



Sustainability-Linked Financing Framework

October 2023



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1. Introduction

Bel group (“Bel”, “the Group”) is a French **family-owned company**, established in 1865. It is positioned as a **major player in the food industry through portions of dairy, fruit and plant-based**. Its portfolio of **differentiated and internationally iconic brands includes** The Laughing Cow®, Kiri®, Babybel®, Boursin®, Nurishh®, Pom’Potes®, and GoGo squeeZ®, as well as some 20 local brands. The Group generates sales of €3.593 billion in 2022 (+13.2% organic growth vs. 2021).

The Group is **present in 126 countries** with **56 subsidiaries** and **29 production plants** across the world.

To deliver more than **20 billion portions per year**, the Group is relying on **6,730 suppliers** including **nearly 1,200 partner dairy producers**.

Bel’s ambition is to **have a positive impact on all its stakeholders, from farmers to consumers, while protecting the planet**. For this, the Group has defined its corporate mission: “**champion healthier and responsible food for all**”. Bel’s commitment is to improve the nutritional quality of its products, consistently strive for greater naturalness, and encourage good eating habits while reducing its greenhouse gas (GHG) emissions.

Bel’s ambition: To establish a responsible and profitable growth model



The Group is convinced that **overall performance** should be measured by **both financial and non-financial indicators** and that these two dimensions feed off each other. In 2020, the **creation of a “Impact department” joining finance and CSR teams** underlined Bel’s decision to walk on these two equally important “legs”.

Beyond, Bel’s ambition is endorsed by its **10,738 “activist” employees** and supported by its corporate values **“dare, care & commit”**.

Bel’s commitments to its stakeholders



Bel’s medium-term strategy is to continue to **extend its product**, with the ambition to have a 50/50 balanced portfolio between dairy and fruit & plant-based over the medium-term, and to confirm its leadership in mature markets (Europe and North markets) **expand its global reach into new markets** (China and India).



2. Bel Company Corporate Social Responsibility Strategy

Since 2003 and its commitment to join the **United Nations Global Compact initiative**, Corporate Social Responsibility (“CSR”) has been **fully embedded into Bel Group’s DNA**, with an ambition to **be both a responsible and profitable company**.

Since then, every year, in its “Communication On Progress” report¹, available on its website, Bel reviews the initiatives and progress made by the Group to contribute to the 10 principles of the UN Global Compact, such as human rights, international working standards, environmental protection and the fight against corruption.

In 2016, the Group structured its approach to **place CSR and shared value creation at the heart of its growth model**, by creating trusting, lasting and profitable relations for all players in its value chain. Faced with mounting climate and demographical challenges, and to meet the new expectations of its stakeholders, the Group has chosen to go even further in contributing to feeding tomorrow’s global population of 10 billion people, while preserving the planet’s resources.

In 2018, it began a **radical and voluntary transformation of its business model**, under which **profitability and responsibility are inseparable**. In 2019, leveraging the teachings from its materiality and risk analysis, Bel unveiled its new corporate identity “For All. For Good” and its six priority challenges:

1. Create Value for all its stakeholders
2. Contribute to healthier food
3. Promote sustainable and regenerative agriculture
4. Design sustainable portions and fight food waste
5. Fight against climate change and reduce its environmental footprint
6. Improve the accessibility and affordability of its products

For **each of the six priority challenges**, the Group has **identified quantified objectives** to guide its actions as it works **toward its 2025 and 2035 vision**.

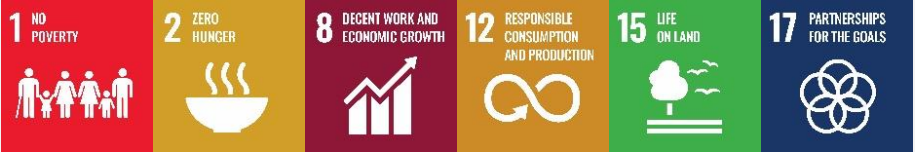
More specifically on Climate change, Bel aims to make carbon reduction a driver of its performance and aligns itself with an ambitious **climate trajectory contributing to limit global warming to +1.5°C, validated by the Science Based Targets Initiative (SBTi) in March 2022**. The Group **reports annually on progress toward these goals** in its Annual Report² and Communication On Progress¹, both available on its website, which is **audited by an independent third-party organization**.

¹ [BEL Communication On Progress 2022 EN](#)

² [BEL RAFI 2022 EN \(groupe-bel.com\)](#)

UN Sustainable Development Goals (SDGs)

As a relevant player in the European Agri-food sector, Bel supports the Sustainable Development Goals (SDGs) of the United Nations and addresses 11 out of the 17 SDGs.

Focus Area	UN SDGs
<p>A model creating value for all its stakeholders</p>	
<p>Contributing to healthier food</p>	
<p>Promoting sustainable and regenerative agriculture</p>	
<p>Designing sustainable portions & fight food waste</p>	
<p>Fighting against climate change and reducing its environmental footprint</p>	
<p>Improving the accessibility and affordability of its products</p>	

2.1. A model that creates value for all its stakeholders



Because Bel’s business model is founded on interactions with a large number of stakeholders, maintaining long-term, beneficial, and sustainable relationships is crucial. This is why the Group has chosen to implement a model which creates shared value for all stakeholders, specifically employees, suppliers, customers, consumers, investors, and the planet (see section 2.5 “Fight climate change and reduce its environmental footprint”).

- **Building a sustainable future with its employees**

Bel’s **CSR strategy implementation** is above all made possible by the **commitment of all its “activists” employees**. The Group strives to create a fulfilling and motivating work environment for its employees so that each one can contribute to the CSR ambition.

To this end, the Group has deployed an **innovative and ambitious social model**, the **“Nurture” program**, a comprehensive human resources roadmap built on six axes (diversity, equity & inclusion, fair wages, development, fulfilment, safety & well-being, and family care).

Bel conducted its first **global employee survey** in 2021, **“Your Voice”**, allowing employees to express themselves, and managers to gather transparent feedbacks and establish action plans. The survey, conducted again in 2022, highlighted two important points: the **employees’ high level of commitment** to Bel’s mission “champion healthier and responsible food for all” (76%), and their **wish to contribute even more** concretely at their level.

Answering to this aspiration, the **“Actors for Good” programme**, built around three-pillars **“I know, I act, I’m an activist”**, is designed to help Bel’s employees to better understand the key challenges we are collectively facing, and to **empower them to become proactive players in the Group’s mission**.

As an illustration, more than 1,500 employees, including ex-Com and Board of Directors members, have participated in collaborative workshops Climate Fresk and more than 75 employees were trained to become *Climate Fresk facilitators*.

- **Promoting responsible practices with its suppliers**

For over ten years, the **Bel Sustainable Purchasing Charter**³ has set forth the Group’s commitments to its suppliers, as well as its expectations from them. Since 2009, Bel has been assessing the **CSR performance** of key suppliers and subcontractors, in cooperation with

³ <https://www.groupe-bel.com/wp-content/uploads/2019/11/sustainable-purchasing-charter.pdf>

EcoVadis, a sustainable purchasing specialist. Across the entire scope, the CSR performance of the Group's suppliers has always been above that of the panel evaluated by EcoVadis (over 40,000 companies evaluated in 2022 with an average score of 49.3/100):

- on the **EcoVadis Fromage** platform, the average score for suppliers was **54.6/100**, a clear improvement that brings Bel closer to the **target of 55/100 set for 2025**;
- on the **EcoVadis Fruit** platform, the average score for suppliers was **61.4**.

- **Being a key and committed partner for its customers**

Bel considers the close relationship with its customers to be essential in order to bring its *For All. For Good* commitment to life and showcase its products in stores.

To manage these relationships, the Group relies on the **Advantage Survey**, which provides a benchmark for measuring the satisfaction of business partners. Bel is committed to increasing its score each year and has defined step-by-step objectives: to be ranked in the top five suppliers by 2025, then in the top three by 2030 and to maintain this ranking thereafter in all the Group's countries. In 2022, Bel was among the **top five preferred suppliers** to the retail industry in 10 out of 12 surveys (up one from the previous year), conducted in particular in the following markets: France, United States, Portugal, Canada, Spain, Slovakia, Belgium and Netherlands.

- **Developing positive products and responsible communication with consumers**

The Group drives its strategy using a "**positive**" **products** indicator, which measures the share of revenue that addresses issues of nutrition and the environmental footprint. "**Positive**" **products represented nearly 50% of sales in 2022** but while progress on this share may be monitored in 2023, it will not be measurable against previous years due to a change in recording methodology.

Bel adopted a **Responsible Communication Charter in 2009**, encouraging the promotion of healthy eating habits. Moreover, the Group uses its packaging to communicate with consumers on environmental issues such as how to recycle the packaging, food waste and use-by dates, and the Group's CSR commitments. Bel has also **joined the voluntary European movement EU Pledge**, whereby it commits not to advertise any products that do not meet the nutritional criteria of the Nutrition White Paper⁴ to children under the age of 12.

- **Promoting responsible financing practices among investors**

⁴ https://eu-pledge.eu/wp-content/uploads/EU_Pledge_Nutrition_White_Paper.pdf

As early as 2017, the Group embarked on setting up credit lines that put its environmental and social objectives at the heart of its financing strategy. See Section 3, “Sustainability-linked financing Framework”, for more information.

2.2. Contribute to healthier food



Bel’s mission to “**champion healthier and responsible food for all**” is the cornerstone of its business strategy. As an agri-food company, the Group is committed to offer safe healthy products while encouraging better eating habits, Bel believes this is not only a necessity, but also its responsibility.

The Research, Innovation and Development (RID) division is made up of 220 employees with a wide range of expertise and knowledge, located in France, Portugal, Japan, Vietnam, China and the United States.

Bel's **RID team creates tomorrow's healthy and responsible food offerings and experiences** on the dairy and fruit & plant-based markets, by:

- **Identifying and analysing medium and long-term macro trends** and monitoring the eating habits of each population thanks to data-driven insights. Data has become paramount to the decision-making process. It allows us to gain a better understanding of our consumers. It is also used to identify future growth opportunities for our brands
 - **Exploring more sustainable ingredients** and their properties (plant-based but also alternative proteins) to renovate our recipes and imagine new products
 - **Developing and testing prototypes** with consumers
 - **Collaborating with a partner ecosystem** in order to broaden our approach and shorten the time to market of our innovations: such as universities, start-ups, SMEs, competitiveness clusters, industrial partners, academic and scientific players (e.g. the CEA, INRAE and the CNRS), and investment funds (e.g. Big Idea Ventures, CapAgro and C Ventures)
- **Offer high quality safe and healthy products**

Bel is committed to **guarantee optimal food quality and safety** and prevent the risks identified at all stages of its value chain. It includes **strong audit and processes monitoring** aiming at:

- Performing strict upstream controls on raw materials and packaging
- Deploying strict procedures at production sites
- Ensuring product quality and safety during downstream transport through audits of the distribution chain and the implementation of a Good Storage and distribution Practices Charter
- A robust traceability system to prevent risks
- Protecting consumer health and safety, and building a relationship of trust

- **Improve the nutritional quality of its products**

Bel aims at providing its 400 million consumers around the world, with the ambition to reach 600 million by 2035, with **products combining taste, nutrition, and quality ingredients** by:

- **Improving the nutritional composition of its products**, notably with the introduction in 2017 of a nutritional profiling system called “Bel Nutri+”, based on official nutrient intake recommendations and setting of daily values (FAO/WHO, EFSA, IOM⁵), scientific references on dietary practices and validated by scientific experts. – *72% of children’s and family product portfolio meeting “Bel Nutri+” criteria in 2022 (vs. 60% in 2017 corresponding to 46% of the global portfolio)*
- Constantly **delivering products with simpler and shorter ingredient lists**, while preserving food safety as a priority. Aligned with consumer’s expectations of less additives and demand for “natural products”, Since the end of 2021, Bel has decided that products from its core brands (Babybel®, Boursin®, Kiri®, The Laughing Cow®, and Nurishh®) would no longer contain artificial colors or flavors. This commitment was made in 2018 and required three years of research and development. *Significant launches have taken place, such as The Laughing Cow OE in Europe in 2021, the joint launch of TLC Dip & Crunch with only one additive for MEGA and WEST in 2018, the launch of Kiri 0 additive in Europe in 2020, and the reduction of additives in Successful Cubes in 2018*
- **Implementing 52 recipes renovations either for nutrition and/or naturalness in 2022** (over 350 recipes revamped since 2012). Among the leading upgrades: Kiri® recipes in Japan and Morocco have been optimized to reduce fat without compromising taste; Nurishh®, the line of grated products has been revised and their nutritional profile has been improved by the addition of sunflower oil. The brand has also launched, in Europe and Canada, Tartinables, a specialty spread made from sunflower seeds, a source of fiber with an excellent nutritional profile.
- At the end of 2022, 73% of products sold under the Materne® and Pom’Potes® brands contained no added sugar. Bel’s goal is to increase this percentage to 100% by 2025.

- **Promote better eating habits and encouraging healthier lifestyles**

Bel is **engaged to educate children and their families** along with employees, to shift their eating habits and lifestyles toward healthier practices. Specific actions have been implemented:

⁵ Sources : FAO, Milk and Dairy products in human nutrition, 2013, available here : [Milk and dairy products in human nutrition \(fao.org\)](#) ; WHO Technical Report Series 916, DIET, NUTRITION AND THE PREVENTION OF CHRONIC DISEASES, Report of a Joint WHO/FAO Expert Consultation, 2003. Available here : [WHO TRS 916.pdf](#), or here : Diet, nutrition and the prevention of chronic diseases : report of a joint WHO/FAO expert consultation, Geneva,

- **Toward Bel’s consumers: “Educanut” programs** in partnership with public health associations, governmental and non-governmental organizations (e.g. FAO, *Action Contre la Faim*, Senegalese Ministry of Education, etc.) to help children and their parents better understand that nutrition and physical activity are important for their health – *8 countries covered in 2022 with a target of 10 key countries by 2025 (vs. 4 in 2018)*
- **Toward Bel’s employees: “Healthy Smile” nutritional education programs** promoting a balanced diet and healthy lifestyle, encouraging physical activity and improving the food offering (distribution of educational tools, games, sports competitions, culinary contests, etc.). For example, in France, during “Health & Safety” week, in partnership with the “Vivons en forme” association, an educational cooking workshop on balanced snacks was held during shifts at two sites. Tips were also offered on how to reduce salt and sugar consumption, and fun physical activities were proposed such as the “Smoothie Bike”. *By 2022, 80% of subsidiaries had launched the program.*

2.3. Promote sustainable and regenerative agriculture



Bel’s priority for this segment of the value chain is to **promote virtuous agricultural practices** that **have a positive impact for humans, the environment** and, more globally, the **entire ecosystem** within which the Group operates.

Bel aims to encourage **regenerative agricultural practices**, which help fight and adapt to climate change, restore biodiversity and soil health, optimize the water cycle, support local dynamics and farm’s resilience.

The Group has set ambitious goals and budgeted resources, with an initial target of sourcing **100% of its milk and apples based on the principles of regenerative agriculture** by 2030, followed by all its other key raw materials by 2035.

- **Take actions for a sustainable upstream dairy**

Milk is the basic ingredient for cheese making: Bel **collects over one billion liters of milk** each year from approximately **1,200 producers** or collection centres in its 9 dairy supply basins worldwide each year. Since 2012, Bel & WWF France have been working together to evaluate and **reduce the environmental impact of dairy cow feed**. In 2018, Bel & WWF France co-developed Bel’s Global Sustainable Upstream Dairy Charter⁶. The charter integrates economic, social and environmental aspects and covers all the Group’s dairy supply basins throughout the world with identified actions and goals for 2025 notably on sustainable production model, animal welfare, pasture grazing and environmental footprint. An updated Charter was shared in 2023, leveraging the lessons learned over the past five years.

⁶ [Bel global-sustainable upstream dairy charter - 2018 \(groupe-bel.com\)](https://www.groupe-bel.com/en/bel-global-sustainable-upstream-dairy-charter-2018)

- **Use plant-based raw materials within strict limits while continuing to ensure health safety and the great taste of its products**

Aligned with the need to **diversify and balance animal/plant-sourced foods** to preserve resources, and with evolving consumer’s behaviours (flexitarian diet), Bel is committed to **complement its dairy products with more fruit & plant-based products**. The Group launched its first **hybrid** (such as The Laughing Cow Blends in the U.S., Germany, the U.K., Canada and Australia) or **100% plant-based products** (e.g. launch of Boursin Dairy Free in the US and Canada in 2020). Bel is also accelerating its transformation and launched Nurishh® in 2021, its **first 100% plant-based brand**. 2022 saw the launch of even more innovations in the dairy, fruit and plant-based areas, such as: launch of Babybel® Plant-Based in the United States, certified plant-based, GMO-free and “Vegan Society”; Boursin® Plant-Based in Europe; Nurishh® spreadable range in Europe and Canada.

Additionally, specific objectives were set:

- **100% of responsible vegetable fats sourcing**
- For **others plant-based ingredients**, a set of commitments have been defined to ensure a **responsible sourcing adapted to local context and practices**

- **Deliver the goodness of fruits**

Bel is engaged in **sourcing sustainably its fruits** and **promote sustainable practices** that limit biodiversity loss by:

- **Encouraging sustainable agriculture to preserve biodiversity** (e.g. in France sourcing fresh apples from orchards that have obtained the “Vergers écoresponsables” endorsement, encouraging the use of biological control methods, etc.)
- **Tending its own orchards and developing trusting relationships with partner farmers**

2.4. Design sustainable portions and fight food waste



Portion is in the heart of Bel’s DNA. This packaging format gives many advantages in achieving Bel’s mission (food quality & safety, limiting excess consumption, offering right nutritional intakes, reducing food waste and enabling accessibility).

Nonetheless, aware of the **environmental challenges posed by individual packaging**, the Group is striving to limit the environmental impacts of packaging by taking an eco-design approach throughout the life cycle of its products.

- **Fight food waste**

The Group has a comprehensive strategy to **fight food waste on the entire value chain from milk collection to final consumption and aims at reducing food waste by 50% by 2030** (e.g. 99.9% of Bel finished products commercialised or given to associations in 2021). To achieve this goal, Bel is acting through all stages of the value chain:

- Upstream and collection: Bel optimizes **milk sourcing** to avoid losses of this fragile and perishable ingredient. On the Fruit side of the business, Bel contributes to avoiding post-harvest losses since most of its products are prepared with quality fruits that are excluded from direct consumer purchase due to size, appearance, or because of a gap between demand and production.
- Production: during the production phase, Bel implements several actions to minimize food waste. It avoids as much as possible to produce unmarketable ingredients or products, prioritizes **reuse** in the production process, encourages **donations**, and recovers **energy from waste** that is unfit for human consumption.
- Distribution: Bel follows strict **quality control guidelines** and in the case of **excess stock, either sells it via non-traditional channels**, including anti-waste and social-solidarity grocery stores, or **donates it** to non-profit associations such as food banks.
- Consumption: *as an example*, in several countries (France, Belgium, Portugal, UK and



Spain), Bel is working with its partner Too Good To Go to **raise consumers' awareness** of the Best Before date and to **prevent products** that are still good from **being thrown away**. This communication is made through a “Look, Smell, Taste, Don’t Waste” pictogram.

- **ECO-DESIGNED PACKAGING**

Bel has had a “Responsible Packaging” policy⁷ since 2018. It defines guidelines for reducing the environmental impact of packaging, from their design to their end-of-life, through its eco-design approach. This approach enabled the Group to refine its strategy and set its five objectives for 2025:

- refuse, reduce and develop bulk sales and reuse; *in France, in 2022, Bel deployed a bulk Babybel offer in around 20 retail stores*
- systematically prioritize plant-based, renewable and biobased raw materials; *as of 2022, 2/3 of Bel’s packaging materials are cardboard and paper*
- use paper and cardboard materials made from recycled or certified virgin fibers to protect the environment and fight deforestation, guarantee the respect of social & ethical norms and protect human health. In 2022 overall, 76% of paper/cardboard packaging is of certified origin or incorporates mostly recycled fibers
- Aim for **90% eco-designed packaging** to be recyclable-ready or home-compostable by 2025 and to reach **100% by 2030** - *83% of Bel’s packaging is already recyclable-ready in 2022⁷*
- facilitate and encourage sorting and recycling by communicating clearly to consumers and by forging partnerships to develop packaging waste collection and recovery chains

⁷ Excluding wax, 74% including

in the key countries where the Group operates e.g. CELAA⁸ in France, AREME⁹ in Belgium, COAALI¹⁰ in Spain to develop sorting system for small aluminium

Drawing on the lessons learned from the last five years of since the implementation of the “Responsible Packaging” policy, the teams started updating it in 2022 to ensure that the commitments made were as responsible and ambitious as possible. This update as been finalized and deployed in 2023.

2.5. Fight climate change and reduce its environment footprint



Fighting climate change is a strategic priority for Bel that calls for lasting actions to transform the Group, such as reducing the carbon footprint of dairy, increasing the share of fruit and plant-based products in its product-mix and improving its energy mix.



The Group has been a **member of the SBTi since 2017**. Its **first target of greenhouse gas (GHG) emissions reduction was approved in 2019 aligned with the +2°C degrees’ trajectory**. Convinced that the world is facing a real emergency regarding climate crisis, the Group decided to commit even further by joining the “Race To Zero” initiative in 2021 and defining new **targets aligned with the +1.5°C trajectory**. These ambitious targets were validated in March 2022 by the SBTi. These reduction goals **cover the Group’s entire value chain**, from upstream agricultural activities to transportation and packaging.

On top of these reduction targets, the Group is committed to contribute to **carbon neutrality; first, for Scopes 1 and 2 by 2025, and then for the full value chain by 2050**.

A four-pronged strategy has been implemented to manage this ambition:

- 1) **Measure to raise awareness and manage performance**
- 2) **Avoid greenhouse gas emissions through biodiversity and preservation of natural ecosystems**
- 3) **Reduce GHG emissions across the entire value chain**
- 4) **Capturing residual emissions**

- **Fight against climate change**

⁸ Club de l’Emballage Léger en Aluminium et en Acier (CELAA) - [Qui sommes-nous ? - #ProjetMétal \(projetmetal.fr\)](#)

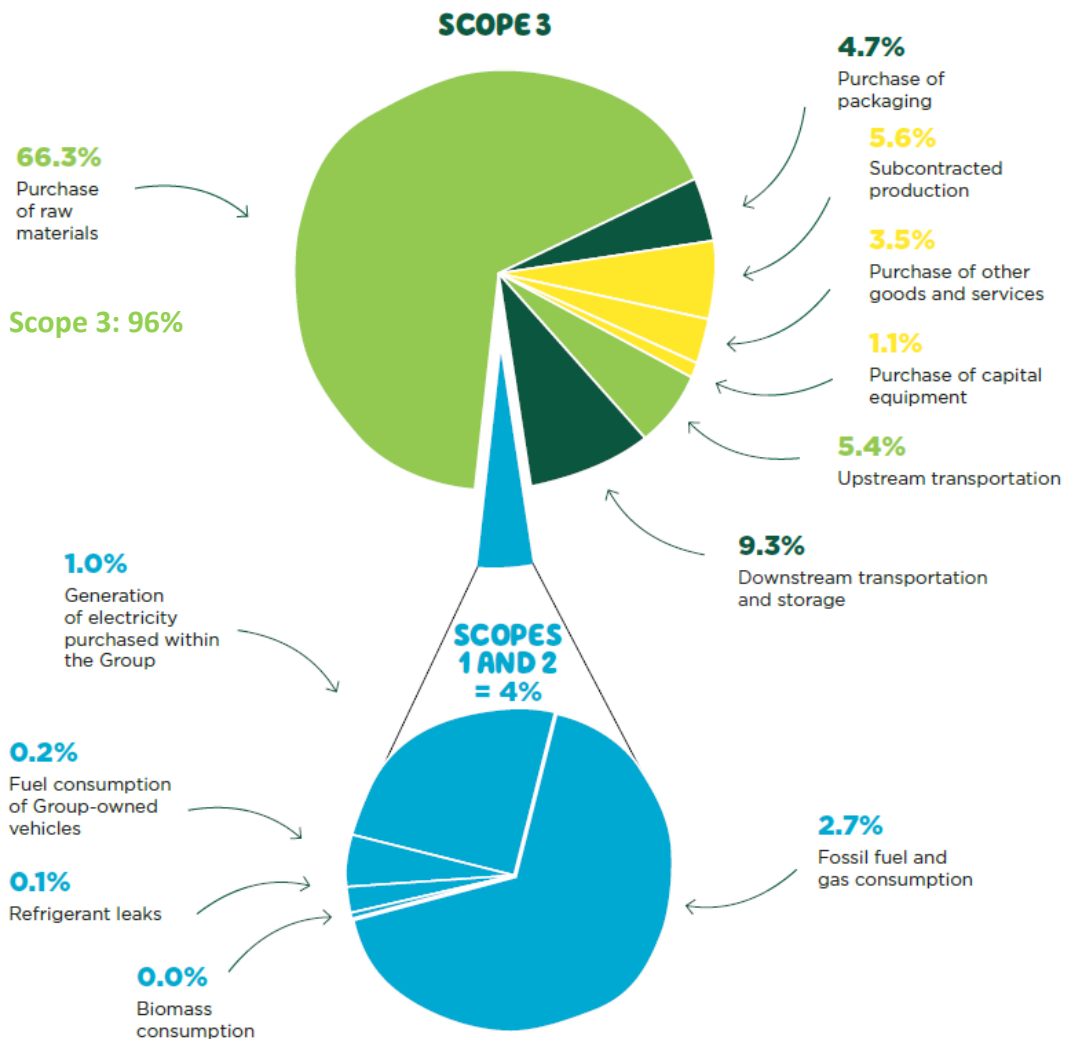
⁹ Association pour le Recyclage des Emballages légers et objets assimilés en Métal (AREME)

¹⁰ Coalición por el Reciclaje del Aluminio y Acero Ligero ([COAALI](#))

1) **Measure GHG emissions** to raise awareness and manage performance

Bel’s global GHG emissions are estimated to amount to c. **4.4 million metric tons of CO₂e** and are **96% related to Scope 3** in 2021¹¹.

2021 Bel Group Scopes 1, 2 and 3 GHG emissions over the entire value-chain



Additionally, and to support its ambition to “build a responsible and profitable company”, Bel has chosen to **deploy a carbon impact analysis tool at all levels of decision-making within the company**. Carbon footprint is **systematically measured** and progressively integrated into the Group decision processes **as accounting metrics**. It provides a consolidated, precise, and regular perspective of the Group’s carbon footprint in all its markets, brands, segments, and products. In practice, the Group has already **put in place environmental and social impact**

¹¹ Source: Bel’s Universal Registration Document - [BEL RAFI 2022 EN \(groupe-bel.com\)](#)

assessment grids for all of the company's strategic decisions and in 2022, it adopted an **Internal Carbon Price** in line with the recommendations of the IPCC 1.5°C Scenario. The price was set at 75€/t in 2022, 150€/t in 2023, and steadily increasing to 270€/t in 2030.

2) Avoid GHG emissions

The first action of the Group to fight against climate change, is by **avoiding GHG emissions** through action plan like committing to **zero deforestation** linked to the soy and palm meal used in dairy cow feed, the plant-based oils in some of its recipes, and the paper and cardboard in its packaging as stipulated both in the **Bel's global forest and natural ecosystem policy**¹² and the **Bel Biodiversity policy**¹³ jointly developed with the WWF France.

This ambition to preserve natural ecosystems and fight deforestation through its supply chain is reflected in strong commitments to achieve **100% zero deforestation**¹⁴ **by 2025** (vs. 38% in 2022).

3) Reduce GHG emissions

As the production of **raw materials** accounts for **66% of the Group's carbon emissions**, Bel's is strongly committed on this segment. Within the framework of its **global "Sustainable Dairy Upstream" charter**¹⁵, built in partnership with the WWF France in 2018, the Group encourages farmers to limit the environmental impact of their activities and to promote sustainable practices. Bel's strategy to **develop the plant-based or hybrid products** (combining dairy and plant-based ingredients), as well as products featuring alternative proteins, is also an efficient way to reduce carbon emissions (e.g. Nurishh Classic Style Slices® products are emitting four time less GHG emissions than their dairy equivalent¹⁶).

On its industrial sites, Bel has set ambitious targets for **reducing energy consumption**, while developing the **use of renewable energy sources**.

Additionally, the Group is taking actions in the **upstream and downstream transport** of raw materials and finished products. By optimizing truck and container fill rates, as well as transportation flows.

Beyond the manufacturing stage, Bel's is **addressing the entire lifecycle of products** by reducing the impact of packaging at all stages (design, production, recycling).

The Group is also committed to **use water more sustainably and fight food waste**, as described in the following sections.

4) Capture residual emissions

¹² [Bel's Global Forest and Natural Ecosystems Policy \(groupe-bel.com\)](https://groupe-bel.com)

¹³ [Bel's Biodiversity Policy \(groupe-bel.com\)](https://groupe-bel.com)

¹⁴ Area at risk / total area required to produce the raw materials monitored

¹⁵ [Bel's Global Sustainable Upstream Dairy Charter \(groupe-bel.com\)](https://groupe-bel.com)

¹⁶ Life Cycle analysis (LCA) performed in 2021 by Quantis

For the remaining **incompressible emissions**, the Group will **invest in carbon sink projects like planting forest or rehydrating peatlands** to sequester them. **As a first project, the Group joined the Livelihoods Carbon Fund 3 (LCF3) launched by Livelihoods Venture in June 2021**, alongside 13 companies and financial investors. Its aim is to support rural communities in their efforts to preserve or restore their natural ecosystems and improve their livelihoods through sustainable agricultural practices. In addition, since 2022, Bel has been supporting new carbon sequestration projects, such as its partnership with forestry cooperative **Alliance Forêt Bois (AFB)**, by planting trees in France with the ambition of placing biodiversity at the center of the projects. It is also financing wildlife conservation projects in Africa’s largest natural parks, through the **African Park** NGO.

- **Use water sustainably**

Bel seeks to constantly reduce the water consumption required for its activities and to improve the quality of its discharges, through the use of efficient technologies. The Group has set **targets to address water and climate challenges** and guidelines to achieve them by:

- Implementing the Wasabel (“Water Saving at Bel”) **program to reduce water consumption at production by 55% in 2025** (vs. 2008)
- **Reducing water consumption linked to agricultural production**

2.6. Improve the accessibility and affordability of its products



Bel aims at making **product accessibility and affordability one of its strategic priorities** by committing to offer quality products to as many consumers as possible everywhere in the world.

To do so, the Group addresses all components of the accessibility by:

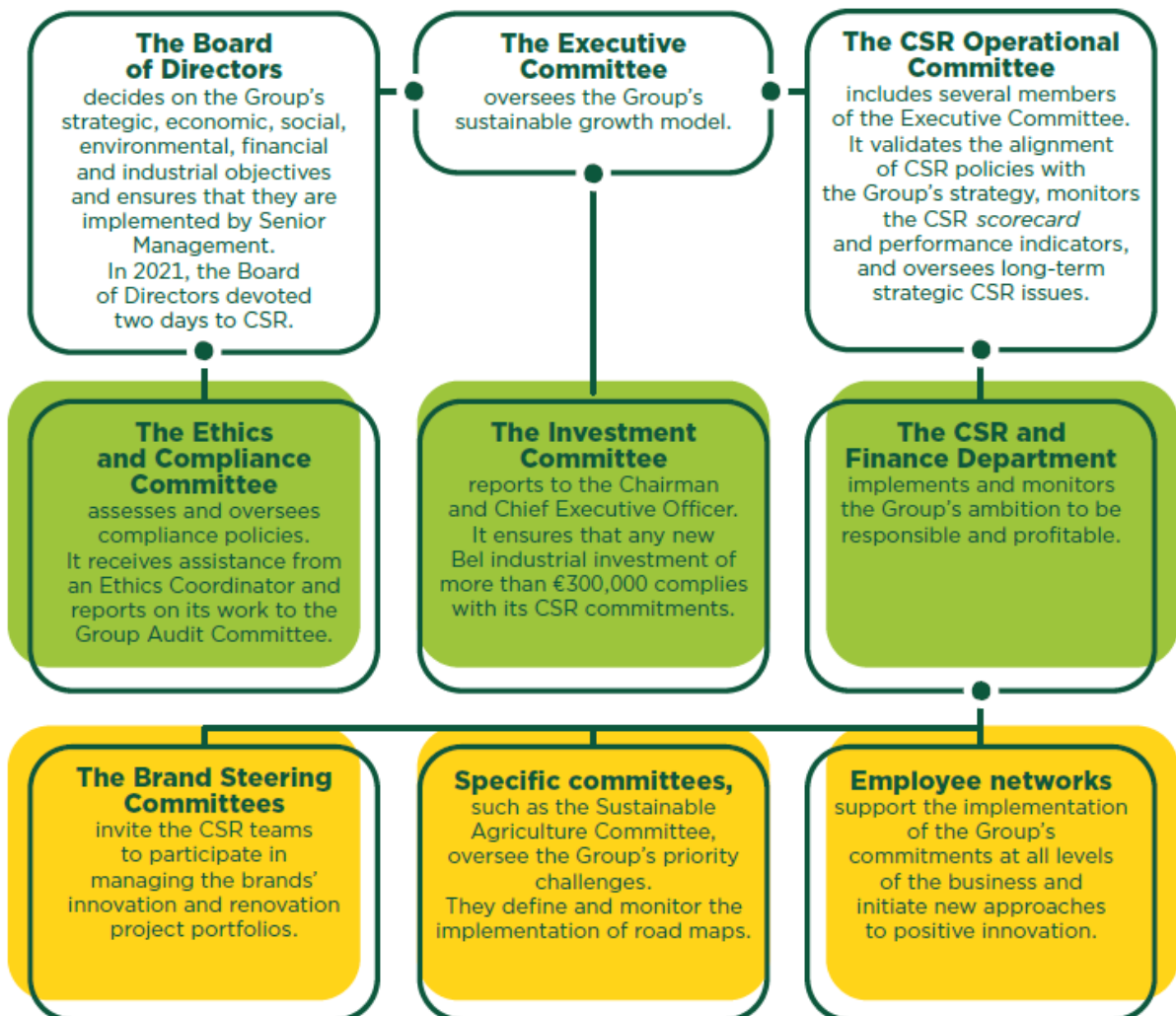
- **Leveraging Bel’s iconic brands to offer the right products to everyone’s needs**
 - Individual portion based model **adapted to all eating consumption habits** (at home, on the go, etc...)
 - Range of products and recipes **addressing the largest number of consumers** but tailored to the specific market needs
 - Development of **plant-based or hybrid products** to meet **new consumer expectations** (such as flexitarian diet)
 - **Democratise organic products**, launch of Babybel, The Laughing Cow & Kiri since 2018
 - **Affordable and enriched products in certain regions** to contribute to a **better coverage of the nutritional requirements** (i.e. vitamin and mineral enrichment)
- **Developing innovative and inclusive distribution models**
 - “Sharing cities”, launched in 2013, a complementary distribution channel leveraging existing networks of **street vendors to sell its products** in five major cities in emerging countries (Ho Chi Minh City, Hanoi, Kinshasa, Mumbai and Antananarivo)

- "Inaya", launched in 2019, a loyalty program opened to existing retailers, offering them **access to health insurance services** designed specifically for them and their families at preferred rates
- New **innovative distribution models** to adapt to new consumption modes:
 - Bel partnered with Subway by adding a GoGo squeeZ® pouch option to the children's menu to offer healthy desserts in the United States and Canada;
 - The Laughing Cow® and Babybel® have partnered with Relay to offer healthy alternatives to the millions of travelers and consumers who visit the store. **Partnerships**
 - Pilot of **bulk sales** with Babybel, allowing both to win over new consumers and reduce packaging

2.7. CSR governance

The Group's structure facilitates the consideration of CSR challenges from the top management to the operational employees.

A governance of ESG issues at all levels of the company



In 2022, in order to more quickly operationalize its CSR commitments and facilitate their monitoring, Bel organized its ecosystem of CSR indicators according to targets and their expected monitoring frequency. Starting with the indicators published in its Non-Financial Performance Declaration (NFPD), which presents the progress of all of its CSR commitments, Bel has selected a limited number of strategic indicators, which are intended to be known by everyone and used at all levels of the organization.

These strategic indicators enable the straightforward and regular measurement of our product offering’s transformation with regard to the key issues of the environmental footprint, recipes and packaging. The strategic indicators are intended to be monitored on the same schedule and reviewed alongside the financial indicators, ensuring that the model is supported by the twin pillars of CSR and finance.

This innovative approach ensures that the CSR commitments are fully taken into account in the Company’s operations and strategy.

Finally, in 2022, the Group published its Positive Impact Index to report on its ability to deliver on its corporate mission and have a positive impact on its ecosystem. A pioneer in the food sector, this single-score index is based on existing indicators and makes it possible to report on Bel’s progress toward its 2035 objectives to its key stakeholders (see Chapter 1 “Integrated Report”).

2.8. Awards



Awarded the **EcoVadis Platinum Medal rating** (the highest level under EcoVadis) **with a score of 81/100**, in recognition of its CSR performances. This award places them in the top 1% of the highest rated companies in the world, in its sector (manufacture of dairy products).



United Nations Global Compact Awarded **best CSR communication¹⁷ in the Global Compact advanced category**, the highest level under the United Nations Global Compact (years 2015 and 2018)



Silver prize 2021 – “Grand Prix de la Good Economie”¹⁸ in the Responsible and ethical organization category for its governance combining Finance & CSR



In 2022, Bel scored **99/100 on the French Gender equality index¹⁹**, a result outlining the Group's gender equality projects and its commitment to the United Nations Sustainable Development Goals, particularly on Goal 5 on gender equality.



Digital Finance Awards - **Winner of the Innovation award** and the **award of the 2022 Year**

¹⁷ [Bel again recognized for its CSR communication by the United Nations Global Compact \(groupe-bel.com\)](https://www.groupe-bel.com)

¹⁸ [Palmarès de la "Good Economie"](#)

¹⁹ Cheese business only

Sirius award in 2022 – thanks to our collaboration with other food manufacturers and retailers to promote healthier baskets, within the Coalition of Consumer Goods Forum “collaborating for healthier lives”.



Terra Nostra Portuguese Brand awarded in May 2023 by **Premio Nacional Agricultura 2022** in the regenerative agriculture category



Silver Award (Health & safety) - 2023 Royal Society for the Prevention of Accidents (ROSPA)



KPMG Prix des 100 Jours: ESG Prize awarded to Cécile Béliot, Bel CEO



LSA Trophées in 2022 for Climat Fresk deployment and BeLowCarbon strategy and for Kiri® Organic in 2023



Trophée du CODIR « Activiste » awarded to Bel CEO Cécile Béliot during the 11th Cérémonie de Remise des Trophées des CoDir

3. Sustainability-linked financing Framework

By establishing this Sustainability-Linked Financing Framework (the “Framework”), Bel aims to **reinforce its commitments to sustainability**, and **explicitly commits to address relevant, core and material sustainability issues**.

The **Framework aims at covering debt instruments such as bonds, schuldschein, loans & facilities, and any other financing instruments** whose characteristics are **linked to sustainability performance targets** (together the “Sustainability-Linked Financing Instruments”).

The economic terms of Sustainability-Linked Financing Instruments can vary depending on whether the issuer achieves predefined sustainability performance targets, defined in section 3.2. Unless otherwise stated, the proceeds of such Sustainability-Linked Financing Instruments are intended to be used for general corporate purposes.


This **Framework has been established in accordance with the Sustainability-Linked Bond Principles 2023** (“SLBP 2023”)²⁰ as administered by the ICMA and the **Sustainability-Linked Loan Principles 2023** (“SLLP 2023”)²¹ as administered by the LMA, and their five core components:

- 1) Selection of Key Performance Indicators (KPIs)
- 2) Calibration of Sustainability Performance Targets (SPTs)
- 3) Financing characteristics
- 4) Reporting
- 5) Verification

²⁰ ICMA SLBP 2023: [Sustainability-Linked-Bond-Principles-June-2023](#)

²¹ LMA SLLP 2023: [Sustainability-Linked-Loan-Principles-2023Sustainability-Linked Loan Principles 31 March 2022](#)

3.1. Selection of Key Performance Indicator (KPI)

KPI #1	Absolute Scopes 1 and 2 GHG emissions
Definition	 <p>Bel's carbon footprint emissions have been calculated in accordance with the Greenhouse Gas Protocol²² guidelines.</p> <ul style="list-style-type: none"> • Scope 1: direct emissions from burning the fossil fuels (oil, gas and coal) used in the Group's plants or generated by refrigerant leaks from facilities; this scope includes emissions from vehicles owned or controlled by the Group • Scope 2: indirect emissions associated with the purchased production of electricity, heat and refrigeration
Alignment to the UN SDGs	Contributes to UN SDG 13 -Climate Action- and UN SDG 7 -Affordable & Clean Energy-
Alignment to the objectives defined by the EU Taxonomy Reg.	Objective 1: Climate Change Mitigation
Perimeter	<p>Bel's Scopes 1 and 2 carbon footprint assessment encompasses all Group's operational units (corporate offices, plants, transport) controlled by the Group^{23,24}</p> <p>The indicator is calculated annually. It measures the annual variation rate at constant scope compared to the 2017 baseline, <i>pro forma</i> to take into account the changes in the Group's perimeter following disposals and acquisitions. Such changes will be reflected (i) with respect to disposals, in the ESG reporting following the year of disposal and (ii) with respect to acquisitions, once data is available for such acquisition²⁵. The methodology applied to KPI#1 calculation is detailed in Bel Annual Report document.</p>
Rationale	<p>In 2021, the Group decided to accelerate the reduction of its carbon footprint and adopted a +1.5°C trajectory, validated by the SBTi in March 2022. Bel commits to reduce absolute GHG emissions on Scopes 1 & 2 by 75.6% by 2035 from a 2017 base year. To help meet this goal, the Group aims at reducing its GHG emissions as much as possible through a two-pronged approach:</p> <ol style="list-style-type: none"> 1) reduce the energy footprint of industrial sites: ESABEL ("Energy Saving at Bel") program enabling production sites to monitor their consumptions levels, to define and put in place roadmaps to reduce them (e.g. energy recovery using heat pumps) 2) increase the use of renewable energy (biomass boiler, Photovoltaic panels, etc.) <p>With this approach, the Group was already able, between 2017 and 2022, to reduce by 28.5% its GHG emissions and, in 2022, 89% of the electricity and 20% of the total energy consumed by the Group is from renewable sources.</p>
Historical data	

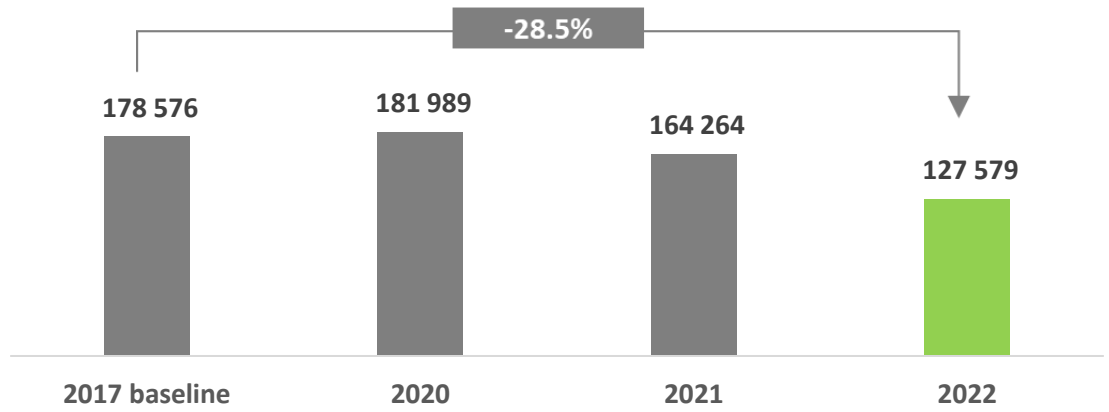
²² <http://ghgprotocol.org/>

²³ Perimeter is aligned each year with the rules defined in BEL's Annual Report Methodological Note – cf. Methodological note in section Corporate Social Responsibility

²⁴ Aligned with GHG protocol methodology, Bel will recalculate its perimeter and baseline in case of any significant structural change occurs (cession or acquisition)


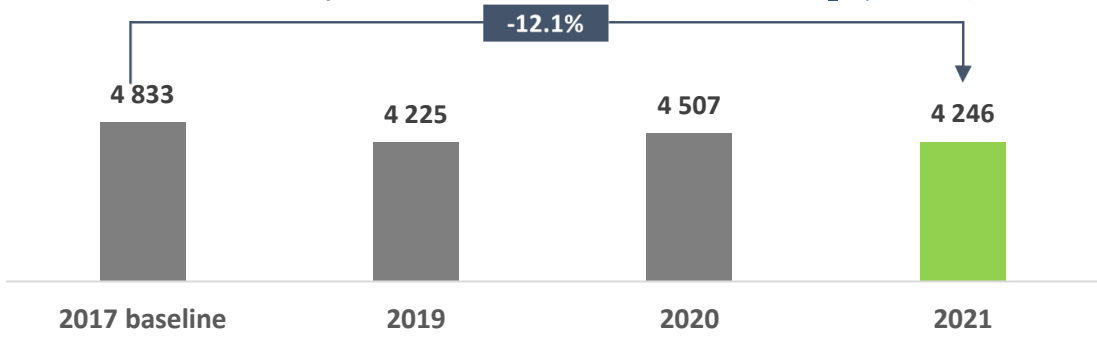
²⁵ And in any case not later than two complete ESG reporting years for all indicators as from the closing of the relevant acquisition




Historical evolution of KPI#1:
Evolution of Scopes 1 and 2 absolute GHG emissions (in tons CO₂ equivalent)



Reporting

Annual reporting, independently assured by the Group's external auditors

KPI #2	Scope 3 GHG emissions										
KPI #2a	Absolute Scope 3 GHG emissions										
Definition	 <p>Bel's absolute carbon footprint emissions have been calculated in accordance with the Greenhouse Gas Protocol²⁶ guidelines.</p> <ul style="list-style-type: none"> • Scope 3: other indirect emissions, in particular raw material purchases, finished product packaging and upstream and downstream transport. 										
Alignment to the UN SDGs	Contributes to UN SDG 13 -Climate Action- and UN SDG 7 -Affordable & Clean Energy-										
Alignment to the objectives defined by the EU Taxonomy Reg.	Objective 1: Climate Change Mitigation										
Perimeter	<p>Bel's scope 3 carbon footprint assessment encompasses all Group's indirect emissions including from upstream and downstream activities^{27,28}</p> <p>The indicator is calculated annually. It measures the annual variation rate at constant scope, <i>pro forma</i> to take into account the changes in the Group's perimeter following disposals and acquisitions. Such changes will be reflected (i) with respect to disposals, in the ESG reporting following the year of disposal and (ii) with respect to acquisitions, once data is available for such acquisition²⁹. The methodology applied to the KPI #2a calculation is detailed in Bel Annual Report document.</p>										
Rationale	<p>At year-end 2021, 4 246 000 tons of CO₂ or 96% of Bel's global GHG emissions are related to the Scope 3. More granularly, 66% are related to raw material purchasing and 15% from upstream and downstream transport.</p> <p>Given the materiality of the raw material scope, Bel is committed to encourage producers to limit the environmental impact of their activities and to promote sustainable practices, notably through the "Sustainable Dairy Upstream" charter. Additionally, the acceleration of the Group's positioning in the fruit and vegetable segment, which has a lower carbon impact, will contribute to reduce its emissions.</p> <p>The Group also optimises the transport processes of its raw materials and finished products to reduce its GHG emissions. The layout of its sites and its logistics flows make it possible to reduce the distances upstream (mostly milk) and downstream (as close as possible to the consumer markets).</p>										
Historical data	<p style="text-align: center;">Historical evolution of KPI#2a: evolution of Scope 3 absolute GHG emissions (in ktons CO₂ equivalent)</p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Scope 3 absolute GHG emissions (in ktons CO₂ equivalent)</th> </tr> </thead> <tbody> <tr> <td>2017 baseline</td> <td>4 833</td> </tr> <tr> <td>2019</td> <td>4 225</td> </tr> <tr> <td>2020</td> <td>4 507</td> </tr> <tr> <td>2021</td> <td>4 246</td> </tr> </tbody> </table> <p>NB: 2019 was an atypical year mainly due to emission factors adjustments on carbon dairy raw material (updated in 2020 with more accuracy)</p>	Year	Scope 3 absolute GHG emissions (in ktons CO ₂ equivalent)	2017 baseline	4 833	2019	4 225	2020	4 507	2021	4 246
Year	Scope 3 absolute GHG emissions (in ktons CO ₂ equivalent)										
2017 baseline	4 833										
2019	4 225										
2020	4 507										
2021	4 246										
Reporting	Annual reporting, independently assured by the Group's external auditors										

KPI #2b	Second carbon diagnostics of dairy farms
Definition	<p>Second carbon diagnostics of dairy farms is defined as the share of supplying dairy farms with a second carbon diagnostic over the total of Bel's supplying dairy farms. Supplying dairy farms carbon diagnostic refers to a comprehensive evaluation process which aims to collect and analyse supplying dairy farms' data on Carbon emissions (inventory of animals, feed purchased, crop rotation, fertilisation practices, etc.). The first diagnostic allows Bel and its partner producers to identify the greatest emissions contributors and to calculate the carbon footprint of the supplier. In addition, workshops are organised to determine the carbon trajectory and relevant action plans. The Group commits to have 100% of its supplying dairy farms with an initial carbon-diagnostic by 2025. The second diagnostic is a key element of this transition journey, as it allows measuring the impact of the action plans implemented and identifying next steps.</p> <p> In France and in the US, local tools that measure farms' carbon impact exist and are used, respectively called Cap'2ER and Farm Environmental Stewardship. Expert technicians collect farms' data and work with Bel to consolidate it at Group level.</p> <p> In countries where a local tool does not exist, the Group resorts to the Cool Farm tool (created in 2010) developed by the Cool Farm Alliance. Assessments can either be performed by Bel's technicians, which is the case in Portugal mainland and Azores and Iran, or by external parties, which is the case in Poland and Slovakia. In Canada, the local cooperative, the PLQ, is actually developing its own carbon strategy and tool.</p> <p></p>
Alignment to the UN SDGs	Contributes to UN SDG 13 -Climate Action-
Alignment to the objectives defined by the EU Taxonomy Reg.	Objective 1: Climate Change Mitigation
Perimeter	<p>1,200 producers and collection centres ³⁰</p> <p>The indicator is calculated annually. It measures the annual share at constant scope, pro forma to take into account the changes in the Group's perimeter following disposals and acquisitions. Such changes will be reflected (i) with respect to disposals, in the ESG reporting following the year of disposal and (ii) with respect to acquisitions, once data is available for such acquisition³¹). The methodology applied to the KPI#2b calculation is detailed in Bel Annual Report document.</p>
Rationale	Bel collects more than one billion litres of milk per year from approximately 1,200 producers or collection centres over 9 dairy supply basins (France -Pays de la Loire and

²⁶ <http://ghgprotocol.org/>

²⁷ Perimeter is aligned each year with the rules defined in BEL's Annual Report Methodological Note – cf. Methodological note in section Corporate Social Responsibility

²⁸ Aligned with GHG protocol methodology, Bel will recalculate its perimeter and baseline in case of any significant structural change occurs (cession or acquisition)

²⁹ And in any case not later than two complete ESG reporting years for all indicators as from the closing of the acquisition

³⁰ Perimeter is aligned each year with the rules defined in BEL's Annual Report Methodological Note – cf. Methodological note in section Corporate Social Responsibility

³¹ And in any case not later than two complete ESG reporting years for all indicators as from the closing of the relevant acquisition

	Normandie-, Portugal, Azores, Poland, Slovakia, Iran, USA, Canada). Supplying dairy farms can be direct producers, associations of producers or co-operatives based in countries where the Group manufactures its cheese from liquid milk (e.g. the US, France, Portugal, Slovakia, amongst others). At year-end 2021, 52% of Bel's raw material emissions are related to the supply of milk . The goal of the carbon audits is to identify the main sources of emissions for each farm (enteric fermentation, feed production, manure & grazing management, and energy use) so that a specific and tailored action plan can be put into place to reduce those emissions . These tailored action plans are co-constructed by both the farmer and the technician and are aiming at reinforcing the producer resilience. A second diagnostic is expected to be completed three to five years after the first one, to measure the progress made.									
Historical data	<p style="text-align: center;">Historical evolution of KPI #2b: evolution of the share of supplying dairy farms with a second carbon diagnostic</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center;">n.a.</td> <td style="text-align: center;">0%</td> </tr> <tr> <td></td> <td style="text-align: center;">2021</td> <td style="text-align: center;">2022</td> </tr> <tr> <td style="text-align: right;">Share with at least a 1st diagnostic</td> <td style="text-align: center;">64%</td> <td style="text-align: center;">75%</td> </tr> </table>		n.a.	0%		2021	2022	Share with at least a 1 st diagnostic	64%	75%
	n.a.	0%								
	2021	2022								
Share with at least a 1 st diagnostic	64%	75%								
Reporting	Annual reporting, independently assured by the Group's external auditors since 2020									

KPI #3	Nutrition score
Definition	<p>Nutrition score is defined as the number of products in the <i>Children & Family</i> portfolio aligned with Bel's internal nutritional scoring system Nutri+ over the <i>Children & Family</i> total product volumes (in %).</p> <p>Bel has been deploying since 2017 the Bel Nutri+ score, based on the nutritional recommendations of the World Health Organization (WHO). This system aims to structure Bel's nutritional approach for product development by setting thresholds per product category (cheese, milk, yogurt, salty snacks, sweet snacks) and per target (adults, children) for six nutrients:</p> <ul style="list-style-type: none"> ● nutrients to be favoured: calcium, proteins; ● nutrients to be limited: fat, saturated fatty acids, added sugars, salt.
Alignment to the UN SDGs	Contributes to UN SDG 2 -No hunger and reducing malnutrition in all its forms-, UN SDG 3 -Good Health & Well-being- and SDG 12 -Responsible consumption and production-
Alignment to the objectives defined by the EU Taxonomy Reg.	Not Applicable
Perimeter	Bel Nutri+ scoring applies to products in the Children & Family portfolio (Kiri, The Laughing Cow, Babybel, Nurishh), worldwide ³² .

³² Perimeter is aligned each year with the rules defined in BEL's Annual Report Methodological Note – cf. Methodological note in section Corporate Social Responsibility



	The indicator is calculated annually. It measures the annual share at constant scope, pro forma to take into account the changes in the Group's perimeter following disposals and acquisitions. Such changes will be reflected (i) with respect to disposals, in the ESG reporting following the year of disposal and (ii) with respect to acquisitions, once data is available for such acquisition ³³). The methodology applied to the KPI#3 calculation is detailed in Bel Annual Report document.												
Rationale	The nutritional quality of food is a growing concern for public health authorities and consumers alike, while problems of overweight and obesity affect a large number of adults and children throughout the world . The <i>World Health Organization (WHO)</i> has identified actions that the food industry can take to improve population nutrition and create healthier food environments ³⁴ , such as: <ul style="list-style-type: none"> • reformulating products to reduce nutrients of concern, • ensuring that healthy and nutritious choices are available to all consumers Bel is determined to tackle this ambitious challenge. Corroborating this ambition, a study led by Informas, an international network which assessed commitments and targets of food manufacturers ³⁵ , attributed Bel the highest ranking for “ Corporate population nutrition strategy ” in France.												
Historical data	<p style="text-align: center;">Historical evolution of KPI#3: share of Nutri+ aligned products in the Children & Family portfolio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Share of Nutri+ aligned products (%)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>60%</td> </tr> <tr> <td>2019</td> <td>69%</td> </tr> <tr> <td>2020</td> <td>72%</td> </tr> <tr> <td>2021</td> <td>72%</td> </tr> <tr> <td>2022</td> <td>72%</td> </tr> </tbody> </table> <p>NB: In 2017, 60% of the Children & Family portfolio correspond to 46% of the total portfolio.</p>	Year	Share of Nutri+ aligned products (%)	2017	60%	2019	69%	2020	72%	2021	72%	2022	72%
Year	Share of Nutri+ aligned products (%)												
2017	60%												
2019	69%												
2020	72%												
2021	72%												
2022	72%												
Reporting	Annual reporting, independently assured by the Group's external auditors												

3.2. Calibration of the Sustainable Performance Target (SPT)

SPT #1	Reduction of absolute Scopes 1 and 2 GHG emissions
SPT	Bel is committed to reduce its Scopes 1 and 2 emissions by 75.6% by 2035 from a 2017 base year.
Target observation date	To achieve this commitment, intermediate targets are set as follows from a 2017 base year – <i>Carbon reduction trajectories should not be seen as linear:</i> Target observation date December 2026: <ul style="list-style-type: none"> • Objective 2026: -30.8%³⁶

³³ And in any case not later than two complete ESG reporting years for all indicators as from the closing of the relevant acquisition

³⁴ World Health Organization. Global Strategy on Diet, Physical activity and Health, 2004

³⁵ [“Food companies’ commitments and practices on food environments and population nutrition in France”](#)

³⁶ 123,600 tons CO₂ equivalent (estimated value as at the date of the Framework on the Issuer's website)

	<ul style="list-style-type: none"> • Publication in the Annual Report as of December 2026 <p>Target observation date December 2028:</p> <ul style="list-style-type: none"> • Objective 2028: -38.7%³⁷ • Publication in the Annual Report as of December 2028 <p>Target observation date December 2035:</p> <ul style="list-style-type: none"> • Objective 2035: -75.6% t³⁸ • Publication in the Annual Report as of December 2035
Base year	2017
Base line	178 576 tons CO ₂ equivalent
Means to achieve SPTs	<p>Bel is deploying various reduction measures to tackle the sources of Scopes 1 & 2 GHG emissions, including, but not limited to:</p> <ul style="list-style-type: none"> • Reduce energy consumptions and improve energy efficiency, by investing in production sites to reduce their environmental footprint. The ESABEL programme allows each site to access a compendium of good practices, monitor its consumption levels and define action plans to reduce them. A clear 5-year roadmap has been defined in Q1 2022 based on the experiments and assessment of the carbon reduction enabled by known technologies and on Bel's ability to invest on specific levers. For example, Bel is increasing the energy efficiency of its plants, with the installation of heat pumps (two commissioned in 2022 in Dole), and transitioning to renewable forms of energy. <ul style="list-style-type: none"> • Further increase the use of renewable energy and grow its share within Bel's energy-mix (89% of electricity from renewable sources in 2022). In 2023, The installation of biomass boilers continues (three have already been installed, two are under construction in 2023, and two are under study), as does the installation of photovoltaic collectors. Two sites, in Vietnam and the Azores, are already equipped, and a project is under study for Pacy-sur-Eure. Biomass technology has an important potential of carbon reduction and will be deployed as much as possible among other technology such as solar panel. • Purchase of renewable energy, in 2022, Bel has substantially increased its sourcing of renewable energy through Renewable Energy Certificates (RECs)

SPT #2	Scope 3 GHG emissions
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SPT #2a	Reduction of absolute Scope 3 GHG emissions
SPT	Bel commits to reduce absolute Scope 3 GHG emissions 25% by 2035 from a 2017 base year.
Target observation date	<p>To achieve this commitment, intermediate targets are set as follows from a 2017 base year - <i>Carbon reduction trajectories should not be seen as linear:</i></p> <p>Target observation date December 2030:</p> <ul style="list-style-type: none"> • Objective 2029: -16.0% ³⁹ • Publication in Annual Report as of December 2030 <p>Target observation date December 2036:</p>

³⁷ 109,500 tons CO₂ equivalent (estimated value as at the date of the Framework on the Issuer's website)

³⁸ 43,600 tons CO₂ equivalent (estimated value as at the date of the Framework on the Issuer's website)

³⁹ 4 059 359 tons CO₂ equivalent (estimated value as at the date of the Framework on the Issuer's website)



	<ul style="list-style-type: none"> Objective 2035: -25.0%⁴⁰ Publication in Annual Report as of December 2036
Base year	2017
Base line	4 833 ktons of CO ₂ equivalent
Means to achieve SPTs	<p>Bel is deploying various reduction measures to tackle the sources of Scope 3 GHG emissions, including, but not limited to:</p> <ul style="list-style-type: none"> Avoid GHG emissions through stopping deforestation linked to the soy and palm meal used in dairy cow feed, the plant-based oils in some of our recipes, and the paper and cardboard in its packaging Reduce indirect emissions from farm to fork starting with: <ul style="list-style-type: none"> Raw materials especially dairy upstream (c. 67% of global emissions) through low carbon practices such as developing free grazing, regenerative farming practices, reducing enteric emissions via feed supplements Accelerating the development of plant-based raw materials Transport (second biggest impact) through levers like increasing fill rate of the trucks, optimizing product density, or using Biodiesel and non-fossil origin fuel Reinventing its packaging into more responsible packaging by adopting an eco-conception approach with levers like switching aluminium and plastic with plant-based material, or minimizing headspace

SPT #2b	Carbon diagnostic: share of dairy farms with a second carbon diagnostic
SPT	Bel commits to have, by 2028, 80% of dairy farms carbon-diagnosed at least twice. In addition, Bel tends to have 100% of farms by a second diagnostic by 2032.
Target observation date	<p>To achieve this commitment, intermediate targets are set as follows:</p> <p>Target observation date December 2026:</p> <ul style="list-style-type: none"> Objective 2026: 60% of farms carbon-diagnosed at least twice Publication in Annual Report as of December 2026 <p>Target observation date December 2028:</p> <ul style="list-style-type: none"> Objective 2028: 80% of farms carbon-diagnosed at least twice Publication in Annual Report as of December 2028
Means to achieve SPTs	<p>Bel is deploying different measures to reach this goal:</p> <ul style="list-style-type: none"> Bel technicians or local external third party are trained to perform diagnostic and develop action plans Generic tools are developed by headquarters team to support local team to put in place low carbon practices at farm level Carbon diagnostic realization may be part of local milk team bonus, as in France and Portugal Farmers are sensitized to environmental issues so as to stress their impact and how the resilience of their farms can be improved After the first diagnostic, the second diagnostic is expected to be completed three to five years after the first one, to measure the progress made. <p>Additionally, this carbon diagnostic policy, by enabling to establish the baseline for GHG at Dairy farms level will be a key contributor of Bel's scope 3 reduction ambition. It will also allow Bel to implement, in coordination with each farmer, tailored GHG reduction</p>

⁴⁰ 3 624 428 tons CO₂ equivalent (estimated value as at the date of the Framework on the Issuer's website)

	plans. Results of these plans will be subsequently measured through a second diagnostic (three to five years after the initial one), highlighting the importance of this second one.
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SPT #3	Nutrition score: share of the <i>Children & Family</i> portfolio products aligned with Nutri+ nutrition scoring
SPT	Bel is committed to reach, by 2028, 83% of Nutri+ aligned products in the <i>Children & Family</i> portfolio, which corresponds to more than 60% of the global portfolio.
Target observation date	To achieve this commitment, intermediate targets are set as follow: Target observation date December 2026: <ul style="list-style-type: none"> ● Objective 2026: 81% ● Publication in Annual Report as of December 2026 Target observation date December 2028: <ul style="list-style-type: none"> ● Objective 2028: 83% ● Publication in Annual Report as of December 2028
Means to achieve SPTs	To reach this ambitious target from the 2017 starting point (60% of products in the <i>Children & Family</i> portfolio aligned with Nutri+ nutrition scoring) or 46% of the global portfolio) various product development initiatives are taken by the Group, such as: <ul style="list-style-type: none"> ● changing existing recipes by: <ul style="list-style-type: none"> – favouring calcium and proteins; – limiting fat, saturated fatty acids, added sugars, and salt. ● Make plant-based products compliant with Nutri+: <ul style="list-style-type: none"> – strengthen and expand Nurishh, the Group's first veggie brand, which currently offers a range of 11 products distributed in 17 countries – accelerate hybrid or purely plant-based innovations on several core brands

3.3. Financing Characteristics

The proceeds of Bel Group’s sustainability-linked financings will be used for general corporate purposes, including for the potential refinancing of existing debts as may be specified in the terms and conditions of the particular issuance.

The financial characteristics of the instrument (bond, loan, etc.) will be impacted by a step-up coupon, or a premium payment, or margin adjustment depending on the nature of the instrument according to the achievement or non-achievement of the selected KPIs and applicable SPTs at the Target Observation Dates, as specified in the relevant instrument specific documentation as applicable. Certain Sustainability-Linked instruments (such as Sustainability-Linked loans) might include also step-down margin applicable in case the relevant SPTs are timely reached by Bel.

Although this Framework defines several KPIs and SPTs, the choice of KPI(s) and SPT(s) for a given transaction will be specified in the relevant documentation. However, Bel commits to always use KPI #1 in conjunction with either KPI #2a or KPI #2b, and with KPI #3.

In addition, in the case that the KPI does not achieve the respective SPT, a so-called Trigger Event will occur, which will result in an impact on the financial performance of the instrument. The implications on the financial performance of the Sustainability-Linked Instruments in case of a Trigger Event can occur in the following variations:

- The KPI-Step-Up Margin applicable to the rate of interest for the following interest periods
- One-time KPI-Premium Payment to investors on the redemption date

3.4. Reporting

Bel Group commits to make publicly available the performance of the KPIs, at least annually within its Annual Financial Report⁴¹, or within any other document on the Sustainability Performance of Bel, until all Sustainability-linked instruments have matured. In either case within 120 calendar days of the end of each calendar year to enable investors to monitor Bel's progress against the relevant KPIs and SPTs.

The disclosed information will entail:

- The up-to-date performance of the SPT on the KPI for the reporting period. The report will also include calculation methodology and baseline;
- The impact on the coupon adjustment amount or premium payment (if any) as well as the calculation methodology used;
- Any significant impact on Bel's sustainability strategy or any recent announcements, strategic decisions and funds mobilized that could affect the achievement of any of the SPTs targeted;
- Any re-assessments of SPTs due to any changes to the calculation methodology for a SPT or any adjustments of scope, if relevant. Bel's Annual Financial Report will be available on its website.

3.5. External Verification

1) External verification of the Framework

Bel Group has appointed Moody's ESG to provide an independent Second Party Opinion report ("SPO") on the evaluation of this Framework and its alignment with the SLBP⁴² and the SLLP⁴³. The SPO will be made publicly available on Bel's corporate website.

2) External verification of the Annual Reporting

⁴¹ Annual Financial Report issued pursuant to Article L.451-1-2 I and II of the French Monetary and Financial Code

⁴² ICMA SLBP 2020: [Sustainability-Linked-Bond-Principles-June-2020](#)

⁴³ LMA SLLP 2022: [Sustainability-Linked Loan Principles 31 March 2022](#)

An annual verification assurance report conducted by an independent external auditor will be made available to provide assurance on Bel’s performance of the KPI.

3) External verification as of Target Observation Date(s)

A verification assurance report by an independent external auditor outlining the performance against the SPT will be provided and made publicly available for the relevant Target Observation Date.

4. Recalculation policy

In the event of any change in:

- (i) the methodology of any KPI to reflect changes in the market practice or the relevant market standards;
- (ii) a regulation which is relevant to the determination of any KPI;
- (iii) the perimeter of the Group as a result of any acquisition or disposal,

where any such change, taken individually or in aggregate, has a significant net impact on the level of any SPT or any KPI baseline, the relevant KPI(s) baseline and/or SPT(s) may be recalculated in good faith by the Issuer to reflect such change provided that an Independent External Verifier has independently confirmed that the proposed revision is in line with the initial level of ambition of the relevant SPT(s).

5. Amendments to this Framework

Bel may review this Framework from time to time to reflect any evolution of its Corporate Social Responsibility strategy. Bell will also review this Framework in case of any major update from section 3, such review will be subject to the prior approval of a qualified provider of a Second Party Opinion.

The updated Framework, if any, will be published on Bel’s website and will replace this Framework.

6. Disclaimer

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