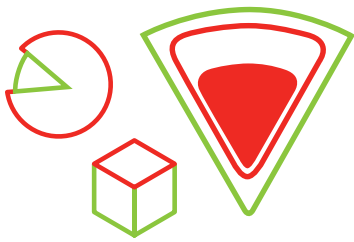


**2015 COMMUNICATION
ON PROGRESS** OF THE BEL
GROUP'S CSR
PROGRAM



WE SUPPORT



Sharing smiles

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About this document

This document describes the Bel Group's corporate social responsibility (CSR) program and its resulting actions with a view to creating value over the short, medium and long term. It specifically outlines the progress made in incorporating the principles of the UN Global Compact, which the Bel Group joined in 2003.

The data published in this document cover all of Bel's entities and subsidiaries, as consolidated in its Annual Financial Report, with the exception of Safilait, a Moroccan company acquired in 2015, and the production site in Ivory Coast (which started production in 2016). These data cover the period from January 1 to December 31, 2015, or provide a snapshot at December 31, 2015.

When historical data is available, they cover the last three financial years in order to provide an overview of the Group's progress. For environmental data, Bel believes its progress is better illustrated over a longer timeframe. For this data, the baseline year is 2008.

Where can this information be found?

To provide further information on certain topics, this report refers to the Group's Registration Document (available on the website www.groupe-bel.com).

This document is available on the www.groupe-bel.com website, as well as on the following sites:

- www.unglobalcompact.org;
- www.database.globalreporting.org;
- www.corporateregister.com;
- www.ethicalperformance.com.

Contact: rse@groupe-bel.com



DECLARATION OF SUPPORT FOR THE UNITED NATIONS GLOBAL COMPACT



WE SUPPORT

International family-owned business led by the fifth generation of family members, Bel is a committed company. To implement its plans for sustainable growth, the Group leverages each stage of its value chain and works in partnership with stakeholders, inspired by its three core values: Dare, Care and Commit.

A signatory since 2003 of the United Nations Global Compact, the Bel Group undertakes to apply and promote its ten fundamental principles throughout the business⁽¹⁾. In publishing this “2015 Communication on Progress” at the Advanced⁽²⁾ level, I am delighted to confirm that Bel remains committed to applying and promoting these principles, striving to make them an integral part of its organization and strategy.

Antoine Fiévet

**Chairman and Chief Executive Officer
of the Bel Group**

May 10, 2016

⁽¹⁾ List of the 10 principles of the United Nations Global Compact available at the end of this document.

⁽²⁾ For more information on the advanced level of the United Nations Global Compact, see www.cop-advanced.org.

THE BEL GROUP IN FIGURES

> **30**
production sites

> **33**
countries with
a Group presence



> Almost
18 BILLION
cheese portions sold in
130 COUNTRIES

> **61%**
of Bel revenue is
generated by cheese
in portion sales

Key financial information

	2015
Sales (in millions of euros)	2,949
Operating profit (in millions of euros)	272
Operating margin (as a % of sales)	9.2%
Net profit (in millions of euros)	188

Geographical breakdown of sales (as a %)



WESTERN
EUROPE
38%



AMERICAS,
ASIA-PACIFIC
18%



NORTH
EAST EUROPE
17%



NEAR AND
MIDDLE EAST
16%



GREATER
AFRICA
11%

Social data

	2015
Total workforce	12,000
Breakdown of workforce by gender	68% - 32%
Frequency rate of workplace accidents ^(a)	10.7
Number of lost work days as a result of a work-related accident	2,722
% of employees having attended at least one training course during the year	72%
Average number of training hours per employee	24

(a) Accidents with and without lost work days for all persons present on Bel sites (number of accidents per million hours worked).

Environmental data

	Change 2008-2015
Water consumption (in m ³ /metric ton produced)	-26.7%
Electricity consumption (in MWh/metric ton produced)	-7.3%
Consumption of gas and petroleum products (in MWh/metric ton produced)	-27.3%
Greenhouse gas emissions (kg eq. CO ₂ /metric ton produced)	-29.8%



To find out more about the Bel Group's social and environmental data, please refer to the detailed tables accompanying this document.

1

BUILDING SUSTAINABLE GROWTH

Bel's mission is to "Share smiles through unique experiences of dairy goodness". To prepare its future in a responsible way, Bel listens to and consults stakeholders and endeavors to ensure positive economic and social benefits for members of its ecosystem.

1.1 Macro-trends that impact the Group's activities

The Bel Group has identified macro-trends that will directly and deeply impact its ability to operate and to modify the attitudes and behaviors of consumers towards food.

On a planet with finite natural resources, only sustainable food production will be able to meet the needs of a fast-growing global population.

It is forecast that an additional 1.5 billion people will have access to mass consumption over the next 10 years: this is both a development opportunity for Bel and a threat to its business model. By 2030, it will take two planets⁽¹⁾ to provide the necessary resources to maintain current diets and lifestyles. Without a radical change in eating habits and farming practices, the pressure on raw materials needed for global food production will be immense, impacting on their prices and, in some cases, availability.

Yet food is essential to human life. According to the World Health Organization (WHO), almost 800 million people worldwide already suffer from hunger while, apart from physiological needs, food also serves a sociological, cultural and even emotional purpose.

Through its power to innovation, the food industry can shift demand towards a more sustainable food supply and drive changes in consumer behavior through brand communication.

Digital technology is creating a new generation of consumers who are not only more informed, knowledgeable and mobile, but wield greater power over brands.

Although organoleptic pleasure and price are still the main factors that influence food purchases, consumers seek to justify their choice with clear and relevant information on nutritional content (1.9 billion people⁽²⁾ are now overweight), provenance of ingredients, traceability, and the safety and hygienic quality of the finished product. Consumers are increasingly likely to question the impact of their food on the environment or on the living conditions of producers.

If they are dissatisfied with how brands address sustainability issues, consumers are much less likely to remain loyal to the brand.

(1) Source: WWF Living Planet Report 2012.

(2) Source: World Health Organization.

Sustainable food must fulfill the basic need of ensuring a sufficient quantity of good-quality food for all of society, both now and in the future. It should:

- contribute to the food security of countries and populations;
- be affordable and profitable throughout the food chain;
- reduce environmental impacts, conserve natural resources and protect living organisms;
- be of good nutritional and hygienic quality;
- reflect the diversity of social and cultural expectations;
- safeguard production for future generations.

Source: definition supplied by the French Environmental Agency's Working Group on Food and Drink.

1.2 Vision of sustainable growth

1.2.1 The Group's three values

Bel's teams are united by three core values: Dare, Care and Commit. These represent the cornerstone of a shared culture and guide the day-to-day activities of its employees, both within the Group and the surrounding ecosystem.

- **Dare** is needed to guarantee Group leadership and allow all employees to act and make decisions in a complex and uncertain world. The flexibility of the organization and the enthusiasm of teams ensure that accepted practices are challenged and promote creativity. Audacity therefore fuels innovation and performance in all of Bel's business lines.
- **Commit** is reflected in both individual and collective responsibility for operational excellence, but also by factoring in the expectations of all stakeholders: employees, consumers, partners, institutions, customers and suppliers. The Group helps achieve its goals by developing skills, insisting on quality and respecting the environment.

- **Care** is a mindset that governs relationships both within and outside the Group and is reflected in its "Sharing smiles" signature. Bel believes in the strength of close relationships that are simple and demanding but fair. It fosters trust and respect that deliver growth, provide motivation and enable success. Just like its brands, Bel believes in the impact of optimism and enthusiasm, positive transforming factors within the Group.

1.2.2 Bel's CSR program: "Smiles for the future"

All companies, regardless of their business sectors, are faced with numerous social, environmental and corporate challenges. Their CSR (corporate social responsibility) reports disclose their endeavors to cope with these challenges.

For these initiatives to be a source of differentiation and to enhance the competitiveness of companies, they must reflect the specific features of their business model.

Four specific features have carried the Group to its current performance level:



- a business model fully committed with its employees and ecosystem;
- expertise that allows the Group to guarantee quality and productivity;
- products presented for the most part in individual portions, to enhance food quality and safety;
- brands that have successfully forged trusting relations with millions of consumers worldwide.

These specific features represent the foundation of Bel's CSR "Smiles for the future" program. This approach is modeled on three international frameworks: the United Nations Global Compact, ISO 26000 and the fourth version of the Global Reporting Initiative.

1.2.3 The Group's major CSR issues

In 2014, Bel launched a survey to identify the priority issues linked to its corporate social responsibility in order to ensure better coherence between its growth and corporate performance ambitions. A panel of 170 stakeholders (50% internal and 50% external) was consulted. The membership of the panel was constituted to reflect the different geographical areas in which the Group operates and the variety of its external stakeholders.

Using a materiality matrix to highlight the convergence between its employees' and external stakeholders' expectations, Bel identified two issues: first, the major challenges for which the Group has set ambitious progress targets; second, the high expectations that the Group addresses with continuous improvement plans.

This document focuses on the major issues Bel faces; in other words, those issues that are the most decisive for the value creation that the Group seeks in the short, medium and long term.

To address these challenges, Bel focuses on four specific features responsible for its current performance level:

1. Contributing to sustainable food

Bel capitalizes on the advantages of its individual portions to:

- strengthen food quality and safety;
- propose to consumers the right nutritional intake for their needs;
- reduce food wastage.

Furthermore, Bel applies its expertise to use the right amount of packaging to protect its portions and guarantee their hygienic quality.

2. Supporting consumers

Bel relies on the confidence generated by its brands to:

- help consumers make informed food choices;
- guide consumers towards healthier choices.

3. Acting as a responsible player within its "corporate ecosystem"

Bel relies on its business model, where commitment is essential to:

- ensure the health and safety of all;
- create pleasant working conditions for its employees and attract new talent who will build the Group of tomorrow;
- help build a sustainable dairy sector;
- forge lasting relations with its partners and guide them in progress initiatives;
- strengthen its territorial establishment.

4. Reducing its impacts on the environment

Bel uses its industrial expertise to:

- adopt a sustainable use of water, a resource that has a direct impact on its operating capability;
- reduce and optimize its energy mix, the primary source of carbon emissions on its sites.

1.2.4 Stakeholder feedback and dialog

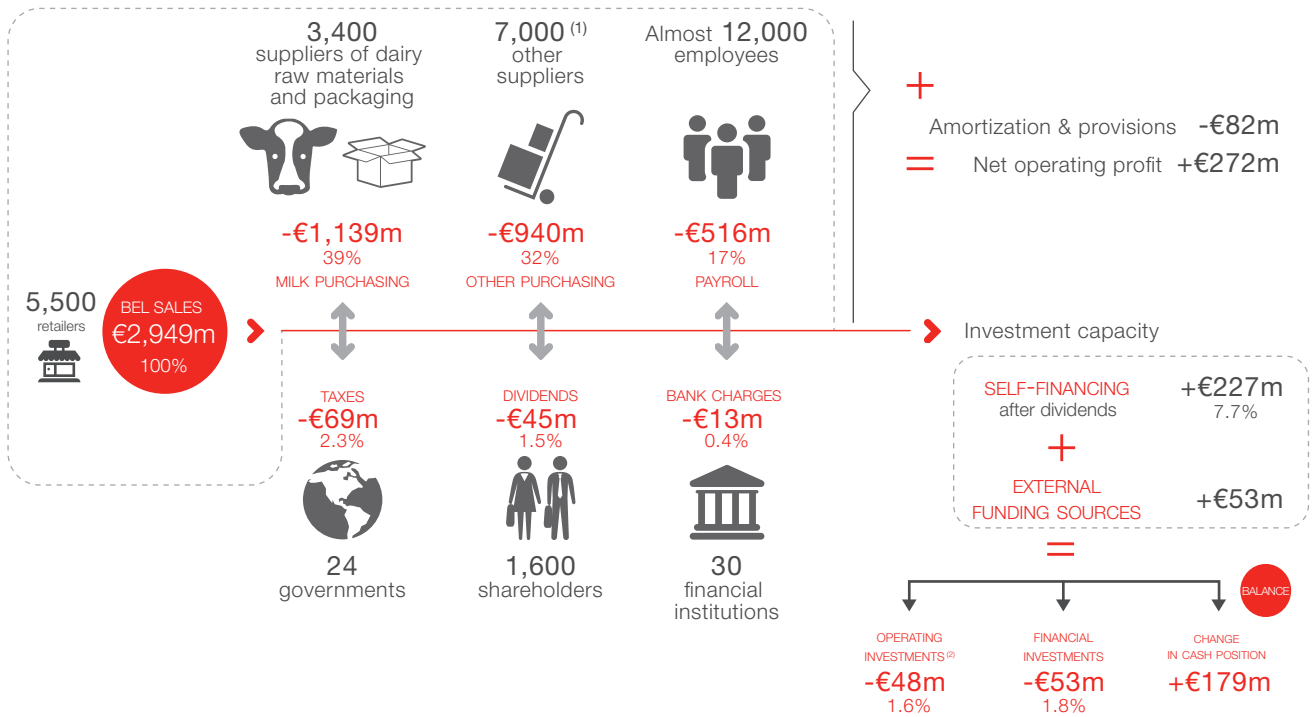
The Bel Group considers feedback and dialog with members of its corporate ecosystem to be a key factor in performance and risk reduction and essential for building sustainable growth.

Bel's stakeholders are varied and geographically scattered, mainly due to the international distribution of its brands and the location of its industrial sites. The different departments listen to, maintain dialog with and consult their own stakeholders on relevant matters. This decentralized organization enables these exchanges to be accounted for at the operational level.



1.2.5 Sharing the economic value created

To prepare responsibly and sustainably for its future, the Group's model must have a positive economic impact on its ecosystem. This diagram explains how Bel's sales in 2015 were used and redistributed that year.



Areas for improvement identified

Show internal and external stakeholders that the Group measures its corporate social responsibility and leverages it for economic and financial performance in the short, medium and long term.

2015 highlights

Recognition of external stakeholders:

- Ranked fourth in the Gaia Index general classification (non-financial evaluation of 230 mid-sized firms listed on the Paris stock exchange).
- EcoVadis score of 74/100: Bel maintained its Gold ranking and ranked among in the top 2% of companies rated for their CSR performance by EcoVadis.
- Award for the best communication on progress of firms in the Global Compact Club at Advanced level.

2016 priorities

- Set up CSR governance at the highest management level to better reconcile the Group's financial targets with its societal commitments.
- Develop communication plans to help operational teams seize the Group's major societal challenges and promote its brands' societal credentials among consumers.
- Refine the Group's key stakeholder mapping in view of its CSR principles and associated commitments and foster a process of permanent dialog and debate.

(1) With annual sales exceeding €10k.

(2) Industrial investments, information systems and growth of the business (change in working capital requirement).

2

MANAGING ETHICALLY ITS BUSINESS

Bel's materiality matrix has confirmed the high expectation among all stakeholders, both internally and externally, of the ethical management of its business.

Bel is keen to develop an ethical culture and encourage ethical practices on a daily basis at all levels within the Group. It expects its managers to have a positive influence on the attitudes, behavior and choices of all their teams and external partners.

2.1 Corporate responsibility at the heart of governance and the business

Bel's organization means that societal issues can be addressed over the short, medium and long term.

Family shareholders

As a family-owned business, Bel takes economic and societal issues into consideration over the medium and long term. Unibel, the Bel Group holding company⁽¹⁾, was 80% controlled by the Fiévet-Bel family at the end of December 2015.

The Bel Group is a public limited company listed on NYSE Euronext Paris. It refers to the Middelnext Corporate Governance Code and does not exclude any of its recommendations.

Bel's management represents the fifth generation of the family. The Group considers governance under a Chairman and Chief Executive Officer to be appropriate in view of its family ownership.

Board of Directors

Bel's Board of Directors decides on the Group's major strategic, economic, societal, environmental, financial and industrial objectives and ensures they are implemented by Senior Management. It is regularly informed, either directly, or through its committees, of any significant event in the Group's business activities. In accordance with the law and the articles of association, the Board of Directors meets at least four times a year, normally at the request of its Chairman. It is assisted by two specialist committees: an Audit Committee and Appointments and Compensation Committee.

At the date of this document, Bel's Board of Directors includes two women, two foreign directors and a director representing employees appointed by the Central Works Council. Six directors are independent within the meaning of the Middelnext Code.



For more information on equity ownership of the Bel Group, members of its Board of Directors and its committees, please refer to the Registration Document at www.groupe-bel.com

⁽¹⁾ In this report, the terms "Group" or "Bel Group" mean the company Fromageries Bel and its consolidated subsidiaries.

The Ethics Committee

The Ethics Committee, which reports to the Chairman and CEO, prepares the Group's ethics policy, in close collaboration with the Legal Department, the Human Resources Department and the CSR Department. To promote the implementation of this policy and its operational applications, the Ethics Committee relies on the relevant business departments.

The Investment Committee

The Investment Committee, which reports to the Chairman and CEO, seeks to regulate the Group's overall investment budget and validate all projects exceeding €0.5 million, regardless of their financing method (equity, debt, lease financing, subcontracting agreement, etc.). It meets six to eight times a year.

The Investment Committee evaluates these projects on economic and financial performance criteria, but also on non-financial criteria

corresponding to major employee-related, environmental and societal challenges facing the Group. This non-financial evaluation by teams sponsoring investment projects is validated by the CSR Department, which may consult the Ethics Committee if necessary.

Responsible lobbying

The Group supports lobbying by the professional organizations to which it belongs. However, when it considers it to be legitimate and useful, it acts directly with public authorities. Legitimate when the interests at stake concern its various employees or consumers who have confidence in Bel. Useful when Bel considers it has expertise that could inform public opinion.

Bel shares with all internal or external representatives, acting on behalf of the Group and its entities, precise rules for carrying out its lobbying actions in a responsible manner.

Bel has been registered in the European Union Transparency Register since 2014 (www.ec.europa.eu/transparencyregister).

2.2 Ethical business conduct

Bel shares with its employees and its suppliers the principles that it intends to implement everywhere and ensure compliance thereof under all circumstances.

UN Global Compact

Bel, a signatory since 2003 of the United Nations Global Compact, regularly asserts its commitments – which reflect its business convictions – and reports on its progress regarding four fundamental principles: respect for human rights and labor standards, the fight against all forms of corruption and respect for the environment.

This guide is available on the Group's intranet site. Awareness-raising sessions are also organized on a regular basis.

The specific policies of certain business lines are modeled on these principles for application on a more operational level. To implement these principles in relations with its suppliers, Bel shares its two charters with them: the Sustainable Purchasing Charter and the Responsible Communications Charter.

Code of Good Business Practices

The Code of Good Business Practices establishes the general framework that Bel seeks to apply to the professional conduct of each of its employees. Its seven principles do not replace national laws and regulations, which the teams are still required to follow. If a country's regulation is more stringent than an ethical rule stipulated in the Code, the national regulation must prevail. For the principles to be fully embraced by all teams, the Code has been translated into 13 languages. It is available in French and English on its website www.groupe-bel.com.

A practical guide to the Code of Good Business Practices facilitates its understanding and presents examples of daily application.

Sustainable purchasing approach

Supplier assessment

For the past five years, Bel has been assessing its suppliers and sub-contractors that it considers extremely important given their business volume, potential risk associated with the products/services supplied or their geographic location. Carried out with EcoVadis, this assessment is based on 21 criteria arranged in four categories: Ethics, Employees, Environment and Suppliers/Supply chain. Each assessed supplier obtains a score for each category and an overall score out of 100.

	2013	2014	2015
Number of assessed Bel suppliers	403 ^(a)	414 ^(b)	437 ^(c)
Average score of Bel suppliers	43/100 ^(a)	44/100 ^(b)	46/100 ^(c)

(a) Suppliers assessed between 2009 and 2013. (b) Suppliers assessed between 2011 and 2014. (c) Suppliers assessed between 2012 and 2015.

Sustainable Purchasing Charter

The Sustainable Purchasing Charter is a tangible reflection of the Group's strong commitment to promoting the ethical conduct of business with and by its suppliers. In addition to the commitments made by Bel to its suppliers, this Charter presents what the Group

expects from them in return in terms of major societal issues: business ethics, human rights and children's rights, anti-corruption, the environment, etc.

This Charter is presented at the request for proposals phase. Bel inserts a special clause into its contracts with suppliers to ensure their compliance with the Charter.

2.3 Respect for human rights and labor standards

Bel undertakes to promote and follow the principles relating to the respect of human rights and work standards, within its teams and in its sphere of influence, and to ensure that it does not aid and abet any violation thereof.

Protecting the essential rights of employees

Protecting the essential rights of employees is one of the seven principles of Bel's Code of Good Business Practices, in reference to those stated by the Universal Declaration of Human Rights and the International Labour Organization's conventions. The Group strives to ensure that these principles are followed.

The Group has introduced strict Human Resources policies on compliance with labor standards, given the high proportion of employees based in countries with a significant risk of human rights abuses.

At each of these sites, the Head of Human Resources, under the authority of the Site Director, is responsible for their implementation.

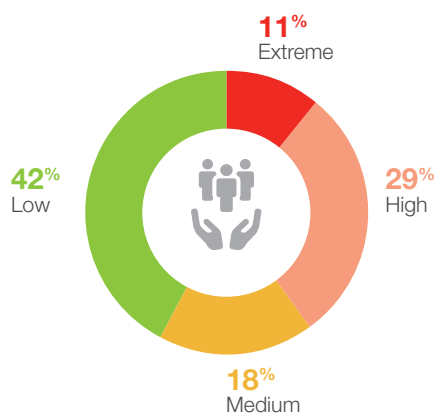
Vigilance among suppliers

The Group exercises vigilance over its supply chain and reminds all its suppliers of the duty of vigilance that they are required to implement themselves with respect to their own supply chain. This point is specifically assessed by EcoVadis.

Bel purchases promotional items. Although these account for less than 0.2% of the Group's total purchases, Bel pays special attention to this supply category due to a complex supply chain and plants that are mostly located in China. Each year, the Group asks its suppliers to commission audits from an independent body on their main manufacturing sites. These audits concern in particular work conditions and compliance with international standards.

No major anomaly was identified in the social audits carried out by suppliers in 2015.

Breakdown of Bel's workforce in 2015 by exposure to the risk of HUMAN RIGHTS VIOLATIONS ^(a)



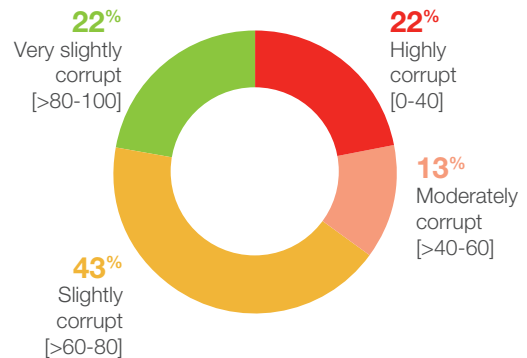
(a) According to the 2014 Human Rights Index.

2.4 Fighting corruption

The Group has implemented guides, policies and voluntary measures to supplement its Code of Good Business Practices, for more specific oversight of its activities by region: embargo, fighting corruption, compliance with competition laws, etc.

In 2015, Bel generated more than 20% of its sales in countries with a high or very high risk of corruption. In these countries, the Group trained all Management Committees on the rules that it wants all its employees to implement to avoid all risks of corruption and is vigilant regarding their application.

Breakdown of 2015 sales by RISK OF CORRUPTION (a)



(a) According to the 2015 Transparency International Corruption Perceptions Index.

2.5 Respect for the environment

The life cycle analyses of Bel's products reveal that between two-thirds and three-quarters of its environmental footprint are due to stages carried out outside its production sites⁽¹⁾.

Therefore, for the Group, respecting the environment means not only implementing continuous improvement at its sites (see Chapter 7, "Reducing its environmental footprint"), but also guiding its suppliers towards more sustainable production methods.

Fighting deforestation

Bel has identified three priority action areas to address the important issue of global deforestation:

- environmentally friendly packaging: cardboard is the leading material (by volume) used by Bel to manufacture its packages. The Group implements the right quantity of cardboard necessary to ensure the quality of products and protect them against the physical shocks that lead to losses. Whenever possible, Bel prefers cardboard made from recycled fibers, but

uses cardboard made from virgin fibers when the integration of recycled fibers would require significantly more material to achieve the same strength to withstand handling in machines, transportation, printing, etc.

- a more environmentally conscious dairy industry: a partner of Bel since 2012, the World Wildlife Fund (WWF) has helped the Group to identify the environmental issues linked to dairy cow feed and helped it to take concrete actions. Monitoring the sustainable production method of soybeans and the palm kernel expeller (PKE) byproducts used in cattle feed has emerged as a fundamental priority for Bel, which is now a member of the Round Table on Responsible Soy (RTRS) and Round Table on Sustainable Palm Oil (RSPO) associations. Note that the Dutch dairy industry requires producer certificates for all soy purchases;
- the Group has begun a plan to rework its formulas to eliminate the use of palm oil.

(1) Source: life-cycle analysis carried out on the eight-portion The Laughing Cow® and the eight-portion Kiri®.

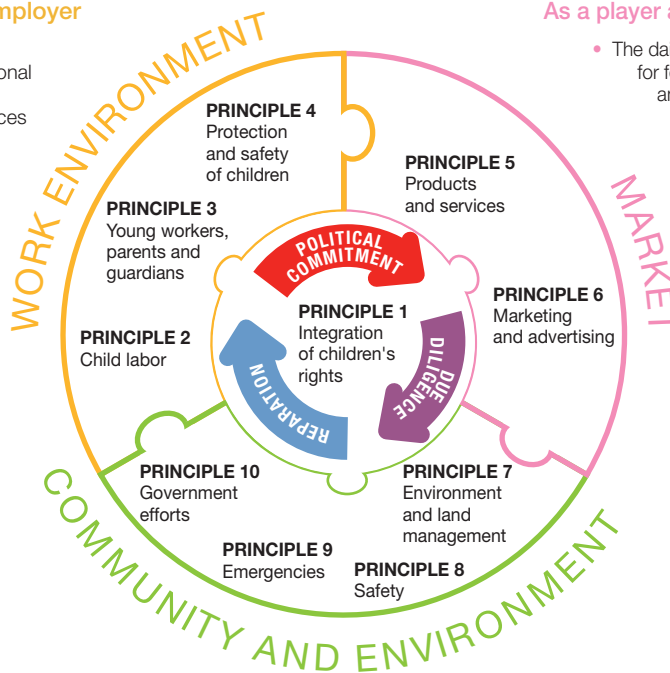
2.6 Respecting children's rights

With respect to the positioning of most of its brands, Bel Group considers protecting children's rights to be a major challenge. Its reference framework is comprised of the 10 children's rights and business principles developed jointly by UNICEF, Save the Children and the Global Compact (to find out more: www.unicef.org/csr).

The Group ensures that its employees always respect children's rights in conducting their business activities.

As a direct or indirect employer

- Bel refers to Conventions 138 and 182 of the International Labor Organization (ILO) for its Good Business Practices and its Sustainable Purchasing Charter.
- All employees, regardless of their age, are covered by Bel's occupational health and safety policy.
- Local agreements give parents time off for their young or sick children.



As a player appreciated by children

- The daily needs of children are the baseline for formulating recipes for them, and public health authorities everywhere recommend dairy products in the diets of children.
- Aware of the impact that its marketing can have on the behavior of children, Bel's Responsible Communications Charter includes the principles that its communications must respect when directly targeting children under 12.
- Bel has introduced a specific procedure to protect private data collected from children.

As a company concerned about its environment

The sponsorship initiatives implemented by the Group, and by its corporate foundation in particular, are focused on children.

Areas for improvement identified

- Raise awareness and train Group employees on the rules of individual and collective conduct that should inform their actions and choices.
- Encourage respect for the principles of the United Nations Global Compact in dealings with all Group partners.

2015 highlights

- Introduction of a whistleblowing system for all employees
No warnings were triggered by this system in 2015.
- Implementation of a network of officers designated as Ethics experts in the Human Resources departments of the Group's subsidiaries.
- Evaluation of the non-financial performance of suppliers representing 60.2% of the value of the Group's purchases, excluding collected milk. Their average score is 46/100 and is higher than the average panel score rated by EcoVadis (42/100).
- Bel France: adherence to the "*La Belle Compétition*" Charter, thereby committing to uphold the principles of transparency, accountability and honesty in all calls for tenders on subjects relating to communication (e.g. design, media, events, PR, digital, etc.).

Focus Respecting the environment

- Coverage by RTRS and RSPO of volumes of soy (34,350 metric tons) and palm kernel (36,950 metric tons) expeller used in the feed of dairy herds producing the milk that the Group collects in Europe, i.e. 90% of its total collection.
- Reduction of almost 2,000 metric tons of direct consumption of palm oil (1,045 metric tons purchased in 2015) for the manufacture of products.

Focus Respecting children's rights

- Enhanced validation procedure for all marketing communications.
- France: signing of a collective agreement introducing:
 - the donation of leave to another employee whose child is seriously ill or is the victim of an accident: 78 days donated in two appeals in 2015;
 - a solidarity leave program allowing employees to participate in short-term solidarity projects involving children and/or food in developing countries. Two projects carried out in 2015, in Togo and Benin.

2016 priorities

- Gradual roll-out of a business ethics training program for all employees.
- Giving greater consideration to human rights issues in the Group's business activities (publication of a specific policy).
- Refine the criteria for non-financial assessment of investment projects.
- Map the major risks associated with each purchasing category.

Focus Respecting the environment

- Obtain certificates for all soy and palm kernel expeller used to feed cattle providing the Group with dairy raw materials (liquids and solids).
- As part of the new partnership with the WWF, refine the strategy and action plans to continue contributing towards a sustainable dairy industry.
- Avoid any direct use of palm oil.

Focus Respecting children's rights

- Join the European voluntary initiative "EU Pledge". By joining this initiative, Bel undertakes not to broadcast any advertising (TV, press or internet) aimed at children under 12 for any of its cheeses that do not meet certain specific nutritional criteria.

3

CONTRIBUTING TO SUSTAINABLE FOOD

One of the UN Sustainable Development Goals is to put an end to hunger and malnutrition in all its forms by 2030, by making sure that all people – especially children and the most vulnerable – have year-round access to sufficient good-quality food. At the same time in many countries, public health policies strive to fight the vicious cycle that starts with poor food choices and leads to metabolic disorders, or even chronic diseases.

Eaten in moderation, cheese, which contains milk nutrients, can contribute to a balanced diet and offer a solution to these two issues. Cheese is specifically a significant source of calcium, an essential nutrient for the growth of children, and is compatible with the food requirements of everybody, including those watching their weight or heart.

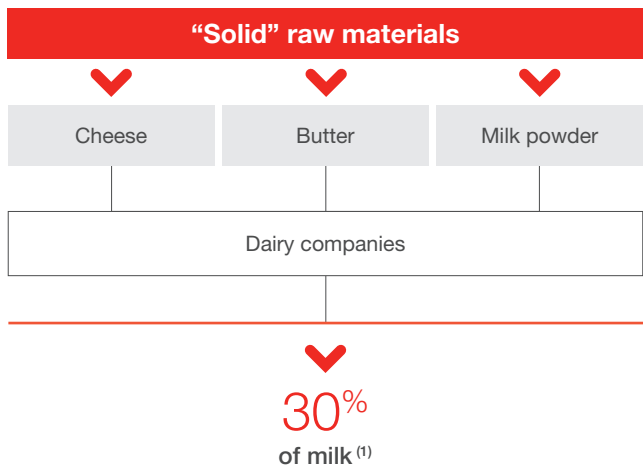
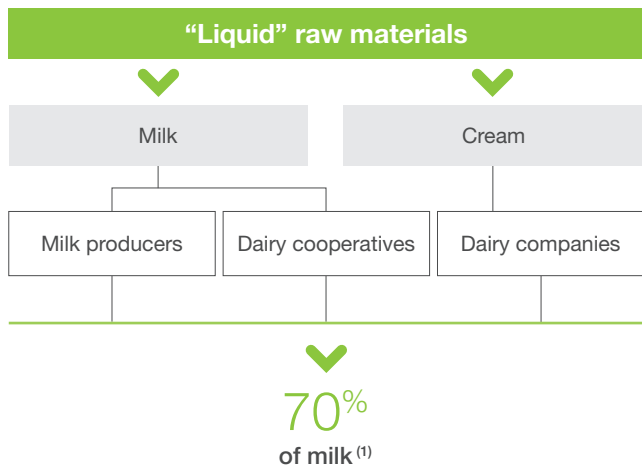
3.1 Food quality and safety

A key issue

Food safety is a key issue for the Bel Group. The causes that could threaten food safety are varied: they are primarily chemical or physical in origin (foreign bodies) for raw materials, inputs, packaging, etc. and are bacteriological in nature for finished products, particularly dairy products, which are more susceptible than processed cheese.

Bel is aware that there is no such thing as zero risk. As such, the Group works in close collaboration with all actors of its value chain to deliver safe and healthy products to its consumers.

Bel ensures strict traceability of all the ingredients included in its recipes and in particular all dairy raw materials, whether liquid or solid. They are all subject to multiple sanitary checks as soon as they enter the manufacturing sites.



(1) Dairy equivalent.

Thanks to this control over the traceability of its dairy raw materials and its logistics, Bel is in a position to guarantee their origin. The fresh milk collection zones are always located near its production sites. Milk powder, cheese and butter used in processed cheese manufactured in European plants come from the European Union. American plants source ingredients from the United States, while other plants source them globally, particularly from New Zealand.

The pasteurization process implemented at Bel sites ensure the correct storage of the collected milk and manufactured products, with the storage of the latter reinforced by the protective individual packaging of the individual portions. The health qualities of cheese are also guaranteed over several weeks.

Lastly, through its packaging, the Group provides its consumers with the necessary advice to ensure optimum conservation: temperature, best before date, etc.

Management of food quality and safety

Bel is putting in place specific procedures and organizations to ensure food quality and safety. It is committed to a certification procedure (ISO 9001, BRC, IFS, FSSC 22000) for its industrial sites and facilities. In all, 22 of the Bel Group's production sites are GFSI (Global Food Safety Initiative) certified, including one new one in 2015.

The Group's requirements in terms of product quality, safety and traceability are applied without exception to subcontracted products and to co-branded products. Particular attention is paid to the latter to ensure that the association of a Bel brand product with another brand's product always meets consumer expectations.



To learn more about the internal control procedures put in place for food quality and safety, please see the Registration Document at www.groupe-bel.com

3.2 Nutritional quality

Meeting consumer expectations

Bel only launches a new product if at least 70% of the consumers polled have appreciated the recipe. In the event of reformulation, more than 50% of surveyed consumers have to consider the new recipe as good as the old one.

The Group regularly analyzes the sensory profiles of its products to ensure that manufacturing meets the identified expectations.

Under the same core or local brand, Bel continually adapts its offering to match the variety of consumer expectations. In total, the Group sells more than 560 different recipes.

Some consumers distrust certain compounds (for example additives). Bel uses them with care, even if there is no scientific data casting doubts on their safety and their use is authorized by the regulatory authorities.

Additives

To meet the exact specifications (long life cycle or the ability to withstand the lack of a cooling system where distribution cannot guarantee an uninterrupted cold chain) and consumer expectations (creamy texture, attractive color, etc.), Bel sometimes uses non-dairy ingredients (e.g. maltodextrin) or additives permitted under European regulations, which are the strictest in the world. However, the Group systematically limits their use and is trying to gradually remove them completely from the formulas that contain them.

Organic products

Bel has decided not to position itself on the organic food segment, which it considers incompatible with its industrial model and with its ambition to offer products at affordable prices to the largest number of consumers.

Genetically modified organisms (GMOs)

In all its plants, the Group sources its products solely from "conventional" raw materials and ingredients that do not contain any GMOs or contain only an accidental and technically unavoidable quantity of less than 0.9%, as defined by European Union regulation.

Being part of the solution to public health issues

The Group focuses its efforts on the three key nutrients for cheese (fats, salt and calcium), while controlling contributions from other nutrients. The reference quantities are those actually contributed by the portion as a unit of consumption.

- fats: Bel offers reduced fat versions for four of its five core brands – The Laughing Cow®, Leerdammer®, Mini Babybel® and Boursin®;

- salt: the Group strives to reduce the amount of salt in its formulations. However, a minimal quantity is sometimes inseparable from the manufacturing processes and/or is required to ensure the sanitary quality of the products;
- calcium: Bel gradually adjusts the calcium content of its products when it appears to be too low and there are proven cases of deficiency in the local population.

If the portions are found to be clearly deficient in certain nutrients (vitamins and minerals), the Group strives to improve its portions.

3.3 Individual portions

The individual cheese portion is the core of Bel's model. This format, which generated over 60% of its sales in 2015, offers various benefits in terms of sustainable food:

- by strengthening food quality and safety;
- by proposing to consumers the right nutritional intake for their needs;
- by helping to reduce food wastage.

The Group implements action plans to mitigate the environmental impact of its packaging and pays particular attention to end-of-life management.

Bel ensures that its packages use the right quantity of materials to meet the functional specifications which guarantee at least the nutritional quality and safety of the products and protects them against shocks. Continuous improvement plans have helped

to reduce the thickness of the aluminum sheets used for The Laughing Cow portions®, which is now just 10 microns thick, or seven times thinner than a strand of hair.

Bel has chosen simple materials that are compatible with recycling processes. In some cases it modifies them to make them compatible with existing systems. In France, Bel is working with Eco-Emballages, an organization that manages and operates the sorting and recycling of household waste, to improve the recyclability of Leerdammer® sliced cheese plastic packs. Bel also belongs to the *Club de l'Emballage Léger en Aluminium et en Acier* (CELAA), which seeks to improve the sorting and recycling of small-sized aluminum and steel packaging waste.

On production sites, any packaging off-cuts resulting from the manufacturing processes in plants are sorted and sent to the corresponding recycling channels, if such channels exist in the country concerned.

Areas for improvement identified

- Guarantee a level of operational excellence in the quality and traceability of products throughout the food chain.
- Offer the public products with recipes and nutritional qualities that reconcile the expectations of consumers with those of public health authorities.
- Reduce the environmental impact of the packaging of individual portions, a format that contributes to sustainable food (e.g. correct amount, conservation, waste reduction, etc.).

2015 highlights

- No product recalls in 2015.
- Audits conducted with 93 suppliers of raw materials and subcontractors.
- Introduction of a position on enriching the vitamin and mineral content of Group products which is more stringent than current regulations.
- Launch of a new quality management system to optimize the processing of the data collected, their reliability, traceability and the associated reporting.
- Introduction of procedures to prevent any malicious act at production sites (Food Defense).

2016 priorities

- Continue providing guidance to production sites: rollout of the quality management tool and audits to verify the implementation of the Food Defense policy.
- Develop a nutritional profiling system to optimize the nutritional quality of new products and identify necessary upgrades. Commission the validation of thresholds from independent experts.
- Reinforce the "Responsible packaging" policy by supplementing reductions at source with more eco-friendly sourcing and actions to reduce their end-of-life impacts.

4

SUPPORTING CONSUMERS

Internet technology has radically changed how we search for and exchange information, before, during and after each purchase: websites, smartphone applications, social networks, etc. Internet users can now have a huge impact on the image of products and companies. If a brand fails to meet requests for information from its consumers, they may leave and choose to buy another brand.

Bel brands choose to strengthen their communication on topics that can help consumers to make informed choices. They seek to capitalize on the trust they have forged with consumers to guide them towards healthier and more environmentally friendly choices.

4.1 Providing information sought by consumers

Until recently, the information sought by consumers to justify their choices was mainly conveyed by the packaging and explanations were concise due to the lack of space. The internet has radically changed how consumers search for information and allows more in-depth explanations to be provided about sometimes complex topics for the layman.

Bel believes that information about its corporate social responsibility should not be communicated in the same way as traditional advertising messages. Nonetheless, the Group believes that each of its brands is entitled to speak out about CSR issues. However, it is careful to ensure that the brand message remains true to its practices.

Nutritional information

In certain countries where there are no local regulations, Bel displays the minimum basic nutritional information required by European regulation on its packaging. Whenever the size of the packaging allows, detailed nutritional information on the portion is provided.

Environmental information

Currently, the Group only communicates on the end of life of its packages: waste sorting instructions in countries where recycling channels are in place and cleanliness gestures in other countries.

The Group is, however, convinced that easily-understandable environmental indicators will fuel consumers' interest and influence their buying behavior. In this respect, Bel is actively participating in the European PEFCR (Product Environmental Footprint Category Rules) pilot project, which is aimed at harmonizing throughout Europe the method used to calculate and communicate on the environmental impacts of products.

Easier access to information

Packaging provides consumers with information during the purchasing process. To make it easier to read, the Group is gradually rolling out a simple, visual, uniform marking system on all its packaging.

However, given the available surface area, Bel wishes to develop simple links between the packaging and the other devices used as communications tools by its brands (websites, mobile applications, QR, codes etc.). Where consumer call centers already exist,

namely in France, the UK, Germany, the USA, Canada, Vietnam and Japan, all of the products sold by the Group in these countries carry the contact details for these services on their packaging.

4.2 Providing the keys to unlock responsible habits

The Bel Group has identified major challenges for which its brands can help consumers to change their habits.

Adopting good food habits

The Bel Group conducts numerous consumer studies and supports scientific research to better understand the impact of its cheese portions on the diet or behavior of consumers. Bel supports the *Fonds français pour l'alimentation et la santé* (FFAS), whose research projects focus on studying the relations between food and health, and the decisive factors of food behavior.

Using this knowledge, the Group strives to offer portion sizes suited to the nutritional needs of consumers. In all of its communications, Bel seeks to encourage good eating habits: promoting active lifestyles, providing healthy snacks, etc.

All Group marketing teams are trained in nutrition awareness on these issues.

On its websites, Bel gives simple advice to its consumers in order to promote good eating habits.

Avoid wasting food

Food wastage by consumers has a high environmental impact because it includes those generated throughout the life cycle of the finished product: production of raw materials, processing, transportation and storage.

According to the Food and Agriculture Organization of the United Nations, a significant proportion of the waste takes place at the consumer level. The individual portion format that Bel makes available to consumers allows optimum conservation of the product, even after the pack has been opened. The fact that this format avoids food waste is the second reason for buying the product, after convenience⁽¹⁾.

Areas for improvement identified

- Offer consumers easy access to information.
- Leverage the Group's brand awareness to encourage consumers to adopt best practices, reducing any form of food waste and effectively managing end-of-life packaging.

2015 highlights

- France: signing by Bel France of the anti-waste charter proposed by the *Association Nationale des Industries Alimentaires* (French association of agribusiness, or ANIA).
- Greater Africa: organization of awareness-raising events, with workshops on eating a balanced diet in Abidjan (Côte d'Ivoire), Dakar (Senegal) and Brazzaville (Congo).

2016 priorities

- Continue to modify all packaging to make it easier for consumers to find information.
- Map the "key sustainability issues" for each core brand and optimize brand sites to boost consumer confidence.
- Harmonize the nutritional content of each of the Group's brand websites.

(1) Study completed in April 2013 with 764 consumers of cheese sold in the self-service aisle.

5

DEVELOPING AN **INSPIRATIONAL AND FEDERATIVE SOCIAL MODEL FOR EMPLOYEES**

The Bel Group's federating social model makes it possible to reconcile economic and financial performance with the development of the men and women in the Group. All human resource policies are harmonized to respect specific local cultures and reflect the mindset of the Group's slogan: "Sharing smiles".

The Group pays special attention to the health and safety of all employees, preparing for the future by proposing an attractive corporate model for the talents that Bel needs for its development.

Workforce by operational region in 2015 ⁽¹⁾



WESTERN EUROPE

4,162



GREATER AFRICA

3,547⁽²⁾



NORTH EAST EUROPE

1,995



NEAR AND MIDDLE EAST

1,439



AMERICAS, ASIA-PACIFIC

1,078

Hires and departures (excluding changes to scope of consolidation)

To maintain its competitiveness and fuel its growth, Bel is constantly adapting its business lines and its human resources to match its needs. For example, the Group hired 1,119 employees in 2015. That same year, most departures were voluntary (resignations and retirements).

Hires and departures	2013	2014	2015
Number of hires	891	1,397	1,119
Number of departures	892	1,276	1,227
<i>Of which number of redundancies</i>	182	260	209



To learn more about Bel's key figures as an employer, see the table at the end of this document containing social data.

(1) Permanent and fixed-term contracts as of December 31, 2015.

(2) Including employees of Safilait, a Moroccan company acquired by Bel in 2015.

5.1 Employees' commitment

Every two years, Bel conducts a global opinion survey with the assistance of an external service provider. This survey allows the Group, in particular, to measure the commitment level of its employees as well as their expectations and their perception of its social model.

	2011	2013	2015
Participation rate	73%	80%	86%
Commitment rate of Bel Group's employees	45%	51%	55%

5.2 Occupational health, safety and well-being

For several years now, Bel has been implementing continuous improvement processes tailored to the diversity and complexity of the situations encountered.

Severe working conditions and occupational illness

By reducing manual load lifting and uncomfortable postures, the Group is taking action to prevent musculoskeletal diseases. Furthermore, the Group has identified three additional factors of discomfort that can affect employees working in its factories: noise, night work and repetitive tasks.

Plants are gradually setting up action plans to reduce these factors of discomfort and offer a healthy and safe working environment for employees.

Organization of work

In a socio-economic context which leads to the constant search for productivity improvement, Bel has identified several factors which directly impact the occupational well-being of its employees:

- organization of working hours and commuting;

- organization of offices, workshops and relaxation areas;
- work relations;
- changes in working methods with, in particular, the development of digital technology which can adversely impact the balance between working life and private life;
- the availability of high-performing tools, some of which can reduce the professional travel of employees.

Managers have a key role to play in organizing the work of their teams, detecting situations of discomfort which, in extreme cases, may lead to genuine psychosocial risks, and implementing the necessary remedial plans (personalized training programs, definition and application of rules of good conduct, compliance with paid vacation, etc.).

	2013	2014	2015
% of employees benefiting from at least three weeks of annual leave	98%	94%	95%

There are many causes of absenteeism. In certain cases, absenteeism can be directly linked to a problem of discomfort at work. Absences often create disorganization which can have multiple impacts on the workload of the other employees present, and on the operation and efficiency of the teams.

Illness absenteeism rate	2013	2014	2015
Hours of absence due to illness/theoretical working hours	2.29%	2.08%	2.45%

Monitoring accidents

Bel has made health and safety a top priority. Since 2012, the Group tracks the frequency rate of all accidents covered by a medical procedure regardless of whether or not they lead to lost days, which affect not only its employees, but also all persons present on its sites: visitors, subcontractors and temporary

staff. This indicator exceeds French regulatory requirements for mandatory monitoring of the accident "frequency rate FR1," i.e. accidents involving lost work days for Bel employees. This detailed monitoring demonstrates the Group's strong commitment to health and safety.

The efforts made by the Group – for example with the introduction of behavioral safety visits (more than 7,000 in 2015) – are paying off: in 2015, the accident frequency rate dropped significantly and the number of lost days due to a work-related accident fell by more than 40% in a year.

	2013	2014	2015
Accident frequency rate^(a) (Bel FR)			
Accidents with and without lost workdays for all persons present on Bel sites	12.8	12.6	10.7
Accident frequency rate^(a) (FR1)			
Accidents with lost workdays for Bel employees	5.8	6.1	4.8
Number of lost work days as a result of a work-related accident	-	4,873	2,722

(a) Number of accidents per million hours worked.



To learn more about the internal control procedures put in place for occupational health and safety, please refer to the Registration Document at www.groupe-bel.com

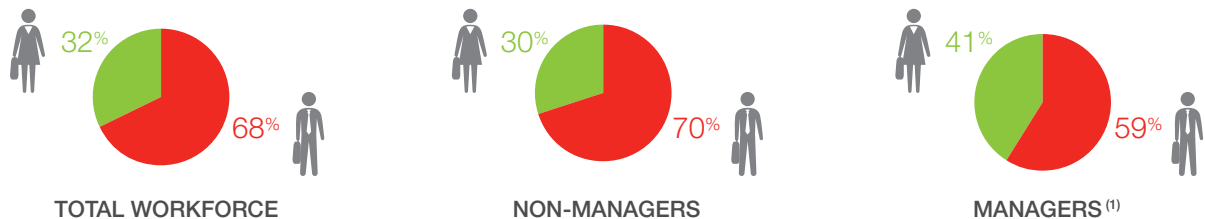
5.3 Equal opportunities

Bel fights all forms of discrimination and promotes equal opportunity in hiring and throughout the careers of its employees.

Gender

Within the non-managerial population, the number of women can be explained by the cultural contexts of the Group's locations, the organization of work teams, or even local regulations (in particular regarding night work). Against this backdrop, the Group considers that the average breakdown of women/men – for all regions – of 30%/70% of the non-managerial population is satisfactory.

Nevertheless, although within the managerial population, women represent on average more than one third of the workforce, the proportion is lower among the higher grades. The Group considers a proportion of 30% women in positions of these levels as a minimum threshold to respect.



Bel is careful not to create a gender pay gap. The Group considers that a wage gap of more than 5% in the same country and at the same grade would indicate a wage discrimination problem. Its wage policy allows for a gap of 3%, in accordance with its goals.

	2013	2014	2015
Average ratio of women's salaries to men's salaries ^(a)	0.96	0.96	0.97

(a) At equivalent country and grade.

(1) The definition of a "manager" is based on a standardized grading system applied to all subsidiaries: grades 1 to 7 as well as Management Committee members are considered as managers, whether they manage a team or not.

Generational diversity

11% of Bel's employees are aged 55 and over. Bel is attentive to securing their end of career, with particular attention to their working conditions and developing an accumulation of the knowledge they have acquired.

In France, the three-year strategic workforce planning was renewed in 2014. It supplements the generation agreements, which anticipate changes in the workforce due to retirement. It seeks to roll out the essential tools to deal with changes in jobs and qualifications.

Multi-cultural policy

Present in more than 130 countries, Bel is attentive to the diversity of the world in which it operates. The Group seeks to better understand its 400 million consumers by putting together teams that reflect this diversity.



To learn more about the breakdown of Bel's employees by gender and by age, see the table at the end of this document containing social data.

Disability

Bel encourages people with disabilities to become part of its teams.



EMPLOYMENT RATE of people with disabilities in France in 2015 ⁽¹⁾

6.57%

Following on from the partnership agreement with AGEFIPH ⁽²⁾ in France, which was signed in 2011, the Bel Group was keen to sign another agreement to increase the employment of people with disabilities, which it signed with its labor-management partners in 2014. This agreement seeks to maintain the employment rate of people with disabilities at the Group's industrial sites, while helping it achieve positive progress at non-industrial sites. Furthermore, Bel works with numerous work aid establishments and services (ESAT).

5.4 Training

Bel seeks to develop and retain its employees. The Group must cope with fluctuations in activity and the changing needs of its production sites. Bel thus pays attention to fostering interdepartmental versatility which helps to secure the employability of its employees - and in particular that of its non-managers - while enhancing their career paths. It implements training programs targeted and tailored to all its employees (managers and non-managers).

Group training courses are organized around four areas:

- development of business line technical skills;

- development of managerial and leadership skills;
- development of personal skills. For example, providing literacy classes on certain sites;
- knowledge of the Group, its history and its activities.

The Group must constantly renew the content of its training programs or create new ones to keep up with technological and organizational changes and the competitive environment. Bel uses different training methods to match the goal, content and target audiences: e-learning, tutoring, internal or external group learning, intercompany training, etc.

Employee training	2013	2014	2015
% of employees who attended at least one training course during the year	67%	71%	72%
Average number of training hours per employee	20	24	24

(1) This rate includes employees in internships and collaboration with the protected and adapted sector.

(2) French association managing the funds for the professional integration of people with disabilities.

5.5 Compensation

Bel is persuaded that offering fair, motivating and non-discriminating compensation is the key to combining attractiveness and competitiveness. The Group's wage policy is determined by the Human Resources Department and the local teams are in charge of implementing it.

Employee benefits

The Group exceeds the minimum base set by international laws and regulations. It wants to ensure that all its employees worldwide receive employee benefits that are in line with Group standards. Thus, the Group awards compensation and other benefits that exceed social minimum income.



% of employees with **HEALTH COVERAGE**

94%



% of employees with **DEATH AND DISABILITY COVERAGE**

94%

Internal equity and external competitiveness

The Group always complies with the minimum levels set by local laws and strives to apply non-discriminatory wage policies. With comparable responsibilities, a reason (personal background, local context, etc.) must always be provided to explain any differences in compensation.

To attract and retain its employees, Bel ensures that it offers them competitive salaries and social benefits. As such, all the Group's subsidiaries – with the exception of Côte d'Ivoire – have requested at least one wage survey in 2014 or in 2015 to identify market practices.

Recognition of individual and group performance

The recognition of individual performance is based on merit. The variable compensation for grade 1 to 6 managers and Executive Vice-Presidents (78% of managers) represents at least 8% of their fixed compensation. 10% of this variable compensation is contingent on achieving non-financial objectives linked to the Group's CSR policy.

Due to the co-existence of legally separate entities, Bel does not have a single profit sharing and incentive system. However, to strengthen the feeling of belonging and the pride within teams, subsidiaries are gradually adopting compensation systems that include their collective performance.

	2013	2014	2015
% of employees having a compensation system based on the overall performance of the subsidiary or Group	59%	64%	77%

Employee shareholding

Since 2007, the Bel Group has set up free share award plans (AGA) for some of its employees and subject to performance conditions.



For more information about executive compensation and benefits at the Bel Group, as well as performance shares, please refer to the Registration Document at www.groupe-bel.com

5.6 Social dialogue

Bel believes that quality social dialog is a driver for improving life within the Group. It therefore encourages dialog between managers and employees, but also between management and staff and/or union representatives, if any.

Organization of social dialog

The type of employee representative bodies within the Group, which are elected or appointed by employees, vary depending on the country: works council, workforce delegates, Committee for Health and Safety at Work, etc.

In its Code of Good Business Practices, Bel recognizes its employees' right to be represented, within the framework of the laws and regulations that apply to them, by their trade union(s) during collective bargaining on working conditions.



To learn more about the collective bargaining agreements signed by the Bel Group in 2015, please refer to the Registration Document at www.groupe-bel.com

Areas for improvement identified

- Create a safe and healthy working environment in which all employees are treated fairly.
- Facilitate the development of individual and group performance.
- Offer fair, equitable and transparent pay schemes, together with a minimum standard in terms of employee benefits.
- Respect the right of employees to take part in collective bargaining.

2015 highlights

- 86% participation in the third international opinion survey.
- 40% reduction in the number of days lost due to an accident at work vs 2014.
- More than 7,000 safety behavior visits carried out.
- 22 collective agreements signed worldwide.
- 90% of employees have access to an employee representation system (vs 85% in 2014).

2016 priorities

- Put in place action plans identified through the international opinion survey.
- Continue awareness-raising and safety training efforts at all Group sites.
- Work proactively to ensure equal opportunities for all candidates and employees to reflect Bel's diversity.

6

STRENGTHENING ITS REGIONAL PRESENCE

Bel is an open, outward-looking company. The Group relies on its model where commitment is critical to forging lasting relations with its partners, in particular with dairy producers who supply it with liquid milk, while contributing to the local development of the areas in which it operates.

6.1 Promoting the development of sustainable dairy production

Every year, Bel collects around 2 billion liters of milk from some 2,900 producers located close to its production sites. More than 70% of Bel's annual milk collection is carried out in the Netherlands and France.

In these countries, Bel belongs to national dairy organizations and works alongside producers and other professionals in the dairy processing chain to promote the development of a sustainable dairy sector to:

- guarantee the safety and health benefits of dairy products;
- remain economically viable for its different players and generate jobs;
- reduce, as much as possible, its negative impacts on the environment and on climate change;
- show concern for animal welfare.

Depending on the themes and the regions, the teams implement action plans directly with their partners or contribute their expertise to pilot projects by inter-professional bodies.

According to the FAO (the United Nations Food and Agriculture Organization)⁽¹⁾, cattle dairy production accounts for 2.87% of the planet's carbon emissions. Bel supports its producers wherever possible to help them control and reduce carbon emissions, whether through manure management, the quality of animal feed

or the mineral fertilization of crops. In France, Bel thus contributed its expertise to the Life Carbon Dairy project conducted by the inter-professional organization for the dairy industry, with the goal of reducing greenhouse gas emissions by 20% by 2024.

Using water resources sparingly is also another challenge for the dairy sector. Bel's major liquid raw milk supply regions are located in areas ranked by the FAO as having low pressure on water resources and where rainfall levels encourage grazing.

Nevertheless in France – the Group's second largest liquid milk sourcing region – in order to anticipate the consequences of climate change on the country, the Climalait project, led by the inter-professional organization for the dairy industry, seeks to take stock of water resources through a panel of 30 zones selected according to the region, soil, climate, altitude, crops, etc. Bel will closely monitor the results to better understand the actions to prioritize with its producers on each type of site.

In the Netherlands, the Group's largest liquid milk supply region, the national target is to maintain the impact on water by 2020 at the same level as in 2002. All of Bel's Dutch producers seek to optimize the management of minerals (carbon, nitrogen, and phosphorus; the last two are water pollutants). The Annual Nutrient Cycle Assessment tool allows them to measure their animal manure profile, the fertilization of their farms and to implement improvements.

(1) Source: *Tackling Climate Change Through Livestock – 2013*.

6.2 Contributing to the vitality of its host regions

In consultation with local authorities, Bel implements action plans to contribute to the vitality of the regions where its plants are located. The Group is also keen to become involved in specific initiatives in certain disadvantaged communities.

Sharing Cities

Launched in 2013, the Sharing Cities program seeks to use the services, in several large cities in emerging markets where Bel is already present, of street vendor networks to sell The Laughing Cow® brand products, while providing them with access to a variety of free services including training, insurance, healthcare and financial services. Sharing Cities therefore represents a dual opportunity for Bel.

As of December 31, 2015, the Sharing Cities program was active in three cities and comprised 4,600 street vendors in partnership with the Bel Group.

Bel Foundation

The Bel Foundation acts in support of children, focusing particularly on food-related issues. The initiatives supported by the Foundation are always carried out in countries where the Group operates.

Since its creation in 2008, nearly 200 charity-led projects have been supported by the Foundation, representing a total of around €1.8 million. In 2015, to mark Bel's 150th anniversary, a special donation of €150,000 will be made to the charity SOS Village d'Enfants.



To learn more about the Bel Foundation's work, please refer to its activity report on www.fondation-bel.org

Areas for improvement identified

- Encourage and support dairy producers in their efforts to adopt sustainable farming practices.
- Guarantee fair payment for all Group suppliers.
- Conduct targeted projects in certain disadvantaged communities to create economic and social values.

2015 highlights

- Extension of the Sharing Cities program to a third city: Abidjan in Côte d'Ivoire.
- 25 new projects sponsored by the Bel Foundation, including 11 scholarships awarded to employees from the Group's seven subsidiaries.

2016 priorities

- Strengthen the partnership with WWF to encourage the Group's producers to operate sustainably.
- Expand the Sharing Cities program to include two new cities (Hanoi in Vietnam and Dakar in Senegal) and launch a feasibility study in four other cities.
- Implement a policy clarifying local philanthropy rules in the areas around Group production sites.

7

REDUCING ITS ENVIRONMENTAL FOOTPRINT

The sustainable use of natural resources and the fight against climate change are major challenges to ensure the sustainability of Bel's business. The Group is conscious that the quality and availability of water pose a major threat to the sustainability of its activities. Alongside initiatives conducted with its value chain, Bel carries out direct action at its production sites to ensure the sustainable use of water and lower greenhouse gas emissions, thereby reducing its environmental footprint.

7.1 General environmental policy

Environmental policy

Mindful of its duty to protect the environment, Bel implements its sustainable growth project at each stage of its value chain. The Group implements continuous improvement plans or encourages its partners to do so when it is not directly in charge. It strives to contribute to sustainable dairy production and to encourage consumers to adopt conduct that is less damaging to the environment by consuming the right quantities for their needs and by reducing all forms of food wastage.

In terms of its direct impacts, the Group has set itself two priorities: to reduce the water footprint and energy footprint of its sites.

The Wasabel (Water Saving at Bel) and Esabel (Energy Saving at Bel) programs allow each site to monitor its consumption and develop action plans to reduce it. To amplify this progress

momentum, Bel organizes dedicated training and best practices sharing sessions between sites.

To mitigate its other impacts, the Group puts in place progressive steps for continuous improvement.

Environmental management

Bel implements specific procedures and organizations to manage and reduce its direct environmental impacts. The Group's environmental management policy is based on the ISO 14001 international standard. Certification is carried out by an independent third party.

17 of the Group's production sites are ISO 14001 certified, including one new factory in 2015. No provisions were made for environmental guarantees or risks in respect of 2015.



To learn more about the internal control procedures put in place for environmental protection, please refer to the Registration Document at www.groupe-bel.com

Risks related to global warming

As a food manufacturer with a global presence, Bel is highly exposed to the consequences of global warming, and particularly the growing scarcity of fresh water. The increase in extreme weather events (heatwave, drought, flooding, etc.) is added to underlying trends such as rising temperatures and changing precipitation patterns. These phenomena have severe consequences for the agricultural sector and food security at the global level. The dairy sector is impacted throughout its value chain, from milk yields, which depend on climate conditions, to consumers, increasingly concerned about the impact of their food on the environment.

Monitoring and reporting

Bel is able to account for its major environmental impacts (water, energy and greenhouse gas emissions) with robust international data. Its reporting covers scopes 1 and 2⁽¹⁾:

- “scope 1” corresponds to direct emissions from burning fossil fuels (oil, gas, coal) used in the Group’s plants and those generated by refrigerant leaks from facilities. This scope also includes emissions from vehicles that the Group owns or controls;
- “scope 2” corresponds to the indirect emissions associated with the purchased production of electricity, heat and refrigeration.

7.2 Sustainable water use

Water scarcity affects more than 40% of the world’s population⁽²⁾, a worrying proportion that could worsen due to global warming caused by climate change. Guaranteeing, by 2030, universal access to water and sanitation and ensuring the sustainable management of water resources is one of the 17 global goals adopted in September 2015 at the United Nations Sustainable Development Summit.

To participate in this essential collective effort, Bel routinely reduces the water consumptions required for production and uses efficient technology to process the water.

Mapping of site locations

Bel’s industrial operations are highly dependent on the availability of drinking water. Therefore, the Group conducts an annual risk analysis⁽³⁾ to assess the level of water stress in the areas where it is

based. Priority action plans are implemented for any production site exposed to an incident of periodic drought that exceeds a warning threshold. In 2015, more than half of Bel’s production sites were located in regions where the water resource is deemed at risk. They represent 60% of the Group’s total consumption.

Reducing water consumption

For the most part managed by the public service, the drinking water used in the Group’s plants come from bodies of surface water (rivers, lakes, etc.) or from groundwater (water tables). In 2015, Bel used an average of 9.19 liters of water to produce 1 kg of cheese. The programs implemented have yielded a 26.7% reduction in water consumption per metric ton produced between 2008 and 2015, enabling the Group to increase its production while reducing its total water consumption over the same period.

WATER CONSUMPTION

Water consumption	2008	2009	2010	2011	2012	2013	2014	2015	Change 2008-2015
In m ³ /metric ton produced	12.53	11.21	11.21	10.93	10.05	9.58	9.24	9.19 ^(a)	-26.7%
In thousands of m ³	4,553	4,377	4,409	4,350	4,136	4,048	3,956	4,118	-9.6%

(a) Since 2015, metric tons produced include manufactured products to be processed again by the Group. Products that result from a main manufacturing process are considered as byproducts.

(1) Source: Level of greenhouse gas emissions established by the Green House Gas Protocol. The Bel Group is not yet in a position to provide a full report on its water consumption at the scope 2 level.

(2) Source: United Nations Sustainable Development Goals.

(3) Risk analysis carried out with data from the FAO and the WWF Water Risk Filter tool.

Quality of discharges into natural environments

To avoid accidental discharges directly into the environment, Bel protects water bodies and run-off points for rivers adjoining its sites with special structures. To limit its negative impact on the environment, the Group makes sure that the quantity of organic matter in discharges from sites, and the temperature of discharges, comply with applicable regulations.

By reducing their water consumption, the sites automatically reduce their discharges and improve quality, as the lower the volume of water treated in treatment facilities, the lower the concentration of organic matter flowing out of those facilities. Wastewater from sites are mostly treated internally. Discharges sent to a third party for treatment are pre-treated by Bel. Each year Bel spends more than four million euros on wastewater treatment.



For detailed data on the Group's water consumption and discharges, see the table containing environmental data at the end of this document.

7.3 Energy and greenhouse gas emissions

Greenhouse gas emissions continue to rise worldwide and have more than doubled since 1990⁽¹⁾. Taking emergency measures to fight climate change and its impact is one of the 17 Sustainable Development Goals adopted in September 2015 at the United Nations Sustainable Development Summit.

At the sites

Cheese production is a highly energy-intensive activity, especially the pasteurization of milk to obtain impeccable quality for a raw material that is sensitive to bacteriological contamination and the cold storage of finished products.

The Group mobilizes its teams around reducing its energy footprint, a notion that is easier to understand than reducing the carbon footprint. This approach is justified since, at these sites, more than 96% of the greenhouse gas emissions are from energy consumption. The remaining 4% is lost through refrigerant fluid leaks.

Reduction at source and use of renewable energies

To reduce its dependency on fossil fuels and gradually limit its greenhouse gas emissions, Bel prioritizes actions to reduce its energy consumption. Based on this reduced consumption, the

Group is also studying the possibility of using renewable energy sources, while continuing to take into account the sites' local issues (availability of energy from renewable sources, technical feasibility and economic impact).

The programs implemented by Bel have allowed it to reduce its electricity consumption by 7.3% and its consumption of gas and petroleum products by 27.3% per metric ton produced between 2008 and 2015. In 2015, the Group's two biomass boilers represented 7.5% of energy consumption for its heat production.

Greenhouse gas emissions – scopes 1 and 2

At the Group's global scale, numerous parameters affect its emissions:

- countries where the Group's production sites are located: greenhouse gas emissions linked to electricity use may vary by a factor of 1 to 10 between two countries in which it is located;
- manufacturing processes;
- the energy mix used by each site, especially its use of renewable energy sources.

Other factors are more marginally involved: refrigerant leaks and fuel consumption of the vehicle fleet belonging to the Group.

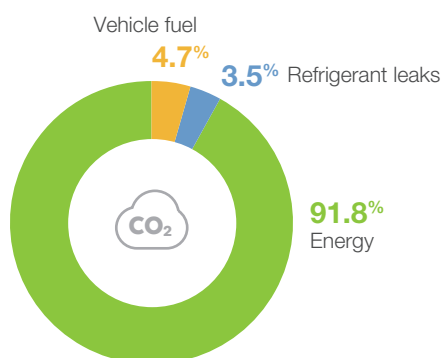
(1) Source: United Nations Sustainable Development Goals.

Optimizing all these factors allows the Group to gradually reduce its greenhouse gas emissions per metric ton produced and increase its production without raising its carbon footprint.

Using energy from renewable sources (biomass and renewable source electricity) allows the Group to significantly reduce its greenhouse gas emissions.

In 2015, Bel emitted 487 g of CO₂ on average to produce 1 kg of cheese. The programs implemented allowed Bel to reduce its CO₂ emissions by 29.8% per metric ton produced between 2008 and 2015.

GREENHOUSE GAS emissions (scopes 1 and 2)



Bel Group GREENHOUSE GAS emissions (scopes 1 and 2 in metric tons eq. CO₂)

Emissions	2008	2009	2010	2011	2012	2013	2014	2015	Change 2008-2015
Kg eq. CO ₂ /metric ton produced	694	624	615	579	541	520	490	487 ^(a)	-29.8%
Metric tons eq. CO ₂	251,048	243,414	241,287	230,437	222,556	219,769	209,941	218,880	-12.8%

(a) Since 2015, metric tons produced include manufactured products to be processed again by the Bel Group. Products that result from a main manufacturing process are considered as byproducts.



For more detailed data on the Bel Group's energy consumption, see the table containing environmental data at the end of this document.

Vehicle fleet and logistics

The life cycle analysis conducted by the Group has revealed that around 3.5% of greenhouse gas emissions⁽¹⁾ are from the transportation of Bel's finished products from their production facilities to retailing customers. The Group optimizes the transportation stages of its raw materials and finished products to reduce not just its greenhouse gas emissions, but also other nuisances (road congestion, noise, etc.). The locations of its plants as well as its logistics flows are designed to reduce distances

both upstream (mainly for raw milk) and downstream (as close as possible to consumer markets).

In all countries, Bel works with its logistics service providers to:

- optimize truck and container fill rates;
- optimize transport flows and delivery frequencies;
- study alternatives to road transport systems that produce fewer greenhouse gas emissions.

7.4 Food waste

According to the United Nations Food and Agriculture Organization (FAO), more than 30% of the food produced in the world is wasted; this corresponds to 1.3 billion metric tons of food⁽²⁾.

Bel considers the fight against any form of food waste as an important ethical challenge.

Upstream dairy production

Milk is discarded when it does not comply with regulations. This mainly includes colostrum and milk discarded due to medicinal treatments (including antibiotics) that require a withdrawal period. Bel helps its producers to acquire knowledge and expertise in

(1) Source: life-cycle analysis carried out on the eight-portion The Laughing Cow® and the eight-portion Kirij®.

(2) Source: <http://www.fao.org/save-food/ressources/keyfindings/fr/>

diseases requiring medicinal treatment through work carried out by national inter-professional bodies (in France and the Netherlands). To avoid discarding milk following a break in the cold chain, Bel provides its producers with tanks to help improve this. Some producers invest in their own refrigerating tanks for storing milk.

Unlike other agricultural raw materials, the transport of milk does not lead to waste, since it does not cause the liquid raw material to deteriorate.

The same applies for milk used in the processed dairy raw materials purchased by Bel. All of its suppliers are driven by the same determination to maximize their economic performance, minimize their losses and optimize their byproducts.

Food losses are therefore marginal upstream of the Group's production sites.

Production sites

The manufacturing process of finished products is adjusted to match sales estimates to avoid any overproduction without a firm outlet.

However, Bel generates, in all its manufacturing cycles, downgraded cheeses (for technical or mechanical reasons). The dairy sites also generate cream and whey. All of these byproducts

are recovered. They are either reused in the Group's plants or resold to industrial players so that they can be used to make other products. A small amount of these byproducts is recovered as energy (methanization).

The Bel Industries division promotes the protein from milk that is not used in the Group's dairy plants to other food industries. Bel's Nollibel® brand is a global leader in its segment.

Distribution

Bel combination boxes and pallet loads are specifically designed to ensure that its products are properly protected during the numerous handling stages (trucks, containers, warehouses, etc.) and that they retain their integrity until they are made available to consumers.

The processes, thermal treatments of milk on the sites, product developments and the design of efficient packaging allow Bel's cheeses to retain their taste and hygiene qualities over a relatively long shelf life: the shortest shelf life is six to seven weeks (Boursin®).

The Group has taken the necessary steps to allow its sites and its logistics warehouses to donate products to food banks. In 2015, 650 metric tons of products were donated by Bel's French warehouses to charities.

Areas for improvement identified

Ensure the longevity of the Group's business by optimizing the use of resources essential for carrying on its business and reducing its direct impact on the environment.

2015 highlights

- Commissioning of a second biomass boiler (Sablé-sur-Sarthe).
- 3.6% of total electricity consumption is from renewable sources (Vale de Cambra in Portugal and Brookings in the United States).
- Over 99% of the Group's byproducts are recovered.

2016 priorities

- Prepare a scope 2 report on water consumption.
- Initiate work to be able to account for all of its carbon emissions and water use (scope 3).
- Strengthen partnerships with specialist operators to support the energy transition of production sites to renewable energy and optimize the water cycle at these sites.
- Establish, as part of the renewal of the contract to supply electricity to the French production sites, a contract for the supply of electricity from renewable sources.

8

APPENDICES

Appendix 1: Cross-reference table with the 10 UN Global Compact principles

This document represents the Bel Group's 2015 Communication on Progress. This cross-reference table shows which chapters contain information on the implementation of the 10 principles of the United Nations Global Compact.

	Section(s) of the document
HUMAN RIGHTS	
1. Businesses should support and respect the protection of internationally proclaimed human rights	2. Managing ethically its business
2. Businesses should make sure that they are not complicit in human rights abuses	2. Managing ethically its business
INTERNATIONAL LABOR STANDARDS	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	3. Providing employees with fair working conditions
4. Businesses should contribute to the elimination of all forms of forced and compulsory labor	2. Managing ethically its business
5. Businesses should contribute to the effective abolition of child labor	2. Managing ethically its business
6. Businesses should contribute to the elimination of discrimination in respect of employment and occupation	2. Managing ethically its business 5. Providing employees with fair working conditions
ENVIRONMENT	
7. Businesses should support a precautionary approach to environmental challenges	2. Managing ethically its business 7. Reducing its environmental footprint
8. Businesses should undertake initiatives to promote greater environmental responsibility	2. Managing ethically its business 7. Reducing its environmental footprint
9. Businesses should encourage the development and dissemination of environmentally friendly technologies	2. Managing ethically its business 7. Reducing its environmental footprint
ANTI-CORRUPTION	
10. Businesses should work against corruption in all its forms, including extortion and bribery	2. Managing ethically its business

Appendix 2: Overview of social indicators ⁽¹⁾

	2013	2014	2015
WORKFORCE			
Total number of employees ^(a)	10,830	10,984	10,861
of which managers	n/a	1,814	1,921
of which non-managers	n/a	9,170	8,940
BREAKDOWN OF WORKFORCE BY GEOGRAPHICAL REGION			
Western Europe	4,233	4,170	4,162
North and East Europe	2,153	2,118	1,995
Americas, Asia-Pacific	831	1,041	1,078
Near and Middle East	1,395	1,436	1,439
Greater Africa	2,218	2,219	2,187
BREAKDOWN OF WORKFORCE BY GENDER (M/F)			
Total employees	67% - 32%	68% - 32%	68% - 32%
Managers	60% - 40%	59% - 41%	59% - 41%
Non-managers	70% - 30%	70% - 30%	70% - 30%
HIRES AND DEPARTURES			
Number of hires	891	1,397	1,119
Number of departures	892	1,276	1,227
of which redundancies	182	260	209
Median age	41 years	41 years	41 years
Rate of job insecurity	17.7%	19.3%	19.1%
SOCIAL DIALOG			
% of employees with access to an employee representation system	91%	85%	90%
HEALTH & SAFETY			
Accident frequency rate "FR1" ^(b)	5.8	6.1	4.8
Accident frequency rate "Bel FR" ^(c)	12.8	12.6	10.7
Severity rate (accident severity) ^(d)	0.2	0.2	0.1
Number of work days lost	-	4,873	2,722
% of employees benefiting from at least three weeks of annual leave	98%	94%	95%
Illness absenteeism rate (hours of absence due to illness/theoretical working hours)	2.29%	2.08%	2.45%
TRAINING			
Employees who attended at least one training course during the year	67%	71%	72%
Average number of training hours per employee	20	24	24
% of non-managers who participated in an individual performance review (two-year basis)	52%	n/a	46%
% of eligible managers who participated in an individual performance review	72%	89%	88%

(1) Excluding Safilait, a Moroccan company acquired by the Bel Group in 2015.

	2013	2014	2015
COMPENSATION			
Average ratio between female pay and the average for their grade ^(a)	0.96	0.96	0.97
% of employees with death and disability cover ^(f)	86%	84%	94%
% of employees with health cover (employees and their families) ^(f)	94%	90%	94%
% of employees benefiting from a collective pay scheme based on the overall performance of the subsidiary or Group	59%	64%	77%
DISABILITY			
Employment rate of people with disabilities in France ^(g)	6.3%	6.4%	6.6%
EMPLOYEES' COMMITMENT			
Participation rate in the international opinion survey	80%	-	86%
Commitment rate	51%	-	55%

(a) Active permanent contracts and fixed-term contracts at December 31.

(b) Accidents resulting in absence for Bel employees (number of accidents expressed by million hours worked).

(c) Accidents with and without lost work days for all persons present on Bel sites (number of accidents expressed by million hours worked).

(d) Ratio of number of days not worked (calendar days), expressed in thousand hours not worked, over the total number of hours worked.

(e) In the same country and at the same grade.

(f) Employees with a permanent or fixed-term contract.

(g) This rate includes employees in internships and collaboration with the protected and adapted sector.

Appendix 3: Overview of environmental indicators

Consumption of resources

Water consumption	2008	2009	2010	2011	2012	2013	2014	2015
In m ³ per metric ton produced	12.53	11.20	11.21	10.93	10.05	9.58	9.24	9.19 ^(a)
In thousands of m ³	4,553	4,377	4,409	4,350	4,136	4,048	3,956	4,118

(a) Since 2015, metric tons produced include manufactured products to be processed again by the Group. Products that result from a main manufacturing process are considered as byproducts.

	2008	2009	2010	2011	2012	2013	2014	2015
Electricity consumption (in MWh)								
• Uncertified electricity from a renewable source	247,340	257,531	258,212	264,725	273,392	274,685	263,551	270,929
• Certified electricity from a renewable source	-	-	-	-	-	-	6,178	10,048
TOTAL ELECTRICITY	247,340	257,531	258,212	264,725	273,392	274,685	269,729	280,976
• Oil and gas products	543,381	543,080	541,237	521,335	503,969	489,435	473,679	489,156
• Biomass	-	-	-	-	30,307	42,687	32,146	39,911
STATIONARY COMBUSTION	543,381	543,080	541,237	521,335	534,276	532,122	505,825	529,067

Greenhouse gas emissions, discharges, waste and other environmental data

	Units	2013 Values	2014 Values	2015 Values
GREENHOUSE GAS EMISSIONS				
Greenhouse gas emissions associated with electricity consumption	tCO ₂ e	79,380	73,022	77,150
Greenhouse gas emissions associated with fuel oil and gas consumption	tCO ₂ e	122,991	118,263	123,193
Greenhouse gas emissions associated with biomass	tCO ₂ e	N/A	473	587
Greenhouse gas emissions associated with refrigerant fluids	tCO ₂ e	6,796	6,569	7,553
Greenhouse gas emissions associated with the Group's own vehicle fleet	tCO ₂ e	10,602	11,614	10,397
GREENHOUSE GAS EMISSIONS – SCOPES 1 AND 2	tCO₂e	219,769	209,941	218,880
OTHER EMISSIONS IN THE AIR				
Nitrous oxide, nitrogen dioxide, etc.	T	145	158	167
Sulfur dioxide	T	86	146	145
DISCHARGES INTO WATER				
Discharge into the natural environment				
Volume of water purified internally with discharge into the natural environment	m ³	2,139,995	2,195,895	2,196,270
Discharged chemical oxygen demand	Kg	104,499	102,795	122,572
Discharged phosphorous	Kg	7,334	3,870	5,496
Discharged suspended matter	Kg	51,662	37,715	51,015
Discharged nitrogen	Kg	16,098	13,717	14,471
Discharged to an urban wastewater treatment facility				
Volume of water treated by a third party with other effluents	m ³	1,821,480	1,857,949	1,955,567

	Units	2013 Values	2014 Values	2015 Values
DISCHARGES INTO THE SOIL				
Spreading of untreated water				
Volume	m ³	61,511	2,504	0
Agronomic recovery of sludge from wastewater treatment facility				
Nitrogen	T	132	136	123
Phosphorous	T	107	101	101
Dry matter	T	1,559	1,645	1,540
Spreading surface area	Hectare	928	1,316	1,061
DISCHARGES INTO WATER AND THE SOIL				
Total volume of discharges	m ³	4,022,986	4,056,348	4,151,837
Total cost of treatment of these discharges	EUR	3,928,331	4,029,289	4,026,167
PRODUCTION OF WASTE				
Quantity of non-hazardous waste sorted and sent to recovery	T	19,811	18,478	17,341
Quantity of hazardous waste sorted and sent to the appropriate treatment channels	T	732	503	710
Waste incinerated with generation of energy	T	2,280	2,826	2,746
Waste incinerated without generation of energy	T	5	11	262
Waste evacuated to landfill	T	3,771	3,291	3,333
Total quantity of waste		26,599	25,109	24,391
Cost of treatment	EUR	1,918,509	1,953,529	1,352,085
Income from sale	EUR	606,722	499,630	435,978
CIRCULAR ECONOMY				
Recovered byproducts				
Downgraded cheeses or similar recovered internally or externally	T	8,582	10,718	12,772
Dry whey extract recovered internally or externally	T	87,798	85,227	82,445
Cream recovered internally (at the production site or within the Bel Group) or externally	T	37,702	43,424	45,991
Quantity of recovered byproducts	T	134,083	139,368	141,208
IMPACT ON THE ENVIRONMENT				
Number of incidents	unit	88	105	103
Corrective actions	unit	88	102	101



Sharing smiles

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