the procedures defined by the Group are properly applied when they perform reviews at subsidiaries.
- The Group deliberately does not have a taxable base in countries charging little tax and not party to the OECD Convention on Mutual Administrative Assistance in Tax Matters.⁽⁴⁾
- The Group's effective tax rate is higher than the weighted average of local tax rates incurred. In 2022, it stood at 39.0%.

Key performance indicators

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

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

In 2022, and as has been the case for many years, the Group was not established in any non-cooperative states or territories ⁽¹⁾.

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

<https://www.oecd.org/fr/ctp/echange-de-renseignements-fiscaux/convention-concernant-l-assistance-administrative-mutuelle-en-matiere-fiscale.htm>

https://www.oecd.org/ctp/exchange-of-tax-information/Status_of_convention.pdf

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

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

(4) <https://www.oecd.org/fr/ctp/echange-de-renseignements-fiscaux/convention-concernant-l-assistance-administrative-mutuelle-en-matiere-fiscale.htm>



8 *Application of the European taxonomy*

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

Background

Review of the regulatory context

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

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

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

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

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

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

Results

Eligibility and alignment results for the 2022 financial year

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

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

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

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

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

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

Turnover KPI

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

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

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

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

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

CapEx KPI

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

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

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

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

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

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

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

OpEx indicator

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

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

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

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

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

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

Methodology for assessing activities against the criteria

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

Substantial contribution

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

With respect to the methodology applied to activity 6.5, SAVENCIA Fromage & Dairy only analyzed its passenger cars and light commercial vehicles in France whose specific CO₂ emissions are less than 50 g of CO₂/km (light commercial vehicles with low or zero emissions).

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

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

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

Generic DNSH - Climate change adaptation

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

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

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

Minimum safeguards

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

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

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

Outlook

Opportunities for improvement

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

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

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

KPIs Overview

Groupe SAVENCIA

SAVENCIA KEY ISSUES	KPI	2021	2022	2025 Target	Progress
HEALTHY, DELICIOUS AND RESPONSIBLE EATING					
Deploy a Clean Label approach on 100% of new branded products	% of new branded products having adopted a Clean Label approach	57.4%	78.8%	100%	↗
Implement clear nutritional information for 100% of our branded products	% of branded retail products including per-portion nutrition labelling	48.8%	60.6%	100%	↗
SUSTAINABLE AGRICULTURE					
Expand the Charter for Best Farming Practices to all our milk sourcing worldwide	Expand the “Charter for Best Farming Practices” worldwide (% milk volume sourced)	85.8%	86.8%	100%	↗
Deploy the “Sustainable Milk Production” audit	Deploy the Sustainable Milk Production diagnosis (% milk volume sourced)	21.6%	23.8%	50%	↗
Deploy our Charter for Animal Welfare	% of Dairy Supply employees at SAVENCIA sites trained on animal welfare	Information not available*	61.5%	100%	↗
90 % of cocoa purchases from long-term partnerships	% of cocoa purchases from long-term partnerships	100.0%	100.0%	100%	=
90% of regional sustainable quality supplies for pork rillettes	% of regional sustainable quality supplies for pork rillettes	40.0%	60.0%	90%	↗
Responsible purchasing for the majority of our other strategic agricultural raw materials	% of fish in the Coraya surimi range from sustainable fishing	100.0%	100.0%	90%	=
	% of our supplies from a responsible chicken industry	39.0%	73.0%	-	↗
Develop responsible purchasing with all our suppliers, excluding agricultural raw materials	% of Group external expenditure overseen by the Purchasing function and carried out with major suppliers* under the Responsible Purchasing Charter	68.6%	66.8%	80%	↘
	% of Group external expenditure overseen by the Purchasing function and carried out with major suppliers* under EcoVadis evaluations	71.5%	75.7%	80%	↗



SAVENCIA KEY ISSUES	KPI	2021	2022	2025 Target	Progress
ENVIRONMENTAL FOOTPRINT					
Reduce greenhouse gas emissions from production and transport	Variation in Scope 1 & 2 GHG emissions (tons of CO ₂ eq/ton produced)	-7.5%*	-11.6%	-20%	↗
Reduction in the carbon footprint associated with our milk sourcing	CO ₂ emissions of the owned fleet (in tons of CO ₂ eq)	-282,000	-311,000	-300,000	↗
Reduce water withdrawals	Variation of water withdrawals (in m ³ /ton produced)	1.2%	-2.3%	-10%	↗
Strengthen the sorting and recovery of industrial waste by contributing to circular solutions	% of non-hazardous waste collected for recycling	69.2%	68.5%	-	↘
Develop eco-design of our packaging	% of recyclable or biodegradable packaging	85.0%	84.2%	Aim for 100%	↘
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	49.2%	47.2%	Aim for zero accident in the workplace	↘
Improve quality of working life	% of subsidiaries having performed an internal employee survey in the last three years	98.0%	92.4%	100%	↘
Develop employee skills	% of employees trained during the year (permanent employees)	73.5%	74.4%	-	↗
	Number of ongoing apprenticeship contracts	585	570	558	↘
Commit to diversity and inclusion	% of women managers	44.4%	45.2%	50%	↗
Encourage employees to engage with solidarity	% of subsidiaries supporting at least one solidarity campaign	50.0%	61.8%	100%	↗
ETHICS AND COMPLIANCE					
Respect for human rights	% of employees with access to collective employee representative bodies*	Information not available*	81.4%	85%	↗
Combat corruption	% of employees concerned, trained on the concept of ethics and fraud	96.5%	94.0%	100%	↘
Combat tax evasion	Number of non-cooperative states and territories in which the Group operates	0	0	-	=

* See corresponding chapter.

9 *Reporting procedures*

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

Organization of reporting

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

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

Scope

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

- "Healthy, delicious and responsible eating" aspect: 100% of the subsidiaries.
For the KPI "% of branded retail products with per-portion nutrition labeling", the subsidiaries in the Group's chocolate business activities have been excluded from the scope due to their specific characteristics.
- "Employee well-being" aspect: 100% of the workforce registered at the end of the period.
- "Environmental footprint" aspect: 100% of production sites.

Reporting procedures and guides

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

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

Reporting tools

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

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

Consolidation and internal control

At Group level, the persons in charge of CSR reporting consolidate the data collected to prepare the Group indicators presented in this chapter. They also ensure internal control over the data by checking for consistency and coherence. To this end, consistency tests are carried out on the indicators, variations are highlighted and justified.

The significant discrepancies identified are analyzed with the data contributor.

External verification

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

Appendices

1. Standard tables required under the Taxonomy Regulation

Economic activities (1)	Code(s) (2)	Absolute turnover (3) (€k)	Proportion of turnover (4) %	Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)						Minimum safeguards (17)	Taxonomy-aligned proportion of turnover FY2022 (18)	Taxonomy-aligned proportion of turnover FY2021 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)	
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)						
A. Taxonomy-eligible activities																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Turnover from environmentally sustainable activities (Taxonomy-aligned) (A.1)	N/A	0	0.0%																		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																					
Turnover from Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)	N/A	0	0.0%																		
Total (A.1 + A.2)	N/A	0	0.0%																		
B. Taxonomy-non-eligible activities																					
Turnover from taxonomy-non-eligible activities (B)		6,551,216	100.0%																		
Total (A + B)		6,551,216	100.0%																		
		CapEx (3) (€k)	Proportion of CapEx (4) %																		
A. Taxonomy-eligible activities																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	36	0.0%																		
Installation, maintenance and repair of renewable energy technologies		2,047	1.0%	100.0%	—%					O		O			O	0.0%	N/A				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		2,083	1.0%	100.0%	—%					O					O	1.0%	N/A				
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																					
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	5,666	2.7%	100.0%	—%											1.0%	N/A				
Installation, maintenance and repair of energy efficiency equipment	7.3	2,116	1.0%																		
Installation, maintenance and repair of renewable energy technologies	7.6	2,695	1.3%																		
Construction of new buildings	7.1	400	0.2%																		
Acquisition and ownership of buildings	7.7	2,497	1.2%																		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		13,373	6.4%																		
Total (A.1 + A.2)		15,457	7.4%																		
B. Taxonomy-non-eligible activities																					
Taxonomy-non-eligible CapEx (B)		194,561	92.6%																		
Total (A + B)		210,017	100.0%																		
		OpEx (3) (€k)	Proportion of OpEx (4) %																		
A. Taxonomy-eligible activities																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	N/A	0	0.0%																		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																					
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)	N/A	0	0.0%																		
Total (A.1 + A.2)		0	0.0%																		
B. Taxonomy-non-eligible activities																					
Taxonomy-non-eligible CapEx (B)*		134,522	100.0%																		
Total (A + B)		134,522	100.0%																		

* OpEx targeted by the Taxonomy

2. Methodological note - European taxonomy

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

2.1.1 Turnover

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

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

Definition

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

2.1.2. CapEx

Definition

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

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

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

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

2.1.3. OpEx

Definition

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

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

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

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

Year ended 31 December 2022

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

To the Savencia Holding S.C.A. Annual General Meeting,

In our capacity as Statutory Auditor of your company (hereinafter the “entity”), appointed as independent third party (“third party”) and accredited by the French Accreditation Committee, COFRAC, under number 3-1886 rev. 0 (Cofrac Inspection Accreditation scope available at www.cofrac.fr), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the entity’s procedures (hereinafter the “Guidelines”), for the year ended 31 December 2022 (hereinafter the “Information” and the “Statement”, respectively), presented in the Group management report 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 our procedures as described in the section “Nature and scope of procedures” and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the Statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Preparation of the Statement

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

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Statement and available on request from the entity’s headquarters.

Limits inherent in the preparation of the information relating to 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

The Board of Directors is responsible for:

- selecting or determining the appropriate criteria for the preparation of 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 with respect to these risks as well as the outcomes of these policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the entity’s Guidelines as referred to above.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express 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 information 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, hereinafter the “Information.”

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

It is not our responsibility to provide a conclusion 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 duty of vigilance and the fight against corruption and tax evasion;
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below pursuant to our audit program in accordance with Articles A. 225-1 et seq. of the French Commercial Code and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to international standard ISAE 3000 (revised), "Assurance engagements other than audits or reviews of historical financial information".

Independence and quality control

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (Code de déontologie). In addition, we have implemented a system of quality control including documented policies and procedures ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement.

Means and resources

Our work engaged the skills of seven people between November 2022 and March 2023 and took a total of ten weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten interviews with people responsible for preparing the Statement, representing primarily the CSR, human resources, safety and the environment, milk sourcing, purchasing, nutrition, risk and compliance departments.

Our work required the use of information and communication technologies in order to conduct the procedures and interviews remotely without hindering their performance.

Nature and scope of work

We planned and performed our work taking account of the risk of material misstatement of the Information.

We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- We familiarised ourselves with the activities of all companies in the consolidation scope and the description of the principal risks.
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector;
- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, respect for human rights and the fight against corruption and tax evasion.
- 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 principal risks, 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 presents the business model and a description of the principal risks associated with the activities of all consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated with the principal risks.

- 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, and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important¹;
- We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures implemented by the entity 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 important², we implemented:
 - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes therein;
 - substantive tests, on a sample basis or using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities³ and covered between 13% and 45% of the consolidated data selected for these tests.
- We assessed the overall consistency of the Statement in relation to our knowledge of all the entities included in the consolidation scope.

The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes, CNCC); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, 30 March 2023

One of the Statutory Auditors,

Deloitte & Associés

Emmanuel Gadret
Partner

Catherine Saire
Partner, Sustainable Development

¹ See Appendix 1.

² See Appendix 2.

³ *Compagnie des fromages & RichesMonts – Brioude plant (France); Elvir – Condé-sur-vire plant (France); Bressor SA – Servas plant (France); Tessier – Cornillé-les-Caves plant (France); Armor – Saint-Brice plant (France); Milkaut – Franck plant (Argentina); Edelweiss GMBH – Kempten plant (Germany) - La Maison du Chocolat – Nanterre.*

Appendix 1

Qualitative Information (measures and outcomes) considered the most important

Appraisal questionnaire and charter for animal wellbeing

Measures implemented to improve the carbon footprint of milk collection transport

Continuous improvement approach to the composition of products through the removal of certain additives

Measures implemented to promote smarter eating habits

Measures to raise employee awareness of the Duty of vigilance

Role of the Group Ethics and Culture Committee (CECG)

Implementation of packaging eco-design projects

Commitment to sustainable agricultural (pork, fish and chicken)

Appendix 2

Key performance indicators and other quantitative outcomes considered the most important

Number of permanent employees as of 31 December

Percentage of employees trained during the year (permanent employees)

% of subsidiaries with no workplace accidents resulting in time off (permanent and temporary employees) during the year

Reduction in GHG Scopes 1 & 2 (tonnes of CO₂ equiv./tonne produced) - % change vs. 2015

Reduction in water withdrawals (in m³/tonne produced) - % change vs. 2015

% of non-hazardous waste collected for recycling

% of recyclable or biodegradable packaging

% of new branded products having adopted a Clean Label approach

% of branded retail products including per-portion nutrition labelling

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

GRI G4	Grenelle II – Decree of April 2012 Data available on savencia-fromagedairy.com	Non-Financial Performance statement	Pages
I. SOCIAL INFORMATION			
I.A) EMPLOYMENT			
G4-9	I.a) 1.1	Total headcount	
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	Grenelle II data available at savencia-fromagedairy.com
G4-51 ^(*) G4-52* G4-53*	I.a) 3.1	Remuneration	
G4-54 ^(*) EC1 EC5			
G4-55 ^(*)	I.a) 3.2	Trend in remuneration	
I.B) ORGANIZATION OF WORK			
-	I.b) 1	Working time organization	
G4-LA6	I.b) 2	absenteeism	
I.C) LABOR RELATIONS			
LA4	I.c) 1	Organization of social dialog, procedures for informing, consulting and negotiating with personnel	SOCIAL / Collective bargaining agreements and diversity actions
-	I.c) 2	Review of collective bargaining agreements	37
I.D) HEALTH AND SAFETY			
LA5	I.d) 1	Occupational health and safety conditions	
LA8	I.d) 2	Review of formal agreements signed with trade unions or employee representatives on occupational health and safety	SOCIAL / Collective bargaining agreements and diversity actions
LA6 LA7	I.d) 3	Frequency and severity of work-related accidents	37
LA6	I.d) 4	Occupational diseases	
I.E) TRAINING			
LA10 LA11	I.e) 1	Training policies implemented	
LA9 HR2	I.e) 2	Total number of training hours	SOCIAL
I.F) EQUAL TREATMENT			
LA3 LA12 LA13	I.f) 1	Measures taken to promote gender equality	
LA 12 ^(*)	I.f) 2	Measures taken to promote the employment and inclusion of people with disabilities	SOCIAL/Collective agreements and diversity actions/Disability
LA12 HR3	I.f) 3	Anti-discrimination policy	39
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	
	I.g) 2	Elimination of discrimination in respect of employment and occupation	SOCIAL / Collective bargaining agreements and diversity actions
	I.g) 3	Elimination of all forms of forced or compulsory labor	42
	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	
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	ENVIRONMENT 31
EN30 EN31	II.a) 3	Resources allocated to the prevention of environmental risks and pollution	
EC2	II.a) 4	Amount of provisions and guarantees for environmental risks	
II.B) POLLUTION			
EN 10 EN20 EN21 EN 22 EN24 EN 26	II.b) 1	Measures to prevent, reduce or remedy discharges into the air, water and soil which affect the environment	Grenelle II data available at savencia-fromagedairy.com
EN24	II.b) 3	Consideration of any form of pollution specific to an activity, including noise pollution	
II.C) CIRCULAR ECONOMY			
Waste prevention and management			
EN23 EN24 EN25 EN28	II.c) 1.1	Measures for preventing, recycling and eliminating waste	ENVIRONMENT/Circular economy and food waste 25-34
	II.c) 1.2	Actions to combat food waste	
Sustainable resource use			
EN8 EN9	II.c) 2.1	Water consumption and water supply in relation to local constraints	
EN1 EN2	II.c) 2.2	Raw material consumption and improvement of efficiency/use of renewable energies	ENVIRONMENT 31 - 33
EN3 EN4 EN6 EN7 ^(*)	II.c) 2.3	Consumption of raw materials and measures taken to improve efficiency in their use	
EN11	II.c) 2.4	Land use	
II.D) CLIMATE CHANGE			
EN15 EN16 EN17 EN18 EN19	II.d) 1	Significant greenhouse gas emissions generated by the organization's activities, including by the use of the goods and services it produces	ENVIRONMENT / Consequences on climate change 31
-	II.d) 2	Measures taken to adapt to the consequences of climate change	
II.E) PROTECTING BIODIVERSITY			
EN11 EN12 EN13 EN14 EN26	II.e) 1	Measures taken to protect or develop biodiversity	29
III. SUSTAINABLE DEVELOPMENT			
III.A) TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY'S ACTIVITY			
EC6 EC7 EC8 EC9 SO1	III.a) 1	In terms of employment and regional development	
EC6 EC7 EC8 EC9 HR8 SO1 SO2	III.a) 2	On local or neighboring populations	SOCIETAL 26

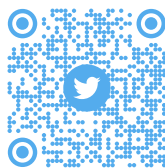
GRI G4	Grenelle II – Decree of April 2012 Data available on savencia-fromagedairy.com	Non-Financial Performance statement	Pages
	III.B) RELATIONSHIPS WITH STAKEHOLDERS		
G4 26 G4-37	III.b) 1	Conditions for engaging these individuals or organizations	SOCIETAL 40
EC 7	III.b) 2	Partnership and sponsorship actions	
	III.C) SUBCONTRACTING AND SUPPLIERS		
LA14 LA15 EN33 HR5 HR9 HR11 HR6	III.c) 1	Consideration of social and environmental issues in the purchasing policy	
LA14 LA15 G4-12 EN32 EN33 HR5 HR 6 HR9 HR10 HR11 SO9 SO10	III.c) 2	Importance of subcontracting and consideration of social and environmental responsibility in relations with suppliers and subcontractors	SOCIETAL/Combating corruption 30
	III.D) FAIR OPERATING PRACTICES		
G4-56 – G4-58 SO3 SO4 SO5	III.d) 1	Measures taken to prevent corruption	SOCIETAL/Combating corruption 43
EN27 PR1 PR2 PR3 PR4 PR6 PR7 PR8 PR9	III.d) 2	Measures taken to promote consumer health and safety	SOCIETAL / Healthy and sustainable food / Food waste 22 - 25
			SOCIETAL / Combat tax evasion 44
HR1 HR2 HR7 HR8 HR9 HR10 HR11 HR 12	III.e)	Actions promoting human rights	42

(*Indicators providing a partial response to the issue.



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