



2020

UNIVERSAL REGISTRATION DOCUMENT

including the Annual Financial Report
and Non-Financial Performance Report



1

PRESENTATION OF ACTIVITIES 3

1.1	Group presentation	4
1.2	Market trends	18
1.3	Markets and activities in 2020	19
1.4	Trends likely to affect production, sales and inventories in 2021	21
1.5	Property, plant and equipment	23

2

RISK FACTORS AND INSURANCE POLICY 25

2.1	Risk management policy	26
2.2	Hierarchy of risks	27
2.3	Risks related to the external environment	29
2.4	Risks related to the business	35
2.5	Financial risks	41
2.6	Insurance and risk coverage policies	42

3

CORPORATE SOCIAL RESPONSIBILITY 43

3.1	Bel: a growth model to champion healthier and responsible food for all	44
3.2	A model that creates value for all its stakeholders	57
3.3	Contributing to healthier food	70
3.4	Promoting sustainable agriculture	75
3.5	Designing responsible packaging	82
3.6	Fighting climate change and reducing its environmental footprint	86
3.7	Improving the accessibility and affordability of its products	100
3.8	Methodological note	102
3.9	Appendix 1: Contributing to the United Nations' Sustainable Development Goals	104
3.10	Appendix 2: Correlation table with the 11 TCFD recommendations	105
3.11	Appendix 3: Summary of environmental data	106
3.12	Report by one of the statutory auditors on the consolidated non-financial performance report	108
3.13	Statutory Auditors' reasonable assurance report on a selection of consolidated non-financial information included in the Management Report	110

4

CORPORATE GOVERNANCE 113

4.1	Governance principles	114
4.2	Remuneration and benefits	128
4.3	Risk management and internal control procedures	136
4.4	Related-party transactions	139

5

FINANCIAL AND ACCOUNTING INFORMATION 143

5.1	Historical financial information	144
5.2	Pro forma financial information	144
5.3	Review of financial position and results	145
5.4	Cash and cash equivalents and capital resources	146
5.5	Financial statements	148
5.6	Verification of annual financial information	235
5.7	Date of latest financial information	237
5.8	Financial information for interim and other periods	237
5.9	Dividend policy	237
5.10	Legal and arbitration proceedings	237
5.11	Significant change in the financial or trading position	238

6

SHAREHOLDING AND SHARE TRANSACTIONS 239

6.1	Shareholding and share capital	240
6.2	Stock exchange	246

7

COMBINED GENERAL MEETING OF MAY 11, 2021 251

7.1	Agenda	252
7.2	Text of the draft resolutions	253

8

ADDITIONAL INFORMATION 257

8.1	Individual responsible for the Universal Registration Document and the Annual Financial Report	258
8.2	Information on the Company	259
8.3	Information on subsidiaries and interests	260
8.4	Material contracts	262
8.5	Documents available	262
8.6	Cross references	263



2020

Universal Registration Document

**including the Annual Financial Report
and Non-Financial Performance Report**



A French limited company
(société anonyme) with share
capital of €10,308,502.50

Registered office:
2 allée de Longchamp,
92150 Suresnes

SIREN No. 542 088 067

Nanterre Trade and Companies
Register



The Universal Registration Document was filed on April 6, 2021 with the AMF, in its capacity as the competent authority under Regulation (EU) No. 2017/1129, without prior approval in accordance with Article 9 of said Regulation.

The Universal Registration Document may be used when securities are offered to the public or admitted to trading on a regulated market if a securities note is added and, where applicable, a summary and all amendments made to the Universal Registration Document. The entire documentation thus established is approved by the AMF in accordance with Regulation (EU) No. 2017/1129. The present Universal Registration Document of the Bel company includes:

- the Annual Financial Report issued pursuant to Article L. 451-1-2 I and II of the French Monetary and Financial Code;
- the Management Report, including Bel's Non-Financial Performance Report approved by the Board of Directors pursuant to Articles L. 225-100 et seq. and Articles L. 225-102-1 et seq. of the French Commercial Code; and

- the Corporate Governance Report prepared in accordance with Article L. 225-37 of the French Commercial Code.

Chapter 8 contains the cross-reference tables between the paragraphs in the Universal Registration Document (Annexes I and II to European Regulation n°2019/980) and those in the Financial Report provided for in Article L. 451-1-2 of the French Monetary and Financial Code as well as those in the Management Report provided for in Articles L. 225-100 et seq. and Articles L. 225-102-1 et seq. of the French Commercial Code.

For the purposes of this report (hereinafter the "Universal Registration Document"), unless otherwise stated, the terms "Bel" or "Company" refer to the Bel company and the terms "Group" or "Bel Group" refer to the Bel company and its consolidated subsidiaries.

This is a translation into English of the universal registration document of the Company issued in French and available on its website.



The Laughing Cow® 4 Essentials is a new recipe of The Laughing Cow, enriched with 4 nutrients that address the main deficiencies identified in a number of countries of Africa, Middle East and Asia thanks to the recommendations of the WHO and local authorities. In 2020, the product was launched in Algeria, Morocco, and Egypt. In 2021, the product will also be launched in Sub-Saharan Africa, Turkey, Vietnam, soon to be followed by South Africa and the Gulf States.

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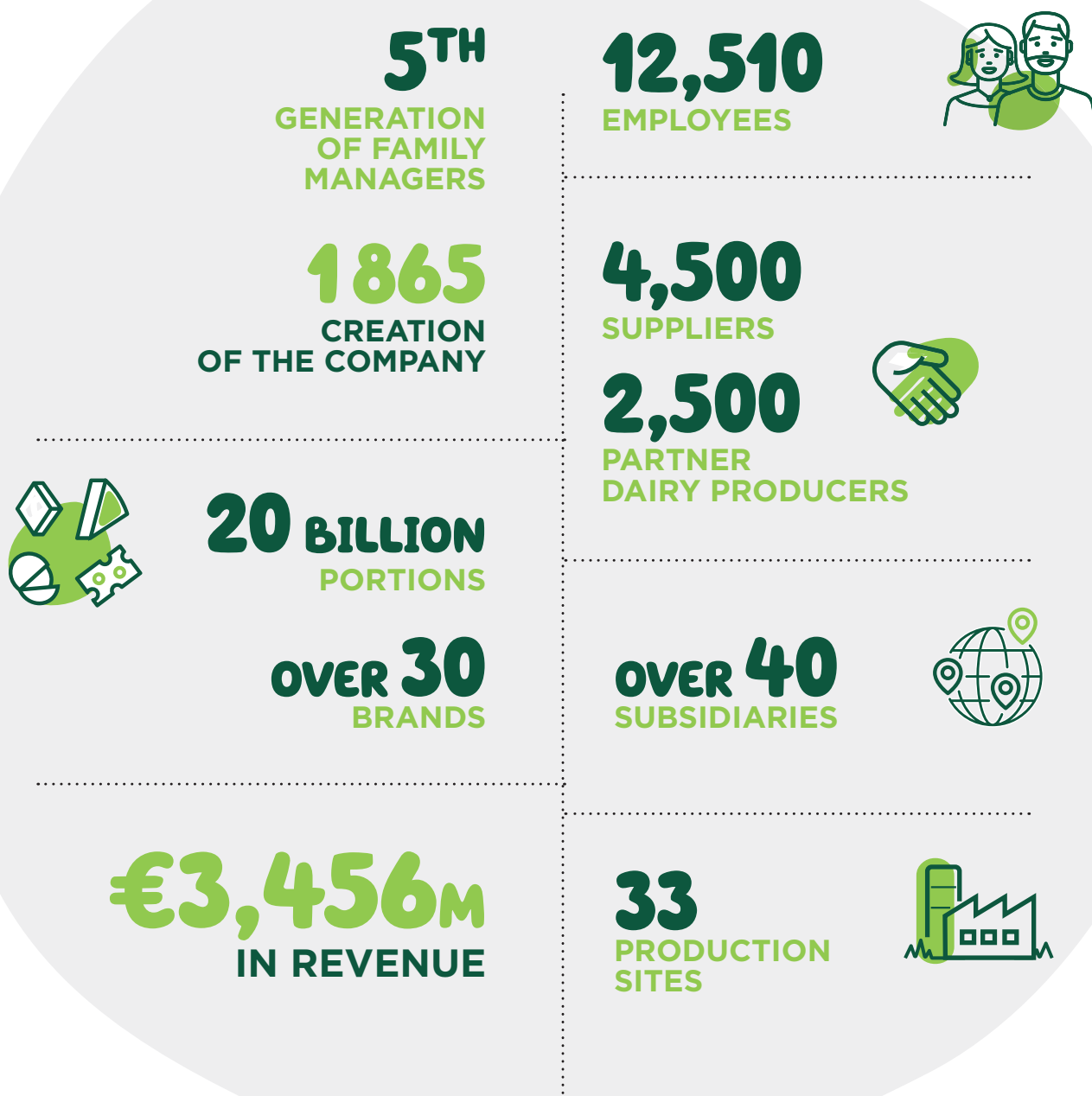
PRESENTATION OF ACTIVITIES

1.1	Group presentation	4	1.4	Trends likely to affect production, sales and inventories in 2021	21
1.2	Market trends	18	1.5	Property, plant and equipment	23
1.3	Markets and activities in 2020	19			

1.1 GROUP PRESENTATION

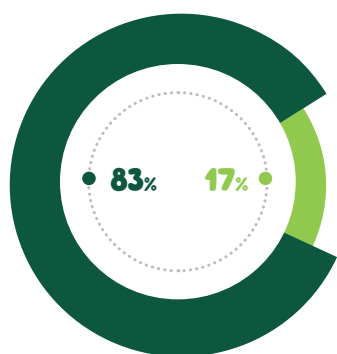
A GLOBAL PLAYER IN HEALTHY, DAIRY, FRUIT AND PLANT-BASED SNACKS

KEY INFORMATION



PRESENTATION OF ACTIVITIES

Group presentation

SEGMENT BREAKDOWN
MATURE MARKETS /
NEW TERRITORIES

NEW
TERRITOIRES
591 M€

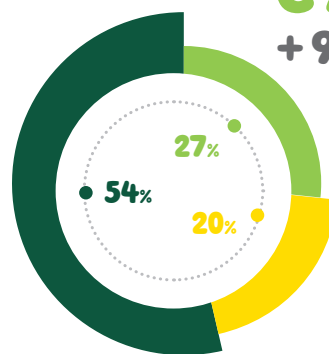
MATURE
MARKETS

€2,864M

BREAKDOWN
BY GEOGRAPHICAL AREA

AMERICAS,
ASIA-PACIFIC

€920M
+ 9.5%*



EUROPE

€1,858M
+ 1.9%*

MIDDLE EAST,
GREATER AFRICA

€678M
- 3.1%*

* Organic growth between 2019 and 2020.

HIGHLIGHTS OF 2020

Publication of
the biodiversity policy
**CO-CONSTRUCTED
WITH WWF FRANCE**

128

RECIPES
REFORMULATED

Signature of the
Consumption Dates Pact
TOO GOOD TO GO

OUR BUSINESS MODEL CREATES VALUE FOR ALL

Since 1865, we have relied on...

OUR RESOURCES

ICONIC BRANDS

recognized throughout the world

MEN AND WOMEN

promoting recognized unique know-how

OUTSTANDING INDUSTRIAL SITES

with strong regional ties

NETWORKS

of partners who are committed to working with us and whom we support

NATURAL RESOURCES

with a consumption that is decreasing year after year

A SOLID, STABLE FAMILY STRUCTURE

that provides regular financial resources

A portfolio of more than **30 brands**

12,510 employees in more than **40** subsidiaries

Industrial know-how deployed in **33 industrial sites** and **16 countries**

Developed **territories** (infrastructures, networks, etc)

2,500 partner dairy producers and **69%** of purchases made from suppliers with an average Ecovadis supplier score of **52/100**

More than **6,000 customers** / retailers in **120 countries** generating **€3.5bn** in revenue

Coalitions of stakeholders, communities and expert associations

Water consumption / **6.48m³** per ton produced

96% of paper-based packagings are certified and/or contain more than **85%** of recycled fibers

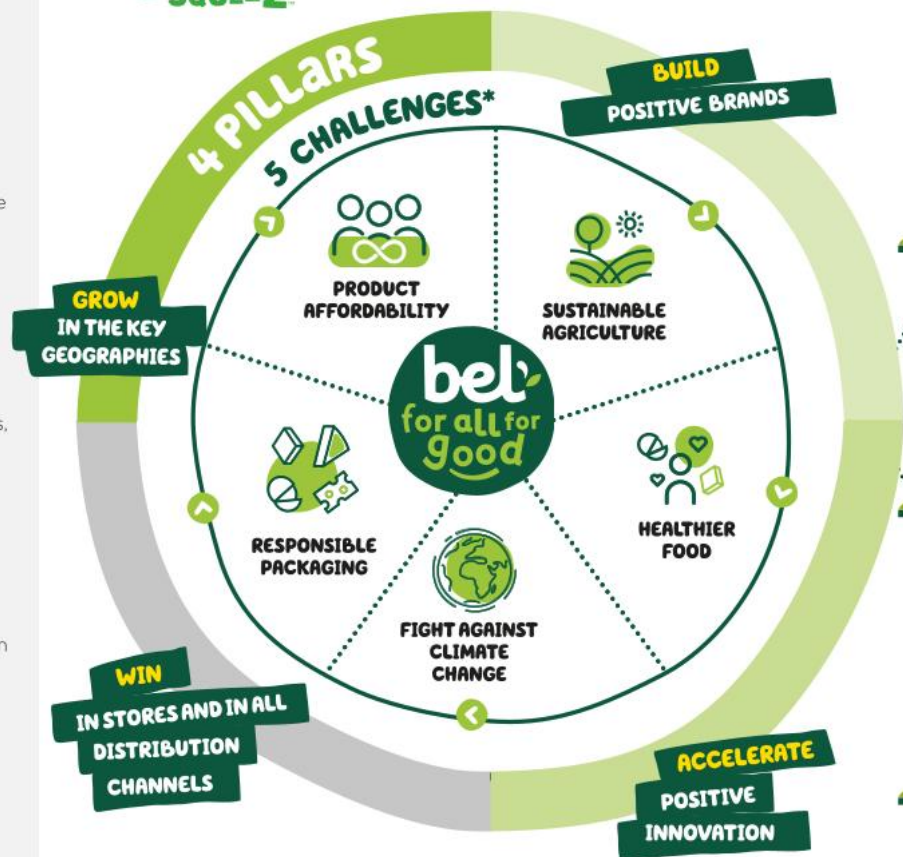
0.72 MWh PCI / metric tons produced

Healthy soils, rich biodiversity (Regenerative agriculture)

5th generation of family shareholder-managers

€820m in undrawn credit lines and **€1,800m** in equity

OUR STRATEGY



* Identified by materiality and risk analyses.

OUR VALUES
DARE, COMMIT
AND CARE.

OUR ETHICAL PRINCIPLES

OUR MISSION
TO CHAMPION HEALTHIER
AND RESPONSIBLE
FOOD FOR ALL

PRESENTATION OF ACTIVITIES

Group presentation

OUR ACTIVITIES

Bel produces healthy, responsible and affordable food for everyone, everywhere, at any time, by offering consumers around the world portioned snacks and culinary solutions, allowing them to enjoy the benefits of dairy, fruit and plant-based products.



OUR AMBITION A RESPONSIBLE AND PROFITABLE COMPANY

OUR IMPACTS

OUR CONTRIBUTION

For our employees

Competitive salaries and benefits, a safe working environment, and a healthy lifestyle

31 subsidiaries with an employee program ("Healthy smiles")

For our consumers

Healthier food for all
Six nutrition education programs, especially for children

For our customers

Innovative distribution models for 7,500 street vendors and Moroccan grocers and a presence in over 120 markets

For our partners

Sustainable and responsible relations throughout the value chain

For the planet

Clean water (more than €6m/year for wastewater treatment), renewable energy (47% of electricity from renewable sources) and recyclable-ready and/or biodegradable packaging (82%)

For our shareholders

Recurring dividend and regular growth

For NGOs and scientific experts

Our experience and our data

For our communities and institutions

Support for the territories and taxes paid in 26 states, representing 30% of income

OUR RISKS

Corruption, human rights abuses and tax evasion

Quality, food safety and product regulation

Image and reputation

Accessible and affordable products for all

Raw materials price volatility

Partner producers relationship management

Climate change

Sustainability of natural resources and responsible packaging

Geopolitical environment and geographic breakdown of our activities

OUR AMBITIONS FOR 2025

For our employees

- 100% of employees completed at least one training course during the year
- Working towards zero accidents
- 100% of subsidiaries have set up nutrition education programs for their employees

For our consumers

- 80% of product volumes for children and families comply with the "Bel Nutri+" promise

For our partners

- Our partners have an average Ecovadis score of 55
- 100% of partner dairy producers have access to innovative societal schemes
- 80,000 participants in inclusive business programs

For the planet

- Carbon neutrality of our operations (Scopes 1 and 2) and 27.5% reduction in our GHG emissions (Scopes 1, 2 and 3) in 2030 (versus 2017) per metric ton of finished product
- - 80% water consumption per ton of finished product versus 2008
- 100% of key commodities deforestation-free
- 100% of packaging recyclable-ready and/or biodegradable

To sustain our activities

- results that allow us to support our territories, invest in the preservation of our resources and participate in "well-being" for all

PRESENTATION OF ACTIVITIES

Group presentation

KEY FINANCIAL INFORMATION ^(a)

(in millions of euros)	2020	2019	Variation
REVENUE	3,456	3,403	1.5%
Gross margin	1,008	969	3.9%
Gross margin (as a % of revenue)	29.2%	28.5%	2.3%
OPERATING INCOME	245	211	16.1%
of which: current operating income	263	237	11.0%
other non-current income and expenses	(18)	(26)	-29.6%
OPERATING MARGIN ^(b)	7.1%	6.2%	14.3%
NET INCOME	153	124	23.1%
of which: Group share	144	121	18.4%
non-controlling interests	9	3	224.5%
diluted per share (in euros)	21.18	17.88	18.4%
TOTAL EQUITY INVESTED	2,443	2,494	-2.1%
of which: equity – Group share	1,768	1,716	3.0%
non-controlling interests	91	94	
net financial debt	584	684	
Cash flows			
From operating activities	386	309	
From investing activities	(178)	(150)	
From financing activities	(21)	(77)	
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	187	82	

(a) The other financial and accounting information, as well as the detailed financial statements, are presented in Chapter 5.

(b) Operating margin is the ratio of operating income divided by revenue.

1.1.1 GROUP PROFILE

Bel is a French family-owned agri-food group, created in the Jura region of France in 1865. It is currently led by Antoine Fiévet, the fifth generation of family managers.

More than 150 years old, Bel is one of the global leaders in the branded cheese sector and a major player in healthy snacks. The Group sells its products in individual portions in three complementary fields: dairy, fruit and plant-based. It boasts a portfolio of international, positive and affordable brands, such as The Laughing Cow®, Kiri®, Mini Babybel®, Leerdammer®, Boursin®, Pom'Potes® and GoGo squeeZ®, as well as around 30 local brands.

Driven by its mission to “champion healthier and responsible food for all”, its values - dare, care and commit - and through the mobilization of its 12,510 “activist” employees, Bel intends to help build the food of the future: healthy, sustainable and inclusive. For this, it relies on a business model that creates value for all, and in which responsibility and profitability are inseparable.

The Group is present in 120 countries, with around 40 subsidiaries and 33 production plants throughout the world.

1.1.2 A BUSINESS MODEL CREATING VALUE FOR ALL

Bel offers consumers the goodness of dairy, fruit and plant products through safe, high-quality products. The Group aims to have a positive impact on all of its stakeholders, from farmers to consumers, while protecting the planet.

In 2003, the Group joined the United Nations Global Compact, thereby confirming its commitment to sustainable development. Since then, every year, in its “Communication on Progress” report, Bel reviews the initiatives and progress made by the Group to contribute to the 10 principles of the Compact, such as human rights, international working standards, environmental protection and the fight against corruption.

In 2016, the Group structured its approach to place corporate social responsibility and shared value creation (creation of underlying value by a company that also benefits society at large, by meeting its needs and challenges) 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. For this, the Group adapted its corporate mission to “champion healthier and responsible food for all”, thereby restating its commitment to sustainable and inclusive nutrition.

A year later, Bel unveiled its new corporate identity “*For All. For Good*” and its five priority challenges:

- contributing to healthier food;
- promoting sustainable agriculture;
- committing to responsible packaging;
- fighting climate change and reducing its environmental footprint;
- improving the accessibility of its products.

These were defined on the basis of teachings from the Group's materiality and risk analysis. They have become the base of the Bel Group's sustainable growth model, including concrete commitments out to 2025 and complementing the Group's strategy and its four pillars:

- building positive brands;
- accelerating positive innovation;
- developing in key geographies;
- adapting to tomorrow's distribution channels.

In this way, the Group aims to expand by offering increasingly responsible products that meet consumers' growing expectations for environmentally-friendly, natural foods.

It has also developed Company-specific tools to guide action by Bel employees and its stakeholders:

- the Code of Good business practices, which defines the principles, values and rules of the best business practices that the Group intends to have respected throughout the world and in all circumstances, by its employees when they face ethical questions as part of their professional activity (see section 3.1.5 “Ethics: a common foundation for conducting business”);
- the Sustainable Purchasing Charter presents Bel's commitments to its suppliers. It also defines what the Group expects from them in return, in terms of major social issues such as business conduct, respect of human rights and children's rights, and the fight against corruption (see section 3.1.5 “Ethics: a common foundation for conducting business” and section 3.2.2 “Promoting responsible practices with its business partners”);
- Bel Global Sustainable Upstream Dairy Charter, co-signed by WWF France, guides the Group's practices out to 2025, to answer economic, social and environmental challenges in the dairy industry and changes in consumer expectations for all dairy (supply) basins (see section 3.4.1 “Taking action for a sustainable upstream dairy”);
- the “*Bel Nutri+*” nutritional profile system defines the Group's ambitions to continuously improve the nutritional value of Bel products (see section 3.3.3 “Improving the nutritional quality of its products”);
- the Responsible Communications Charter lists principles to be followed in all types of communication (advertising, packaging, digital), especially when they directly target children under 12 years old; (see section 3.2.3 “Communicating responsibly and transparently with its consumers”);
- the CSR *scorecard* defines the Group's key non-financial indicators out to 2025, aimed at supporting the development of its sustainable growth model.

1.1.3 HISTORY AND SIGNIFICANT EVENTS OF 2020

A company born in the Jura

In 1865, Jules Bel set up his Comté cheese ripening and trading business in Orgelet, in France's Jura region. In 1908, his son Léon Bel took over the business. He then discovered the cheese made by the Graf brothers, located in Dole since 1917. This was a melted gruyère cream packaged in tin cans.

Léon Bel sensed the potential of cheese spread, given its characteristics of being tasty, affordable, easy to carry and easy to store. He thus set out on an industrial adventure, creating "Fromageries Bel" as a limited company in 1922.

More than just a cheese brand, an icon

On 16 April 1921, Léon Bel registered The Laughing Cow® brand – a new product in France for both its original recipe and its texture. In 1924, the Laughing Cow was given its legendary format: an individual triangle shaped portion, wrapped in tin-foil (now replaced by aluminum foil).

From the outset Léon Bel also had the idea of giving the product a personality, and imagined a friendly red cow with a laughing face. He commissioned famous animal illustrator Benjamin Rabier to draw this character. Ever since, The Laughing Cow's original and endearing personality has helped it maintain a close relationship with consumers, both young and old, throughout the world.

Léon Bel was not just a cheese maker. He was a pioneer in the art of communication. In 1923, at a time when publicity alone seemed enough to promote a product, The Laughing Cow took to the streets with funny advertising posters, developing an affectionate relationship with consumers through its original association with everyday objects. In 1950, The Laughing Cow entered consumers' homes through films and advertisements on television, radio and in the cinema, later amassing an on-line community of fans who keep asking why The Laughing Cow... is laughing.

Since its inception in 1921, The Laughing Cow, its image, packaging and advertising have been constantly modernized to satisfy consumers' new aspirations. For almost 100 years, it has been a daily feature for countless families.

Industrialization and international expansion

The Laughing Cow was launched industrially and commercially in 1924 when Léon Bel installed the first cast-iron kneading machine and portion machines in the Lons-le-Saunier plant. Two years later, he built a new modern plant in Lons-le-Saunier, which still houses the Laughing Cow cheese production and the Group's Research, Innovation and Development Center for cheese spreads.

In 1929, Léon Bel extended his business into foreign markets. He set up his first factory in the UK followed by a second one in Belgium in 1933. Nothing could stop the momentum in Bel products in Europe, North America, Africa, the Near and Middle East and in Asia-Pacific.

In 1937, Léon Bel's son-in-law, Robert Fiévet, was appointed Chief Executive Officer of Fromageries Bel. He went on to become Chairman in 1957, and until 1996, led Bel's national and international growth, clearly shaping the Group's history. Bel's international momentum was made possible

by the characteristics of the cheese spread: its ease of storage and transport, accessibility, affordability and homogenous recipe.

After the Laughing Cow, Bel launched new brands on the market born from the innovative spirit dear to Bel: Babybel® (1933), Bonbel® (1947), Apericube® (1960), Kiri® (1966), Mini Babybel® (1977), Pik & Croq® (1995).

The Group's international drive was built on the back of:

- new product launches, using the Group's historical international brands and and/or national brands;
- expansion in regions where the Group operates and by creating subsidiaries and production plants as close as possible to consumers. In 2020, the Bel Group inaugurated a plant in Sorel-Tracy (Canada) to start production of Mini Babybel for the Canadian market. Bel currently has around 40 subsidiaries and 33 production plants throughout the world;
- acquisitions in the cheese sector with Leerdammer in 2002 and Boursin in 2007, in dairy with Moroccan company Safilait in 2015, in fruit, with the MOM Group in 2016, and more recently in plant-based products with All In Foods in 2020.

Diversification of activities

The Group is a market leader in cheese snacks, with its iconic, bold brands and individual portion format. Bel products not only meet a strong consumer trend for tasty, healthy and convenient snacks, but they also create new habits. For example, Mini Babybel stands out in Europe and the United States as an alternative to savory snacks. Cheez Dippers ("Pik & Croq" in French) diversifies the snack offer by combining cheese and breadsticks. Apéricube makes cheese a highlight of get-togethers in Europe and Asia.

Building on these successful experiences and its ability to diversify products to meet new consumer expectations, Bel chose to go beyond cheese in 2015, by acquiring a majority stake in Safilait, a Moroccan firm that processes, packages and markets dairy products under the Jibal brand, in addition to fresh and UHT milk. The acquisition helped prove the ability of the Kiri brand to go beyond the cheese section and successfully extend its range in the yogurt and UHT milk markets.

The Group confirmed this strategic positioning in 2016 when it took over Mont Blanc Materne (MOM) with the aim of creating a major global player in healthy snacks. MOM has enjoyed unrivaled growth in France and the United States anchored in its traditional brands, Materne and Mont Blanc sold in France. It also created the new category of fruit compote in squeezable pouches, with strong leadership positions for its Pom'Potes and GoGo squeeZ brands in the US. The MOM acquisition was a unique opportunity to accelerate growth by building on Bel's international presence. Bel and MOM share an identity rooted in strong, innovative brands, that offer individual portions of healthy snacks and do not require cold chain resources (room temperature servings). Bel and MOM build on their complementary products and industrial know-how to solidify their international leadership.

In 2019, Bel announced its aim to extend its offer beyond dairy, cheese and fruit-based products, by innovating in the complementary plant-based sector. In response to its ambitions and to carve out its position in this segment, the

PRESENTATION OF ACTIVITIES

Group presentation

Group is banking on both organic growth, consisting of diversifying the offer of its core brands to propose plant-based and mixed specialties, and on acquisitions, by taking stakes in companies or innovative start-ups, developing the innovations of tomorrow (for both ingredients and technologies). In December 2019, the Group therefore took part in the fund-raising operation by Yofix Probiotics Ltd, an innovative Israeli start-up marketing plant-based alternatives to fermented dairy products, without soya, and presenting clear and transparent labeling. In 2020, Bel acquired the French start-up All In Foods, which develops a wide range of plant-based specialties, alternatives to cheese (slices and blocks, mold rinds, grated and spreadable), and plant-based sauces stemming from recognized know-how in this market. The same year, Bel launched its first 100% plant-based product under the Boursin brand. In December 2020, the Bel Group joined the New Protein Fund, a European investment fund of Big Idea Ventures LLC, specialized in cell-based and plant-based tech. Big Idea Ventures is the global leader in investments in the FoodTech sector, committed to identifying and supporting the most promising companies and projects in alternative proteins.

In December 2020, Bel launched the first product in its 100% plant-based brand, Nurish, in the UK, before its international roll-out during 2021.

In 2021, the Group will continue to develop and launch plant-based recipes, as well as mixes combining dairy raw materials and vegetable, legumes or 100% plant-based products in its core brands.

Significant events in 2020

Bel, resilient in crisis periods

2020 was affected by several events unspecific to Bel, but which took a toll on the Group in all its regions: the Covid-19 pandemic, the Beirut port explosion and a complicated geopolitical situation in certain countries where the Group operates.

Faced with these unprecedented situations, Bel made the health and safety of its employees its absolute priority. The Group also supported its partners and with them, maintained the food chain. Finally, loyal to its values, commit and care, the Group chose to take action for those particularly exposed and affected, by providing financial aid and donating hygiene equipment or products.

Faced with this health crisis, Bel was particularly attentive to the needs of its partners and communities:

- with dairy producers: in France, Bel maintained the purchase price and milk volumes collected with its

partner producers in the Bel West Producers Association (APBO);

- with suppliers: For certain supplier categories, Bel proposed measures enabling them to benefit from early payments on more advantageous terms;
- with its communities: The Group allowed employees at the head office to engage in missions of national urgency identified by the French government, during their working hours, or to propose skill-based sponsorship. Almost 50 solidarity missions were undertaken by the Group's employees.

Bel also organized an International Solidarity Day, where a day's worth of Laughing Cow production was donated entirely to key workers (hospitals, care workers) and to people in need. As such, the Group's 12 Laughing Cow plants were mobilized to produce the equivalent of 20 million portions of cheese.

Similarly, at the time of the explosion at the port of Beirut in Lebanon, the Group, which has been present locally for 55 years, offered its support to the populations affected by donating one million portions of Picon cheese.

Innovation at the service of healthy eating

Portions are at the heart of Bel's offer. They enable the Group to provide the right dose of "healthy food" for consumers. To meet new consumer expectations and the need to open the way to more inclusive nutrition, during 2020, Bel stepped up the transformation of its brands and its product portfolio.

The Group continued to renovate its recipes and launched numerous innovations to offer increasingly natural products, meeting the nutritional needs of consumers, their usages and their purchasing power throughout the world. New product launches and 128 renovations to enhance nutrition and naturalness were launched, enabling 72% of the Group's portfolio (Children and Families) to respect the BelNutri+ commitments and more than 98% of its products (core brands) to be free of colorings and artificial flavorings. Among these were:

- a new, simplified Kiri® recipe, including only five ingredients and launched across Europe;
- functional ranges (nutrient-enriched): Babybel 5G Proteins was launched in Belgium, Spain, Portugal, the Netherlands, the Czech Republic, Slovakia and Ukraine. The two Babybel Plus references, enriched with nutrients (probiotics and vitamins) were launched in the US and the UK. In the majority of these markets, Babybel represents the first functional cheese offer;
- the Laughing Cow Big 4, in Algeria, Morocco and Egypt. This new recipe is enriched with iron, zinc, iodine and vitamins (A and D) in response to the main deficiencies of local populations.

Finally, Bel continued its strategy to make organic foods available to all. In September 2020, the Group joined forces with McDonald's France to offer an organic Mini Babybel in Happy Meal menus at the 1,490 McDonald's restaurants in France, leading to the sale of €3.7 million Mini Babybel portions as of 31 December 2020.

The challenge of plant-based foods

Bel announced its aim to become the leader in plant based foods in its category. For this, the Group is banking on both organic growth, consisting of diversifying the offer of its core brands to propose plant-based and mixed specialties, and on acquisitions, by taking stakes in companies or innovative start-ups, developing the innovations of tomorrow (for both ingredients and technologies).

In 2020, Bel launched its first 100% plant-based product under the Boursin brand in the US. It also announced the launch of The Laughing Cow Blends range as of January 2021. This range of three products combines cheese, leguminous plants and herbs and is to be commercialized as a priority in the US, the UK, Canada, Germany and Australia at the start of 2021. A Mini Babybel plant-based version is also due to be launched in the US in 2021, as well as a new 100% plant-based brand, that will round out the Group's portfolio of core brands.

In June 2020, Bel also acquired 80% of the capital of All In Foods, a French start-up located in Saint-Nazaire and developing a wide range of plant-based specialties, alternatives to cheese, and plant-based sauces. In December 2020, the Bel Group also joined the New Protein Fund, a European investment fund of Big Idea Ventures LLC, specialized in cell-based and plant-based tech. Big Idea Ventures is the global leader in investments in the FoodTech sector, committed to identifying and supporting the most promising companies and projects in alternative proteins.

CSR at the heart of our responsible and profitable business model

The Bel Group is convinced that placing responsibility at the heart of its decisions is the way to sustain and improve its growth over the long term. As such, in 2020, Bel chose to merge CSR and Finance into a single division and to continue to act in concrete terms to meet its five priority challenges: sustainable agriculture, healthier food, responsible packaging, fight against climate change and product accessibility.

- Bel joined the Consumption Dates Pact launched by Too Good To Go, aimed at reducing food waste. Bel was one

of the first companies to confirm its commitment: making French consumers aware of 'best before date' labels. Explanations on consumption dates and how to conserve the products were inserted into 17 million boxes of Laughing Cow cheese. Pictograms were placed on the dividers separating the cheese portions to encourage consumers to trust their senses and observe, smell and taste the product once the date has passed, and to decide whether it should be thrown away. Since then, the initiative has been deployed in Portugal and will be extended to several other European countries in 2021;

- Bel unveiled its biodiversity policy, co-constructed with the expertise of WWF France. This includes the commitments made by the Group and ambitious quantified targets for its entire value chain "from farm to fork" for preserving, valuing and restoring biodiversity. At the same time, Bel joined the Act for Nature international initiative, which brings together companies, public institutions, scientists and associations in order to create a genuine international collective to protect, value and restore biodiversity.
- for the fourth year in a row, Bel renewed its agreement with the Bel West Producers Association (APBO) following on from the first three years of the partnership. The agreement was renewed for the whole of 2021 and provides a secure economic framework for the 780 APBO producers and further deployment of sustainable practices to favor animal welfare and reduce the environmental footprint of the farms;
- the Bel Group is eager to promote good eating habits and healthy lifestyles for children and families. It sets up long-term partnerships with NGOs and government authorities to promote healthy eating habits and support food education programs. The Group aims to implement nutritional education programs in 10 countries where it is present between now and 2025. In 2020, Bel signed three new partnerships: in Egypt with the UN Food and Agriculture Organization (FAO) and the Ministry of Education, in the Ivory Coast and in Congo with Action Against Hunger;
- to help it provide a concrete response to the food challenges facing the Group, Bel convened a committee of high level experts, recognized in nutrition and public health. Including sociologists, nutritionists, general practitioners and public health researchers, the committee of experts aims to challenge the Group and accompany it towards high-quality, widely affordable food, contributing to reducing our environmental impacts.

1.1.4 STRATEGY

The Bel Group is positioned as a global leader in the branded cheese market and is a major player in healthy dairy, fruit and plant-based snacks, in individual portions. It aims to help build the agri-food model of the future by championing healthier and responsible food for all. For this, it relies on its expertise of the past 150 years and its values: Dare, Care and Commit

To reach its goal, the Group has engaged a radical transformation of its model, involving the transformation of its brands and an acceleration in its CSR roadmap. Its disruptive strategic plan is based on four pillars of action:

- building positive brands, that are meaningful and a driver for change;

- accelerating positive innovation, to develop sustainably in each of its categories - snacking and cooking solutions - and to rise to the challenge of plant-based foods;
- developing in key geographies for the Group, and reaching critical mass in new markets;
- adapting to tomorrow's distribution channels, by strengthening its actions in e-commerce and catering outside the home.

For its development, the Group combines organic and external growth. The acquisitions of Safilait in 2015, Group MOM in 2016 and the start-up All In Food in 2020 are the first illustrations of this strategy.

PRESENTATION OF ACTIVITIES

Group presentation

More recently, the disposal of a scope of businesses including the Leerdammer brand is also part of this continuing diversification strategy.

Over the medium-term, the Group therefore aims to achieve a balance in sales between dairy and plant-based products in particular through its core brands The Laughing Cow®, Kiri®, Mini Babybel®, Boursin® and GoGo squeeZ®, under which it will continue to develop dairy, fruit, plant-based or blended products.

To build this sustainable and profitable business model, the Group can count on the commitment of its 12,510 employees, the excellence of its industrial productivity and the use of data at the heart of all of its businesses.

Building positive brands

The Group boasts iconic brands that are recognized throughout the world.

They convey Bel's values and commitments, and are found across increasingly healthy and responsible product ranges. The individual portion format is praised for being fun and convenient and also addresses new consumer methods and usages that are more on-the-go. It is a genuine reference for consuming the right quantity of food adapted to people's requirements. Protected by their individual packaging, Bel's portions can be found all over the world. Together, the strengths of the portion format make it a driver of international growth.

The Bel brands also intend to play a genuine social role, providing a positive impact on their ecosystem beyond the nutritional benefits of their portions.

The Laughing Cow, for instance, has always kept in step with the societal issues of the periods it has gone through. Enriched after the war in order to help nourish populations, it is now a symbol of healthier eating, offering recipes suited to the nutritional needs of people in the regions where it is sold. It is the ultimate affordable brand, available in all distribution channels, from supermarkets to street vendors. It is committed to the fight against food waste as a pioneer brand in the Too Good To Go France Pact on Consumption Dates. It provides food diversity through its organic lines and as of 2021 through plant-based recipes to accompany the various food diets of today's consumers.

Meanwhile, through its new "Join The Goodness" campaign, Mini Babybel has committed itself to promoting healthier food and encouraging citizens to adopt more responsible and balanced eating habits.

Finally, in 2020, the Group's brands demonstrated their generosity towards their communities. The Laughing Cow brand mobilized its teams during an International Solidarity Day, where a day's worth of production, or more than 20 million portions, was donated entirely to care workers and charities taking action during the pandemic.

The Picon brand supported the Lebanese population by donating one million portions to people affected by the explosion at the Beirut port.

The Bel Group brands are making consumer trends widespread. Mini Babybel joined McDonald's in France to propose an accessible organic offer in family favorites. Boursin launched plant-based options by offering a 100% plant-based recipe for the US and Canada.

In December 2020, Bel launched the first product in its 100% plant-based brand, Nurish, in the UK, before its international roll-out during 2021.

Accelerating positive innovation

Innovation has always been part of the Bel Group's DNA. It is the engine behind the Group's brand development and is now more important than ever to help the Group expand in the various healthy snacking and cooking solution categories, and to conquer the plant-based market.

The Group works daily to support and perpetuate this pioneering mindset, and is eager to create optimal conditions allowing all Bel employees to express their creativity and demonstrate their innovative and daring nature to meet the challenges of sustainable and profitable growth. The MOM teams share this culture, making entrepreneurial spirit and innovation key factors of development.

Innovation is at the root of the major brand developments and the Group's flagship products. To ensure that the consumer is always at the heart of its projects, the Group has chosen an organization whereby innovation is part of the Strategy and Brand Growth department. A thorough knowledge of markets and consumers is vital to offer people throughout the world healthy snacking and cooking solutions matching their expectations at all times. This organization also helps anticipate consumption trends by taking onboard the expertise of partners with a market presence and recognized skills. In this way, in 2020, the RID and Boursin teams worked with the Follow Your Heart start-up, an expert in plant-based specialties, to design the brand's first 100% plant-based products, destined for the US and Canadian markets.

Innovation at Bel allows the Group to:

- **constantly improve its products:**
 - either by simplifying recipes to favor more naturalness, as with the new Kiri recipe that contains just five ingredients and has been marketed in Europe since October 2020,
 - or by optimizing the recipes from a nutritional perspective by adjusting fat and salt content and enriching products with essential nutrients such as calcium, vitamins and minerals, like The Laughing Cow Big 4, enriched with four essential nutrients and sold in Morocco, Algeria and Egypt;

PRESENTATION OF ACTIVITIES

Group presentation

- **refreshing the ranges to meet consumer expectations:**
 - functional ranges (nutrient-enriched), such as the Babybel 5G Proteins and Babybel Plus ranges (enriched with probiotics and vitamins),
 - affordable products, such as the launch of Laughing Cow Simply in Algeria, combining dairy and plant-based raw materials;
- **accelerating innovation in new categories apart from cheese:**
 - for a treat or light meal at any time of the day, Boursin Fresh Deli Spreads, which combine the smoothness of Boursin with vegetables, legumes and/or fish as an appetizer, or Leerdammer's Cheese Bakes, a meal in itself,
 - to gain a foothold in the plant-based sector, with the launches of Boursin Dairy Free in the US, and as of 2021, The Laughing Cow Blends brand combining the unique taste of Laughing Cow with legumes and herbs.

Developing in key geographies

The growth potential harbored in the Group's strong brand power, recognized product quality, and convenient formats allows it to capture new markets worldwide.

The new organization put in place in April 2019 allows for separate governance of new territories and encourages project prioritization, team agility and streamlined reporting.

In 2020, the Group chose to strengthen its positions in priority regions, especially France and the US, and to focus its actions on certain new growth regions, especially China, India, South Africa and Indonesia.

This growth is two-pronged:

- **rolling out brands in territories where Bel is already present, notably through:**
 - its core brands and their variations,
 - an in-depth understanding of markets,
 - a bold approach to marketing and distribution,
 - industrial expertise that guarantees food safety and quality combined with production facility control;
- **expanding into new markets:**
 - requiring an in-depth understanding of market appeal and the Group's ability to swiftly and solidly establish itself, particularly in areas with high population growth. For this the Group is progressing through a "test & learn" approach, by targeting consumers on a town by town basis.
 - by working more actively to make the Group's products accessible to a greater number of customers.
 - by stepping up its presence to reach critical mass.

Adapting to tomorrow's distribution channels

With products distributed in more than 120 countries, access to consumers throughout the world is a strategic challenge for developing the Group's brands.

The increasing diversity of consumer eating habits, as well as the emergence of new distribution circuits and models and consumer expectations in terms of purchasing

experience, are all new imperatives that mean distribution models need to be adapted constantly to keep up with new trends and promote the visibility and accessibility of the Group's products to a rising number of consumers.

Improving visibility of the product range

To adapt to the reality of distribution of mass consumer products in the various countries where the Group operates, Bel adapts its access model to each of these markets ("route to market"). The Group aims to make its products ever more visible, in the widest number of food stores, by guaranteeing their food safety thanks to an adequate logistics chain.

Bel operates in countries where distribution is organized around major food retailers and also in those where distribution is fragmented with a multitude of independent players. When necessary, the Group relies on local players to market and sell its products.

Making the Group's products ever more accessible

To become a major player in healthy snacks, Bel needs to develop its offer and distribution in circuits that favor service, rapidity, convenience and proximity. The Group therefore aims to expand its brand presence to all channels preferred by consumers to meet their expectations in terms of these buying criteria, notably e-commerce, specialized organic food stores and on-the-go sales circuits.

To face the effects of the pandemic, the Group ramped-up its e-commerce exposure during 2020, offering consumers the possibility of new uses for Bel products, especially by cooking with them. Similarly, the Covid crisis strengthened local retailing.

Exploring new channels

The group also initiated a six-week pilot project with the Day by Day bulk sales network, by selling Mini Babybel and Mini Babybel bio products in six stores in Ile de France and other French regions. This pilot project helped explore a new distribution channel, reach out to new consumers and respond to new uses. Babybel became the first cheese brand to be sold in bulk.

Bel would like to align its offer with new consumer trends and ensure its products are present in healthy snacking sales points, thereby opening up more opportunities for its brands by multiplying occasions for consumption. Under this framework, Bel signed an unprecedented strategic partnership with McDonald's and its 1,490 McDonald's restaurants in France. Mini Babybel® bio® therefore became the first cheese offer to be proposed in Happy Meal™ menus.

Developing the use of Bel products in commercial and institutional catering and in services designed for business customers

The out-of-home business was fairly affected by the pandemic. That said, Bel remains confident and is convinced there is sales development potential for the out-of-home segment throughout the world. As an example, the Group has been very successful in Asia with its development of premium ingredients and culinary solutions under the Kiri brand to market to the high-end pastry business.

Bel would like to extend its offer to better meet professional needs in more countries and to market its products to major commercial catering companies, school canteens, residential homes and fast food caterers.

Creating the conditions for sustainable and profitable growth

Committed teams

The corporate mission to “champion healthier and responsible food for all” guides the actions of 12,510 Bel employees in more than 120 countries. It provides meaning for the collective action by conveying Bel's values. Dare, Care and Commit are the three values reflecting the history of the Group, which unites its teams through shared ways of working and culture, vision and objectives.

Commitment is at the heart of Bel's human resources policy, which promotes accountability, enthusiasm, employee initiative and skills development.

The new organization fosters even more cooperation and cross-team work, individual accountability, agility within the markets in order to maintain the Group's pioneering and founding spirit.

A new organization and simpler, more efficient operating methods

A new and more cross-functional organization has been in place since April 2019. This makes the Group's organization model coherent with its growth project. The synergies enabled between the brand, market and industrial divisions help boost innovation, prioritize the allocation of resources to meet priority growth imperatives, and thereby reinforce the Group's core brands on key markets.

The organization is built upon a global brand logic in line with global industrial platforms.

Data usage at the heart of all our businesses

Bel is stepping up the Company's transformation to encourage collective intelligence, better understanding of consumer expectations and behavior, and to optimize allocation of advertising and marketing spend for greater impact and efficiency. For this, the Group has developed data-based approaches to enhance decision taking at the service of Bel's performance. In concrete terms, 90% of the Group's marketing campaigns are orchestrated according to a precision marketing approach and budgetary allocations are underpinned by algorithms.

1.1.5 BEL AND ITS CORPORATE ECOSYSTEM, FROM FARM TO FORK

The Bel Group aims to have a positive impact on its ecosystem and to create value for all its stakeholders, from farm to fork. For this, it sets up trusting and long-term partnerships with employees, partner producers and suppliers, customers and retailers, consumers, NGOs that support it and the communities in which Bel operates. The Bel Foundation extends the Bel group mission to champion healthier and more responsible food for all, for the populations that need it most.

Employees

A human-sized, exciting and inspiring company, Bel makes responsibility and daring the development engines for its 12,510 employees. The Group's values - Care, Dare and Commit - federate the teams around a mobilizing corporate project built on innovation, societal engagement and the transformation and development of its teams.

The human resources management model defined in 2020 aims to support the Company through its transformation over the next ten years. This vision expresses the unique experience Bel would like its employees to experience. This model is based on five dimensions: personal fulfillment, personal development, recognition, a positive work environment, support for employees' families.

In 2021, Bel plans to start translating this vision into an operational road map with action plans in the Group's various entities. Programs have already been in place for several years on the topics of personal development and the work environment.

Dairy producers and other suppliers

Bel would like to work with sales partners and suppliers that share its values, its commitments and its aim to be part of a continuous progress approach. The Group pledges to deal with them fairly and transparently.

The Group's purchases necessary for production primarily include:

1. Raw food ingredients (e.g. milk, cheese, milk powder, butter, cream, fruit, legumes, etc.).

Dairy producers are essential partners for the Group to provide consumers the high-quality, sustainable products they expect.

In 2020, Bel collected almost two billion liters of milk from more than 2,500 producers, located close to its production sites and spread over 11 dairy (supply) basins for which the Netherlands and France represent more than half of volumes. It sources milk from producers, associations of producers and co-operatives based in countries where the Group manufactures its cheese from liquid milk (e.g. the US, France, Portugal, Slovakia, Ukraine, amongst others).

The global Charter for a Sustainable Upstream Dairy, co-constructed with the WWF France, guides the practices of the Group and its producers, out to 2025, to meet economic, social and environmental challenges in the milk industry and changes in consumer expectations. It defines ambitious quantified targets based on six strategic focuses: sustainable production models, animal welfare, access to grazing, sustainable & local animal feed, the environmental footprint of the farms, nutritional quality and food safety. These commitments are also being applied gradually to other dairy ingredients purchased by the Group, such as cream, cheeses butter and milk powder.

In late 2020, Bel announced the renewal of its agreement with the Bel West Producers Association (APBO) for the fourth year in a row. The professional body represents some 800 farmer members - almost all of the milk collected by Bel in France. The agreement provides an economic and secure framework for producers for the whole of 2021 and defines sustainable agricultural practices for the long term, in line with changing consumer expectations.

Furthermore, Bel defined a pilot project involving over 100 producers in the Netherlands to test a new price mechanism whose goal is to reduce price volatility. A second project was also developed for the United States to

PRESENTATION OF ACTIVITIES

Group presentation

provide financial support to new generations of dairy producers. Finally, Bel joined forces with Land O'Lakes Inc. in the US to roll out and measure regenerative farming practices that favor soil health and reduce greenhouse gas emissions in a pilot dairy farm. These three initiatives will be implemented in 2021.

Concerning fruit, and especially apples, which are the main ingredient in its compotes, the MOM Group procured fresh apples exclusive from French farmers having earned the Vergers Écoresponsables endorsement in France, representing around 42% of the Group's fruit supplies. The MOM Group also promotes organic farming practices in the United States, where procurements of certified organic fresh apples accounted for about 22% of all raw materials purchased in the country in 2020.

In order to minimize its environmental footprint, MOM works with apple producers located close to its production sites whenever possible;

2. Raw materials required for packaging of finished products (cardboard, paper, aluminum and plastic).

Purchases are centralized or, for certain types of packaging, made locally and coordinated at Group level.

Engaged in a progress approach aimed at reducing the environmental impact of its packaging, in 2019, the Group published its "Responsible Packaging" ⁽¹⁾ policy aimed at reducing the environmental impact of its packaging at each stage of its products' life, and to place them within the circular economy. This policy is structured around five objectives out to 2025:

- to reduce and simplify the composition of packaging by systematically following an eco-design process that takes end-of-life into account;
- to systematically prioritize plant-based raw materials;
- to use only paper and cardboard materials made from recycled fibers or certified or sustainably grown virgin fibers to protect the environment and fight deforestation;
- to ecodesign 100% of packaging so that it is recyclable-ready or biodegradable, depending on the processing channels that exist in the countries where the products are sold;
- to facilitate and encourage sorting and recycling by communicating clearly to consumers and by forging partnerships to develop packaging waste collection and recovery chains in all the countries where the Group operates.

Bel has also identified environmental issues concerning the supply of two materials that account for more than 80% of its packaging volume: cardboard and aluminum. As part of its commitment to preserve natural ecosystems and fight against deforestation, Bel is working to ensure that the paper-based material it uses systematically incorporates recycled fibers or has Sustainable Forest Management certification. (see section 3.6.2 "Preserving biodiversity and fighting deforestation and ecosystem conversion"). Bel has joined the Aluminium Stewardship Initiative, a global initiative seeking to establish new standards for responsible aluminum procurement and certification of segments, from bauxite extraction to aluminum recycling⁽¹⁾.

(1) <https://www.groupe-bel.com/wp-content/uploads/2019/10/emballages-responsable.pdf>

PRESENTATION OF ACTIVITIES

Group presentation

Customers and distributors

In all countries where it does business, the Bel Group aims to achieve optimal product circulation, presence and visibility through all local distribution networks. Commercial activity in a given geographic region can be developed via both the Group's subsidiaries and through distributors, if not importers, in places where the Group has no subsidiary.

The Group's commercial policy is adapted to each country and network to meet the consumption usages of each market effectively. It takes into account the international dimension of its clients and integrates coordination between various players where necessary.

In markets where the Group operates via distributors or importers that sell its products, it generally signs long-term framework agreements that are reviewed annually. They also include provisions for sales and marketing tailored to local channels. Bel's entities dedicated to managing, training and monitoring importers and/or retailers enable the Group to maintain close contact with retailers, even when it does not have a subsidiary in a country.

The Group intends to work hand in hand with customers and retailers to make them genuine partners and by going beyond the commercial relationship. It is therefore becoming an essential link in the CSR approach of its retailer clients by taking part in their initiatives, as it did by joining Carrefour's Food Transition Pact, Casino's Carbon Forum, Monoprix's PACTE and in 2021, the fight against food waste initiative 10x20x30 alongside Metro.

Bel also takes part in joint actions with all players in the sector to tend towards a sustainable food model, like the "On s'y met" initiative launched by the Consumer Goods Forum with the support of Carrefour and Danone, to encourage healthier, more sustainable and more inclusive behavior.

Consumers

Bel's brands attract millions of consumers worldwide each year. Bel is responsible for creating products that meet their expectations for food that is tasty, safe, healthy, and affordable.

The Group aims to help consumers who put their trust in its brands make more responsible choices. It provides clear, transparent information on ingredients and nutritional value.

Our increasingly digitized world is creating a new generation of more informed, discerning consumers who want to interact with the Company and its brands and

access information instantly. The Group leverages the many consumer contact points established by its brands, such as websites and social media, to listen more, understand their needs, and provide them with the information they need.

NGOs, scientific experts and start-ups

The Bel Group relies on the knowledge of Non-Government Organizations, scientific experts and start-ups to accompany it in its innovation and responsibility approach and to rise to the challenges it is facing.

Bel has been working since 2012 with WWF France to build a sustainable upstream dairy, favor biodiversity and protect forests and natural ecosystems. In 2019, the Group also joined forces with CIWF to define the good producing practices it intends to see implemented for its producer partners.

In 2020, it set up a committee of high level experts, recognized in nutrition and public health, to help it progress in building even more suitable responses to food issues, especially concerning affordability and plant-based foods.

Finally, Bel works with innovative start-ups in various fields, among which plant-based (stake acquired in Yofix in 2019 and Big Idea Ventures in 2020), and the fight against food waste with Too Good To Go France.

Communities in which Bel is active

The Group aims to contribute to the vitality of the communities in which it is based. For this, the subsidiaries and production sites commit to their communities through their economic activities as well as by listening to local stakeholders and supporting initiatives by associations.

Extending, thanks to the Bel corporate Foundation

The Bel Foundation was created in 2008 under the impetus of Antoine Fiévet. It acts in favor of child health by focusing its action on the theme of nutrition and school canteens, which for some children today are the only way of benefiting from a balanced meal every day.

Throughout the world, it supports large and small associations that provide concrete and lasting solutions to those that need them most. The Bel Foundation extends the Bel Group mission to champion healthier and more responsible food for all.

1.1.6 INDUSTRIAL PROTECTION

The products manufactured by Bel are sold worldwide. They are often highly differentiated and are the fruit of innovation and new technologies for which the Group owns industrial property rights in numerous countries.

The territorial coverage of the rights depends on the importance of the products and the markets in question.

The Bel Group owns patents and has developed significant know-how and technologies relating to its products, production processes, product packaging, design, and proprietary processes vital to its activities. When it does not own the patents, it has the required certificates for exploiting the technologies necessary for its business.

1.1.7 COMPETITIVE POSITION

The Bel Group's core business is the production and distribution of cheese (primarily in portions) and of cheese and fruit snacks. The Group applies its strategy in two ways:

- in niche markets, the Group aims for a leadership position in its segments, generally representing a small share of the snacks market. These include markets in Western Europe, Northern and Eastern Europe, and North America;

- in mass markets, where the offering is more concentrated, the segments in which the Group operates represent the core market. These include markets in North Africa and the Middle East.

Traditional industry players are the “cheese” divisions of large international food companies, international dairy specialists and major dairy co-operatives. Additionally new, often regional, players are joining the fray and can hold strong local positions due to their size in their markets.

1.2 MARKET TRENDS

In general, the healthy snacks market has continued to grow steadily worldwide, drawing on fundamental trends:

- **health and fitness** are major issues for both consumers and governments. This trend is a response to long-term societal changes such as increased obesity and chronic diseases, the search for wellness or the challenges of malnutrition. Consumers are looking for more natural and healthy products, as well as greater diversity in their diets. It is against this backdrop of reasonable consumption that the Group aims to offer its consumers simpler products, with shorter ingredient lists, while continuing to guarantee optimal health safety and the taste of its products that are so well liked by millions of children and families every day. In many markets where Bel operates, nutritional applications and other rating systems are emerging, meeting the needs for transparency expressed by consumers. In a bid to provide clear and high-quality information, the Group sets out detailed nutritional information on all of its brands' websites and packaging;
- **corporate responsibility** is now a key element in consumer choices. Beyond the basic expectation of food quality and safety, consumers now want brands that are produced “responsibly”. This notion of responsibility is embodied in both the choice of ingredients in the products they consume, with rising demand for natural foods, and in supply channels, by considering the rising challenges in terms of animal welfare, and the choice of packaging;
- **convenience** lies in easy-to-use portion or pouch formats for an on-the-go lifestyle, reflecting consumption usages;
- **pleasure**: the search for experiences involving all the senses and the interest in creative cooking, sophisticated foods, and ethnic or fusion cuisine;
- **product safety and traceability** are major concerns. Although experts agree that food is increasingly safe, a growing number of consumers consider food risks to be very high. Bel adheres to the same quality and food safety standards for all of its products, implementing

quality control processes throughout the production chain. In 2020, 28 of the Group's production sites were certified according to GFSI standards (Global Food Safety Initiative – food quality and safety);

- **acceleration in demand for plant-based products**: the plant-based market is rapidly expanding. In the light of environmental issues, eating habits are changing. Consumers are seeking to balance their food between animal and plant proteins, with more and more people adopting a flexitarian diet. Indeed, 35% of the French people stated they were flexitarian in 2020 vs. 25% in 2015 (Kantar, 2020). 38% of US consumers would like to have more plant-based products in their diets (Mintel 2019).

2020 was a reminder of how important food is. In many countries, governments called on their food industries to pull together to help feed their populations. After suffering much criticism for several years, the food industry was able to restore its main purpose in the eyes of consumers.

Faced with the pandemic and in view of the various lockdown periods, 2020 saw an acceleration in certain trends:

- **home made**: consumers rediscovered the pleasure of cooking. A trend that is an opportunity for several of the Group's brands (Kiri, Laughing Cow, Boursin);
- **local**: all around the world, consumers are favoring locally produced foods and a responsible approach for the entire product value chain, from farmer to consumer. This is correlated with increasing consumer expectations concerning the origins of products they eat and the desire to do more for their local ecosystem through their purchases;
- **e-commerce**: companies adapted to this trend and massively ramped up their online and click & collect offering to meet widescale demand;
- **accessibility and affordability**: family purchasing power was affected, leading to greater needs for affordable products for consumers all around the world.

PRESENTATION OF ACTIVITIES

Markets and activities in 2020

Bel is committed to ensuring that its product ranges meet the above four expectations while ensuring consumer satisfaction in each market. It is important to note that these trends vary in importance in each country.

The Group believes that an underlying trend exists in terms of balancing taste with health, which is no longer considered contradictory, but something that is now expected from the same product to enable guilt-free indulgence. In the future, healthy eating to reach the “state of complete physical, mental and social well-being” enshrined in the constitution of the World Health Organization (WHO) will become increasingly important. The identity and personality of the Group’s brands reflect this desire to simultaneously deliver the taste, nutritional and emotional benefits that consumers seek. The Laughing Cow, for example, brings fundamental dairy nutrition to families in a fun and cheerful way. Mini Babybel, with its cheeky and playful personality, is a tasty and healthy snack for everyone. Kiri provides children and their parents all the simple deliciousness of milk and cream. Leerdammer offers all the goodness of pressed cheese and is simply “irresistible”. The MOM Group created the pouched fruit category with a wide offer including organic, unsweetened and sometimes cereal-based products.

Trends affecting production, revenue and inventories in 2020

In a year affected by an unprecedented health and economic crisis, during 2020, the Bel Group rapidly adapted to the pandemic to cushion its impacts. It especially took action to actively manage its stocks and raw materials in view of fluctuating consumer demand and to limit operating surcharges caused by management of the crisis.

For 2020 as a whole, the Group estimates the overall impact of the Covid-19 crisis on sales was non-significant, albeit with substantial regional disparities. In France, Benelux, the UK and in Gulf countries, local consumption, especially of products enabling home cooking, was particularly robust. In contrast, Morocco and, to a lesser extent, southern Europe were negatively affected, whereas the estimated impact on North America was neutral.

In a particularly complicated geopolitical and economic context, cheese markets narrowed in 2020 in the Middle East, Greater Africa and especially in Levant markets. Consumption also narrowed in North African countries, where the decline in purchasing power among the populations prompted the Group to adapt its offer.

1.3 MARKETS AND ACTIVITIES IN 2020

This section reviews the Group’s activities in 2020.

The Group’s activities are managed through two segments: Global Markets on the one hand and New Territories on the other. New Territories include the MOM (Mont-Blanc, Materne) activities and the Sub-Saharan African and Latin American markets and China.

In a year affected by an unprecedented economic and health crisis, the Bel Group generated 2020 sales of €3,455.8 million, vs. €3,403.2 million for 2019, up 1.5%. Organic growth continued to increase to reach +2.8%. Excluding the hyperinflationary environment in Iran, it stood at +3.2%. The forex effect stood at -1.7% (€58.7 million).

Organic growth in full-year sales was driven by positive momentum in core brands, especially Boursin®, Kiri®, Leerdammer® et GoGo squeeZ® in all of the Group’s markets. Among the highlights in 2020 were the return to growth at Bel France, Bel US, and the Laughing Cow® brand, as well as the return to a positive growth path for MOM. Sales of industrial and unbranded products were down 5% due to the price reduction for cream relative to the year-earlier period.

Operating profit for the period stood at €245 million in 2020 versus €211 million in 2019.

MATURE MARKETS

The Group's sales in mature markets stood at €2,864.5 million in 2020, vs. €2,871.3 million in 2019.

Mature markets were resilient and fairly stable over the full-year 2020 (-0.2%). Excluding forex, organic growth was positive at +1.1%.

In Europe, sales were up 1.9% in 2020. Particularly positive momentum noted in France, the UK, driven by Boursin and Mini Babybel, and Benelux, made up for the difficult competitive and sales backdrop in Germany. The product offer was well adapted to consumer requirements in the Covid context. Benelux also benefited from good sales relations. The performance in southern Europe, especially Spain, was not so strong, notably due to school closures due to Covid-19.

In a particularly volatile economic and geopolitical context, especially in Levant markets, the Group suffered a 3.1% decline in organic growth in the Middle-East, Greater Africa region.

In North America, robust sales growth was underpinned by growth in the Laughing Cow, especially for the relaunch of

its portion formats at the start of the year. In the US, growth was driven by healthy sales performances on the back of partnerships with retail players, good performances by Boursin and Mini Babybel, as well as local brands for home cooking uses. Bel Canada is also enjoying beneficial momentum thanks especially to innovations at the Boursin® brand and the acceleration of sales in the Group's core brands.

Note also the start-up of the new plant at Sorel during the second half.

The Middle-East faced a difficult economic and geopolitical backdrop, especially in the Levant countries.

In North Africa, performances were very mixed, especially due to the difficult economic situation (devaluation of currency in Algeria, geopolitical tension in Libya) and the pandemic, which penalized consumption uses outside the home in Morocco.

In Asia (excluding China), Korea and Japan posted good performances, especially thanks to Kiri.

NEW TERRITORIES

The Group's revenue in new territories (the MOM activities Mont-Blanc and Materne, the Sub-Saharan African, Latin American and Chinese markets) totaled €591 million in 2020, vs. €532 million in 2019.

In 2020, Bel's performance in new territories gained further momentum (+11.2%) on the back of the robust growth trajectory at MOM, especially in North America where the company posted a double-digit increase. Growth was driven by a good matching of products to consumer requirements, especially Materne cups and Mont-Blanc creams during the lockdowns and further strong progress at GoGo squeeZ.

In Asia, China continued its dynamic expansion of recent quarters, with double-digit organic growth in its Foodservice business and the development of e-commerce, as well as the launch of innovations (sweet Apéricubes).

The Sub-Saharan Africa business was affected by strong economic volatility and a clear impact of the pandemic on sales outside the home.

Business in overseas territories improved thanks to healthy momentum with retailers and robust in-store activations.

CORE BRAND ACTIVITY

The year saw the Group ramp up in the organic market, with the launch of The Laughing Cow Organic in Europe, Canada and Gulf countries, as well as the new Le Fromage de Margot brand in France and Belgium.

The Laughing Cow

The Laughing Cow brand generated strong growth, especially in North America, thanks to the launch of the new enriched recipe at the start of the year, and in France with toastinette slices. The year also saw the successful launch of the Laughing Cow Simply for populations with low purchasing power, in Egypt and in Morocco.

Mini Babybel

Despite a complicated start to the year given the pandemic's impact on snacking products, Mini Babybel® maintained its positions thanks to the success of its new activation campaign in July and August 2020. The brand invited consumers to join the movement favoring healthier eating habits. The year saw the launch of functional nutrient-enriched ranges, thereby becoming the first functional range in the cheese sector for the majority of markets. Babybel 5G Proteins was launched in various European countries. The Babybel Plus range was launched in the US and in the UK with two recipes, the first with probiotics, the second with vitamins in the US and in Europe. The Group also announced the launch of a plant-based Mini Babybel for the US market in the second half of 2021.

PRESENTATION OF ACTIVITIES

Trends likely to affect production, sales and inventories in 2021

Kiri

The brand enjoyed outstanding growth during 2020, especially in the Middle-East, France, Japan and Korea. In October 2020, the Group launched a new creamier Kiri recipe with a simplified recipe in Europe, meeting the expectations of consumers in terms of naturalness.

Leerdammer

The brand expanded well during 2020 thanks to the good match between consumer requirements and the launch of the Cheese Bakes in Germany, France and Benelux. The year also saw the launch of the new “Whatever Your Way” campaign in Germany, Italy, Belgium and Switzerland.

Boursin

In 2020, the Boursin brand products enjoyed robust growth in the main markets: US, Canada, UK, France and Belgium. Many innovations were launched during the year: Boursin Velvety in Europe, the Fig and Balsamic recipes in Canada, Boursin Fresh Deli Spreads in France, enabling the brand to join the delicatessen department and Boursin Dairy Free in the US, making it the first 100% plant-based product among the Group's core brands. The brand also unveiled its new campaign “Boursin inspires, you create” at the end of the year.

Pom’Potes/GoGo squeeZ

The Pom’potes and GoGo squeeZ brands posted attractive performances especially thanks to global growth in their category in their markets.

NON-RECURRING EVENTS THAT IMPACTED THE GROUP'S MAIN BUSINESSES AND MARKETS IN 2020

Excluding the elements described in the previous paragraphs, no non-recurring events impacted the Group's main businesses and markets in 2020.

1.4 TRENDS LIKELY TO AFFECT PRODUCTION, SALES AND INVENTORIES IN 2021

In 2021, prices of dairy raw ingredients are likely to remain high, at levels pretty similar to those of 2018 and 2019. In mature markets and especially in Europe, trade negotiations at the start of the year are key and alliances between major international banners could again lead to interruptions in supply of the Group's products. Demand for healthy snacks in the Asian and North-American markets should continue to rise, with the Group aiming to expand further and win

market share in these countries. The Group will also continue to adapt its product offering in markets where consumer purchasing power is suffering from economic crises and the devaluation of local currencies.

Engaged in a transformation plan that should enable it to step up growth, the Group will continue its efforts regarding industrial productivity and careful resource management to ensure financing for its growth.

GROUP EXPOSURE TO RISKS RELATED TO THE SPREAD OF CORONAVIRUS (COVID-19)

The international community is facing an unprecedented pandemic situation; the significant uncertainty about how it will progress and how long it will last means that the Bel Group cannot accurately assess the impact of this crisis on its earnings.

To date, the Bel Group's absolute priority has been to maintain the health and safety of its employees and, as a major player in the food industry, to do everything it can to ensure business continuity.

Extremely strict preventive measures, in compliance with the Group's internal health and safety procedures and in line with the recommendations of the World Health Organization (WHO), have been implemented at its sites. In addition, Bel, along with its production teams and breeder and supplier partners, is making every effort to continue operating and participating in the collective effort. For more details, see Chapter 2 “Risk factors and insurance policy”.

PRESENTATION OF ACTIVITIES

Trends likely to affect production, sales and inventories in 2021

SIGNING OF AN AGREEMENT WITH LACTALIS TO PURCHASE THE LEERDAMMER SCOPE OF ACTIVITIES

The Group entered exclusive negotiations with Lactalis for the disposal of a scope of activities including Royal Bel Leerdammer NL, Bel Italia, Bel Deutschland, the Leerdammer brand and all rights attached as well as Bel Shostka Ukraine, in exchange for 23.16% of Bel's capital owned by Lactalis.

Following this operation, Unibel would own more than 90% of Bel's capital directly or indirectly. Bel has publicly announced its aim to file a public share buyback offer at a price of €440 per share ⁽¹⁾(dividend attached), thereby offering a liquidity opportunity to all of Bel's minority shareholders. This public share buyback offer would be followed by a squeeze-out offer. The buyback offer will be submitted to the Financial Markets Authority (AMF) for a compliance ruling.

Unibel has publicly announced its aim to file a public buyback offer followed by a mandatory squeeze-out offer with the AMF for the remaining Bel shares, as soon as possible following settlement-delivery of the public buyback offer and at the same price per share ⁽²⁾as the latter, namely €440 per share (dividend attached).

These operations are subject to the information-consultation procedures by employee representative bodies as well as approval by the competition authorities.

(1) The fairness of the offer price is subject to appraisal by the designated independent expert.

(2) Calculated on the volumed weighted average price over the 60 days prior to March 17, 2021.

1.5 PROPERTY, PLANT AND EQUIPMENT

1.5.1 INDUSTRIAL PLANT

Bel operates production sites in most of the regions in which it has a commercial presence.

The Group's policy is primarily to own its own production plants. However, when necessary and to meet specific needs, Bel sometimes calls on subcontractors (in France, Canada, the United States, Germany and Japan).

The Bel plants serve both local and export markets. As such, the Group's industrial facilities include large regional and international facilities (ten plants represent close to 75% of

total production) and smaller units only serving local markets.

2020 was affected by the closure of the Loko pilot site in the Ivory Coast, the acquisition of French start-up All In Foods and its production unit, and the opening of the Sorel-Tracy plant in Canada.

On 31 December 2020, the Bel Group had 33 directly operated production sites, one of which dedicated for All In Foods activities and four for those of MOM.

Areas	Number of sites	Countries	Main sites
Europe	18	France	Dole
			Lons-le-Saunier
			Croisy-sur-Eure
			Sablé-sur-Sarthe
			Évron
			Mayenne
			Vendôme
			Saint-Nazaire (All in Foods)
		Spain	Ulzama
		Portugal	Ribeira Grande
			Vale de Cambra
		The Netherlands	Wageningen
			Dalfsen
			Schoonrewoerd
Middle East, Greater Africa	7 (o/w 6 are active)	Egypt	10th of Ramadan City (Cairo)
		Iran	Gazvin
		Syria	Damascus (activity suspended)*
		Turkey	Corlu
		Morocco	Tangier
			Fqih Ben Salah
		Algeria	Koléa
Americas, Asia-Pacific	5	USA	Leitchfield (KY)
			Little Chute (WI)
			Brookings (SD)
		Canada	Sorel Tracy
		Vietnam	Song Than 3 - Binh Duong Vietnam Province

* Disposal of the production unit in 2021.

PRESENTATION OF ACTIVITIES

Property, plant and equipment

The four MOM production sites are located as follows:

Areas	Number of sites	Countries	Main sites
France	2	France	Boué Chef-du-Pont
USA	2	USA	Nampa (ID) Traverse City (MI)

1.5.2 INVESTMENTS

Main Group investments in the past three years

Bel's investment budget chiefly meets five requirements:

- growth: production capacity and new products;
- productivity: cost reduction;
- continuous improvement: reducing natural resource use, protecting the environment and lowering emissions;
- continuity: maintaining industrial equipment and safety requirements;
- developing IT solutions tailored to operational requirements.

The budget is drawn up within a framework of spending control. Gross investment outlay, excluding R&D expenses, was €121 million in 2020 compared with €153 million in 2019.

The Group's investment budget is drawn up in line with its CSR strategy. All investment projects exceeding €300,000, regardless of how they are financed (e.g. equity, debt, finance lease, subcontracting, etc.), are subject to both financial, social and environmental ratings. Below a certain

rating, the Investment Committee demands a corrective improvement plan and may reject the project.

The Group's Industrial Operations Department updates a steering plan for all plants at least once a year, taking into account planned changes in activity (existing products and new products), technological developments and productivity improvements, and environmental and safety requirements.

Principal investments in progress

The Group continued work relating to investments undertaken in previous years.

In 2020, the main projects undertaken involved:

- development of new products;
- development of production capacities;
- productivity projects;
- adapting and maintaining production tools;
- deployment of the Group's environmental approach.



In October 2020, Boursin® introduced Boursin Dairy Free®, the Group's first 100% plant-based product under one of its core cheese brands. Launched exclusively in the US with Amazon Fresh, it is now available in the US and Canada.



2 RISK FACTORS AND INSURANCE POLICY

2.1	Risk management policy	26	2.4	Risks related to the business	35
2.2	Hierarchy of risks	27	2.5	Financial risks	41
2.3	Risks related to the external environment	29	2.6	Insurance and risk coverage policies	42

2.1 RISK MANAGEMENT POLICY

General risk management policy

Bel pursues an active general risk management policy that aims to safeguard as effectively as possible its assets, as well as its employees, suppliers, consumers and shareholders, and accompany its growth objectives.

This policy is based on the Group's Enterprise Risk Management (ERM) that is structured, steered and led by the Legal and Risk Department, which itself reports to the General Secretary.

Risk management is an arrangement dedicated to controlling operations in order to:

- protect people and assets and secure the Group's capital;
- secure and assist decision taking;
- ensure that prevention measures and responses are suitable and effective, in the event a crisis does occur.

More specifically, ERM aims to:

- identify, analyze and assess risks that would result in major losses for the Group, prevent it from achieving its objectives, or threaten its assets or values if they occurred;
- ensure these risks are dealt with within accepted risk limits;
- provide a comprehensive vision of major risks to management, Group General Management and to the Audit Committee;
- contribute to structural Group decisions by shedding light on operational risk;
- guide Group crisis management.

The ERM approach is based on a shared methodology and a common language deployed across the entire Group at all levels of organization (central functions, brands, commercial units and plants). The methodology includes a risk universe and assessment scales for impact, probability and the degree of control. The functional managers, the Managing Directors of brands and the Managing Directors of subsidiaries (including MOM) identify and evaluate the main risks that could impair their objectives on their scope of

responsibility over the next three years. Then they ensure that those risks are controlled. This approach is undertaken in a workshop with the Management Committee and coordinated locally by the financial directors of the markets. The ERM approach enables the consolidation and then a hierarchical classification of risks, and provides a global vision of the main risks at the Group level. This vision is validated by the Executive Committee. Risk management covers all kinds of risks, including operational, financial, strategic, human and legal risks, or those related to the Group's image. This approach also allows the Group to adapt to the changing regulatory environment. It was supplemented in 2017 and 2018 and then in 2020, by a risk mapping exercise dedicated to fighting corruption and to respecting human rights and the environment (see section 3.1.6 "Vigilance plan"). The risk universe used in the risk management approach also covers non-financial risks.

In 2018, the materiality analysis was updated to include both internal and external stakeholders. This update aimed to confirm priority challenges and those of the future, relevant for both the Group and its external stakeholders. The materiality matrix obtained is presented in chapter 3 "Corporate social responsibility – Non-financial performance report".

However, there may be other risks that the Group is currently not aware of or considers immaterial at the writing of this Universal Registration Document.

The Group's risk management system is described in sections 4.3.2 "The Company's internal control environment", and 4.3.3 "Managing major risks".

Crisis management

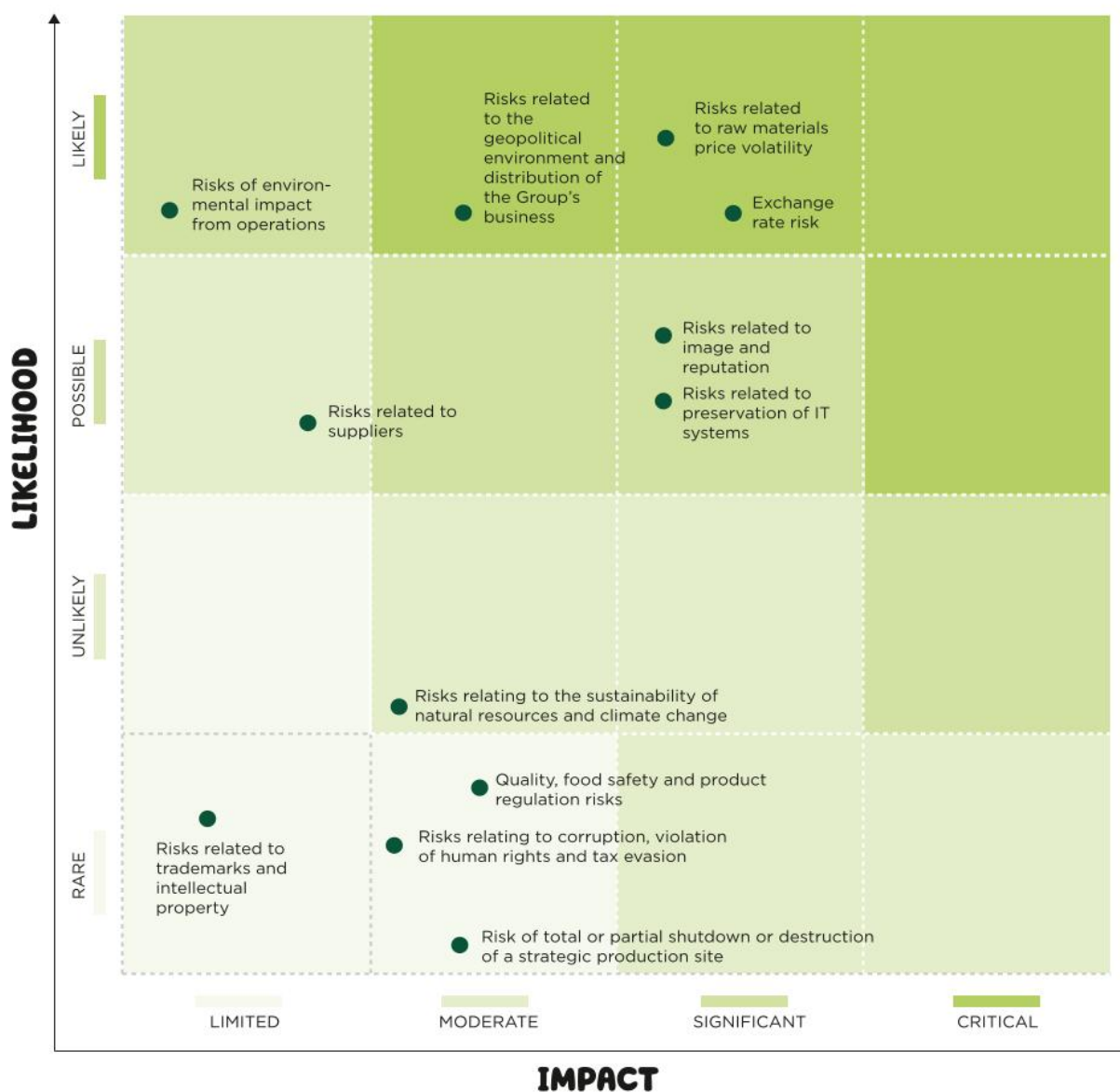
The Group may be required to deal with crisis situations. Bel has therefore drawn up a crisis management and communication procedure that sets out the general principles, preliminary measures and roles of various parties in the event of a crisis.

This procedure is deployed and applied by Group entities.

The system's effectiveness is tested during crisis management simulation exercises.

2.2 HIERARCHY OF RISKS

The risk factors identified by the Group have been ranked according to their importance, which is defined in view of their likelihood of occurrence and their potential estimated impact. The following matrix reflects this ranking.



RISK FACTORS AND INSURANCE POLICY

Hierarchy of risks

These risk factors are presented hereinafter in a limited number of categories according to their type. Within each category, the highest risk factors are represented first.

Category	Ranking	Trend
RISKS RELATED TO THE EXTERNAL ENVIRONMENT	1 Risks related to commodity price volatility	
	2 Risks related to the geopolitical environment and distribution of the Group's business	
	3 Risks related to image and reputation	
	4 Risks related to preservation of IT systems	
	5 Risks related to the sustainability of natural resources and climate change	
	6 Risks related to corruption, human rights abuses and tax evasion	
RISKS RELATED TO THE BUSINESS	1 Risk of environmental impact from operations	
	2 Risks related to suppliers	
	3 Quality, food safety and product regulation risks	
	4 Risk of total or partial shutdown or destruction of a strategic production site	
	5 Risks related to trademarks and intellectual property	
FINANCIAL RISKS	1 Exchange rate risk	

These risks as well as the measures the Group implements to treat them are described in detail in sections 2.3 "Risks related to the external environment", 2.4 "Risks related to the business" and 2.5 "Financial risks" of this document.

The "Trend" column in the table displayed above depicts the increase, decrease or stability in the company's perception of the risk at hand.

RISK FACTORS AND INSURANCE POLICY

Risks related to the external environment

IMPACT OF COVID-19 ON RISK FACTORS

Throughout 2020, Bel set itself the absolute priority of ensuring the safety and health of its employees, by implementing very strict preventive measures at all of its sites throughout the world.

Through its agile operating management and financial rigor, the Group managed to adapt rapidly to face the Covid-19 pandemic and ease its impacts. It especially took action to actively manage its stocks and raw materials in view of fluctuating consumer demand and to limit operating surcharges caused by management of the crisis.

For 2020 as a whole, the Group estimates the overall impact of the Covid-19 crisis on sales is non-significant, albeit with substantial regional disparities. In France,

Benelux, the UK and in Gulf countries, local consumption, especially of products enabling home cooking, was particularly robust. In contrast, Morocco and to a lesser extent southern Europe, were negatively affected, whereas the estimated impact on North America was neutral.

In an unprecedented health crisis, the Group also successfully implemented a 15-year issue for \$150 million, testifying to the long-term trust of its investors in its business model. On December 31, 2020, the Group had a surplus of cash and cash equivalents of €590 million, with just €70 million in commercial paper, NEU CP and untapped credit lines totaling €820 million set to mature in 2023 and 2024.

2.3 RISKS RELATED TO THE EXTERNAL ENVIRONMENT

RISKS RELATED TO RAW MATERIAL PRICE VOLATILITY

Description of the risk	Treatment of the risk
Price volatility in the raw ingredients Bel uses to make its products is likely to have a material impact on its results. The influence of milk prices on volumes produced, as well as weather and global and regional demand fluctuations, all affect the price of milk-based raw ingredients (milk, powder, butter and cream). The markets were harshly affected by the health crisis at the start of 2020. The recovery was nevertheless relatively fast with robust demand seen over the second half of the year on the back of significant state aid measures rolled out in a large number of countries.	The Group regularly conducts market reviews in order to best estimate the impact of expected price volatility for the year and to learn from them for Company management. In France, the agreement on milk purchase conditions with the Association of Producers (APBO) that Bel works with helped limit this volatility. Aside from the agreements reached with customers and retailers, the Group's ability to pass on changes in the prices of raw ingredients is dependent on economic conditions and on local political and regulatory conditions for certain markets. In some countries, price increases are subject to approval by the authorities. In addition, the Group is now committed to the healthy snacks sector and has diversified its supply to become present in both dairy and vegetable-based raw materials, including fruit (see section 3.4.2 "Using vegetal raw materials within strict limits" and 3.4.3 "Delivering the goodness of fruits").
Residual risk	

The Bel Group continues to be exposed to the local economic, political and regulatory conditions that could influence its ability to pass along fluctuations in the prices of the commodities it needs to make its products.

RISK FACTORS AND INSURANCE POLICY

Risks related to the external environment

RISKS RELATED TO THE GEOPOLITICAL ENVIRONMENT AND REGIONAL DISTRIBUTION OF THE GROUP'S BUSINESS

Description of the risk	Treatment of the risk
The Group's worldwide industrial and commercial presence exposes it to certain risks that could impact its business, reputation, employees, financial position, results and assets.	The Group's regional diversification strategy is intended to cushion the impacts of these risks by limiting the effects of complex local situations and maintaining the possibility of offsetting them with more favorable situations in other markets. Geopolitical events and the economic protectionist measures implemented in North Africa and the Near and Middle-East continue to have an impact on the Group's commercial activities and results in this region. The clear deterioration in the political, economic, social and security situation forced the Group to reduce or slow its business in one or more of these countries and to step up its development in other more stable and favorable markets. Protecting Group employees working in these countries is our main concern. The Group provides them with the means, procedures and services to ensure their safety. Having signed the United Nations Global Compact, Bel is committed to protecting the basic rights of its employees in the workplace in all countries where it operates and is particularly vigilant in countries where there is a significant risk of human rights abuse (see section 3.2.2 "Promoting responsible practices with its business partners").
Residual risk	

In spite of the geographic diversification strategy, the impact of geopolitical events in some regions in which the Group operates is still partially unpredictable.

RISKS RELATED TO IMAGE AND REPUTATION

Description of the risk	Treatment of the risk
The image and reputation/e-reputation (perception of the Company by its stakeholders) of the Bel company brand and its commercial brands are an integral part of the Company's value. In this respect, any harm caused to the Group's image and its brands may have repercussions on its sales activities, financial results and consequently, its growth. Given its international presence and the notoriety of its brands, Bel is exposed to varied risks that could harm its image and reputation. These attacks may be founded or not, resulting from a proven situation or not, and concern a very wide spectrum of subjects such as the quality and food safety of its products, the Company's ethics and its societal and governmental commitments. In addition, the international communication policy of its brands especially through social networks, is likely to amplify the impact of criticism that the Bel Group and its trademarks could suffer.	The Group carries out its business ethically. It therefore aims to have respected throughout the world and in all circumstances, by its employees and its partners, the principles and rules defined in its Code of Good business practices (see Section 3.1.4 "Ethics: a common foundation for conducting business"). The Bel Group is especially vigilant concerning its brands' communication. It has joined the voluntary European movement EU Pledge and has signed the FAIRe program of the Advertisers Union in France (see section 3.2.3 "Communicating responsibly and transparently with its consumers"). The Group's brands are strengthening their communication on issues that may help consumers make informed decisions. They seek to capitalize on the trust that they have forged with consumers to guide them towards balanced and more environmentally-friendly choices. The Group also takes care to ensure that its messages accurately reflect its practices (see section 3.2.3 "Communicating responsibly and transparently with its consumers"). At the same time, Bel has strengthened its crisis management measures to anticipate best weak signals, rapidly mobilize the organization in the event of a crisis and provide suitable responses to various crisis scenarios. Since December 2017, Bel measures its reputation on a quarterly basis, in France according to the Reputation Institute method. Finally, the Bel Group joined the European Union transparency register in 2014 (see section 3.2.2 "Promoting responsible practices with its business partners").
Residual risk	

The emergence of a risk to the Group's image or reputation cannot be ruled out definitively because of the irrational forces associated with certain attacks that sometimes prove to be unfounded.

RISK FACTORS AND INSURANCE POLICY

Risks related to the external environment

RISKS RELATED TO INFORMATION SYSTEMS

Description of the risk	Treatment of the risk
The Group relies on data from integrated IT systems to make decisions concerning operational management and traceability. Although these applications are monitored and constantly upgraded, any failure of the applications or communication networks could penalize the profitability of operations as well as some decision-making. Bel is also exposed to cyberattacks and hacking that can lead to data loss, theft or leaks. Against a backdrop of increased digitalization and with the health crisis outbreak, the number of cyberattacks and hacking attempts has also risen sharply.	To mitigate these risks, the Group makes use of specialist operators to manage its critical infrastructure (IT systems and telecommunication networks). The contracts governing the Group's relationship with these firms were established to ensure a high level of availability and security commensurate with maintaining centralized applications in operational condition. These contracts and their associated services are reviewed on a regular basis, and the business recovery procedures to be implemented in the event of a major incident at the Group's processing center are tested periodically. At the same time, the Group has systems and procedures in place to control and manage fraud risks, hacking attempts and the spread of computer viruses. Procedures and tools are updated constantly to mitigate threats that arise from changes in technology. Measures aimed at reducing the Bel Group's exposure to cyberattack risks include an increased focus on IT system security with priority given to cybersecurity projects, a faster roll-out of the strategy, at the management level, and changes in governance. These security measures are audited and tested, and awareness campaigns are held. Additional information is provided in section 4.3.4 "Procedures for preparing and processing the Company's accounting and financial information". Furthermore, following the cyberattack that affected MOM during August 2020, MOM has strengthened all of its IT infrastructure and developed additional measures to guarantee protection of its IT systems and its data.
Residual risk	
To further reduce Bel's exposure to system default and cyberattack risks, an approach of constant improvement in technologies and methods has been implemented within the Group. This approach helps optimize the resilience of the IT systems and the Group's ability to deal with eventual cyberattacks. At the same times as this preventive policy, Bel has taken out a cyber risk insurance policy with leading insurance groups. Its scope covers the Group's civil liability, eventual damages and operating losses incurred in the event of various types of incident: data attacks, security incidents, IT extortion attempts, damaging digital publication. Subscription to this policy is combined with the audit conducted by experts specialized in cyber risk analysis.	

RISKS RELATED TO THE SUSTAINABILITY OF NATURAL RESOURCES AND CLIMATE CHANGE

Description of the risk	Treatment of the risk
As a food manufacturer, the Group is highly exposed to the sustainability of natural resources and the consequences of climate change, and to the growing scarcity of fresh water worldwide in particular. The growing frequency of extreme weather events such as heat waves, drought and flooding compounds underlying trends such as rising temperatures and changing rainfall patterns. These phenomena have severe consequences for the agricultural sector and food security at the global level.	Because of the danger of water scarcity, the Group conducts an annual risk analysis according to the criteria of the “Water Risk Filter” to assess the level of water stress in the areas where it is based. In 2020, more than half of its production sites were located in regions where the water resource was identified as being at risk. The Group is developing programs to reduce its water requirements. Priority action plans are implemented for any production site exposed to periodic drought exceeding a warning threshold (see section 3.6.3 “Sustainable use of water”). Elsewhere, in order to reduce its dependence on fossil fuels and its greenhouse gas emissions, the Group is working on its entire value chain to develop programs improving the resilience of its raw materials supply (protein autonomy of farms, choice of renewable materials etc.), optimizing its energy requirements (logistics chain, energy efficiency program for the factories, eco-design approach etc.) and the use of renewable energies (see section 3.6.1 “Fighting against climate change”). The Group is also diversifying its product portfolio to rebalance the share of plant and animal protein by using fruit and plant-based products (see section 3.4.2 “Using vegetal raw materials within strict limits”), which require fewer natural resources to produce them and emit lower levels of greenhouse gases (see section 3.6.1 “Fighting climate change”). Finally, to limit the use of new resources, the Group aims to fit as far as possible into a circular economy for its packaging and in the fight against food waste (see sections 3.6.4 “Fighting food waste”, 3.5.1 “Eco-designing its packaging and using more sustainable materials” and 3.5.2 “Encouraging and facilitating the recycling of its products”).
Residual risk	

Despite the policies and commitments described above (see “Treatment of the risk” section), the availability of natural resources and the consequences of global warming require ongoing adaptations of farming and food models on an international scale, the impacts of which are still difficult to anticipate.

RISKS RELATED TO CORRUPTION, VIOLATION OF HUMAN RIGHTS AND TAX EVASION

Description of the risk	Treatment of the risk
Given the location of its production, export and distribution activities, as well as the location of more than half of its employees in countries exposed, the Group is naturally faced with external corruption, tax evasion or human rights abuse risks, despite its constant concerns and its longstanding commitments in these subjects (see section 3.1.4 “Ethics: a common foundation for conducting business” and 3.1.5 “Vigilance plan”). These risks may concern employees, local communities and authorities, as well as the Group’s partners, in particular farmers.	Management is constantly focused on the respect of its policies concerning control of risks related to corruption, human rights abuses and tax evasion. The Group has undertaken an in-depth mapping of its related risks in accordance with the provisions laid down by French anti-corruption and due diligence law (known as “Sapin II”), focusing on its own activities and those of its suppliers, to identify these risks and formally define appropriate action plans (see section 3.1.6 “Vigilance plan”). This mapping is updated regularly in accordance with legal requirements. The supplier and client assessment tool has also been strengthened (see section 3.2.2. “Promoting responsible practices with its business partners”). In tax terms, the Bel Group has a measured and well-controlled tax policy. It is not present in countries considered as tax havens. The Group has implemented a solid price transfer policy and negotiates prior agreements for transfer prices with various tax administrations so as to secure the largest inter-company transactions.
Residual risk	

Despite such ongoing vigilance, the exposure to a risk of isolated, marginal machinations that run counter to the Group’s practices and commitments in this matter cannot be totally ruled out. If such a risk were to occur, the necessary sanctions and actions would be taken without delay.

2.4 RISKS RELATED TO THE BUSINESS

RISK OF ENVIRONMENTAL IMPACT FROM OPERATIONS

Description of the risk	Treatment of the risk
The Group's activities can cause environmental risks to its ecosystem: greenhouse gas emissions in particular related to the dairy upstream, water resource use, in particular in certain areas under hydric stress, risks of a negative impact on biodiversity and deforestation through its supply chain. Some agricultural practices may also have an impact on natural resources or climate change, in particular the use of animal feed or raw materials that may be linked to deforestation.	To rise to these challenges, the Group has specifically assessed the risk mentioned in the mapping of environmental risks (see section 3.1.5 "Vigilance plan"). As part of this work, the Group implements continuous improvement plans or encourages these plans when it is not directly in charge. The Group is working on reducing its environmental footprint across the whole of its value chain: • reducing greenhouse gas emissions through ambitious action plans for a sustainable upstream dairy including a carbon analysis of the farms and the implementation of "greener" practices by the farmers, development of a low-carbon fruit and plant-based product offering, economical and innovative factories (energy efficiency and development of renewable energies), eco-designed packaging, optimized transportation etc.; • reducing risk of biodiversity loss and deforestation related to procurement through the zero-deforestation policy ranging from cattle fodder to packaging design and including the ingredients used in recipes; • preserving water resources by reducing consumption and minimizing the impacts on the quality of water ways (from farm to factory). This approach is described in section 3.6 "Fighting climate change and reducing the environmental footprint".
Residual risk	

The Group's long-standing commitments to fight climate change and reduce its environmental footprint have yielded compelling results (see section 3.6 "Fighting against climate change and reducing the environmental footprint"), but Bel cannot claim today that it is entirely neutral in terms of its impact on the ecosystem.

RISKS RELATED TO SUPPLIERS

Description of the risk	Treatment of the risk
The Group's production requirements are met by external suppliers (mainly dairy raw ingredients and packaging). These supplies are provided by a limited number of operators in the market (see section 1.1.5 "Bel and its business ecosystem"). Bel could encounter difficulties in finding alternative sources if some of its suppliers were to fail to meet their obligations, in particular for raw materials, which might affect its results and business. Moreover, Bel is now faced with sustainable farming challenges and risks associated with its supply chain.	The Group's Purchasing Department has developed a policy aimed at limiting the risk of supply disruption by securing an increasingly large share of the Group's needs in goods and volumes through annual and multi-year framework agreements with a limited number of strategic suppliers. The Group has launched a risk management policy for packaging by establishing contingency plans. To meet the challenges associated with sustainability in the milk industry, Bel has developed a global Charter for a Sustainable Upstream Dairy and defined a base of commitments out to 2025. In France, the Group renewed its partnership with the APBO (Association des Producteurs de Lait Bel Ouest, or "Bel West Producers' Association") in the form of an unprecedented agreement for better milk use (see section 3.4.1 "Taking action for a sustainable upstream dairy"). In addition, the Group is now committed to the healthy snacks sector and has diversified its supply to become present in both dairy and plant-based raw materials, including fruit (see section 3.4.3 "Delivering the goodness of fruits"). Finally, Bel has implemented a Charter for Responsible Purchases and an assessment of its suppliers, especially in terms of respect of human rights and the fight against corruption. In 2018, Bel also undertook a mapping of its supplier risks. (See section 3.2.2 "Promoting responsible practices with its business partners").
Residual risk	
The procurements diversification policy in combination with the contingency plans safeguard the Group against major risks in its supply chain. Nevertheless, because some inputs are only available from a very limited number of suppliers, the chance of finding alternatives is reduced accordingly.	

QUALITY, FOOD SAFETY AND PRODUCT REGULATION RISKS

Description of the risk	Treatment of the risk
Food safety is of utmost importance for Bel. Any alleged or proven food safety risk for the Group's products could harm its reputation, business and results. Risks depend on the type of product concerned, but exist at every stage of the production cycle, from raw ingredient purchases to retailers and consumers (end-to-end vision necessary). Upstream risks are mainly chemical and physical in origin (foreign bodies) or related to fraud (origin/composition), and could affect the Group's raw ingredients, inputs and packaging among other things. Downstream risks are mainly bacteriological for the most fragile products (dairy cheeses). Furthermore, like all agri-food products, Bel products could be exposed to contamination by tampering. Any crisis affecting the dairy industry and the natural qualities of milk could also adversely impact Bel's business through negative media coverage, even if the crisis is not directly linked to its activities. Finally, because it is present in many countries, Bel is subject to regulations established by governments or international organizations that apply to its food manufacturing, sale and import/export activities. In particular, it is subject to health, safety and environmental standards, customs systems and quality controls. The Group must comply with a host of mutating laws and regulations that are becoming increasingly restrictive. Any changes to these laws and regulations and any administrative decision can have a material impact on the Group's business and financial results. Numerous regulations may also indirectly limit the sale of its products.	The Group has a monitoring structure in place to identify any emerging risks that directly or indirectly affect its production, as far upstream as possible (especially due to the rising sensitivity of consumers to food quality and safety). After weighing potential risks, it applies the most suitable, efficient measures to date, depending on the seriousness of the risk. Since the level and the type of risk changes along with changes in the Group's portfolio (plant-based for example), the means of control are adapted accordingly. Bel has implemented an organization, reporting to the Group's Industrial Department, responsible for leading, coordinating and ensuring the effectiveness of all the processes and systems dealing with: • food safety and regulations; • quality; • certifications, management systems and health crisis management; • technological expertise. See section 3.3.1 "Offering products with optimal quality and safety". It recommends the policies to be implemented, guarantees the coherence of the systems and reporting at various levels, assists Group structures, and audits the organizations to assess the systems' effectiveness (including the product recall process). Its role is to warn the Chief Executive Officer and the Executive Committee of any major situation relating to its three fields of activity. Food safety and product regulations In terms of food safety and product regulations, this organization is responsible, via the Regulations network for the subsidiaries: • the Group's food safety policies and preventive strategy, and the coordination of related actions; • the processes for anticipating food safety risks and preventing crises as well as managing alerts and crises; • creating a monitoring system based on reporting by the subsidiaries; • participating in professional associations or government groups dedicated to food safety. It also ensures that regulations applying to products are followed, particularly in relation to composition, labeling, packaging, advertising, consumer information including nutrition information, and customs procedures.

QUALITY, FOOD SAFETY AND PRODUCT REGULATION RISKS (CONTINUED)

Description of the risk	Treatment of the risk
	It defines: - the monitoring plans implemented by the industrial entities; - the quality of the traceability system (upstream, downstream, and components/constituents). It is responsible for: - implementing policies, in particular in terms of the food safety risk analysis process during production (e.g. HACCP and hygiene standards) at Group, supplier and subcontractor sites; - implementing the Food Defense policy integrating processes for: - preventing risks of intrusion, - the risk of tampering; - implementing the Food Fraud policy integrating processes for: - preventing risks related to raw materials, - monitoring plans implemented by production sites; - creating and steering a reporting system that continually assesses control of food safety processes. Quality The organization is also responsible for defining the Group's quality policy and checking its implementation at every stage, from product design to final consumption. Its main roles through the quality network at the corporate/platform and production site level are: - defining the Group's quality policy, by taking account of changes in customer expectations and implementing it once it is validated; - defining the rules and best practices as well as the quality regulations to be applied, and guaranteeing their implementation; - defining and enforcing process and product risk analysis; - determining and deploying product conformity control measures (detection of foreign bodies, etc.); - assisting with the implementation of certification standards; - determining the means for qualifying products and processes; - auditing the quality of organizations, whether internal (production sites) or external (subcontractors, suppliers and service providers); - managing complaints and customer quality perception assessment tools (retailers or consumers) using the Salesforce tool; - analyzing performance, conducting quality reporting and implementing continuous improvement processes, using the SAP quality management module to guarantee consistency of information, consolidated control and optimal integration of information required for product traceability; - training and assisting the Group's teams and the industrial sites. Providing suitable training media, including statistical and problem solving tools.

RISK FACTORS AND INSURANCE POLICY

Risks related to the business

QUALITY, FOOD SAFETY AND PRODUCT REGULATION RISKS (CONTINUED)

Description of the risk	Treatment of the risk
	Regulatory framework The Group's health, safety and traceability approach is governed by a very strict regulatory framework. A "Bel reference guide" is drawn up following a detailed analysis of all the food quality/safety and hygiene regulations in all countries where the Group makes or imports products. At the European level, the "Hygiene Package" took effect on January 1, 2006. This regulation includes a number of legislative texts. It establishes a single and transparent policy for food hygiene and safety in all European Union countries, and concerns all operators throughout the food chain "from farm to store". To the greatest extent possible, the Group applies the strictest rules – mostly European Regulations – to all its stakeholders, from the production of raw ingredients to the consumer. Bel adheres to even stricter standards in certain cases: for example, it monitors 23 allergens instead of the 14 required by European Regulations. In its quest for harmonization, food safety and excellence, Bel shares its reference guides with all its production sites worldwide as well as with its suppliers and retailers.
Residual risk	

The quality and safety of the Bel Group's products and strict compliance with the regulatory context in which it operates are its leading concern, as evidenced by the risk treatment policies described above. In spite of the constant attention and engagement of its teams, the emergence of a risk can never be completely ruled out. However, the system described would allow the Group to detect a risk as soon as possible and, in all cases, significantly limit its impact.

RISK OF TOTAL OR PARTIAL SHUTDOWN OR DESTRUCTION OF A STRATEGIC PRODUCTION SITE

Description of the risk	Treatment of the risk
The Group has 33 production sites in operation. Any incident – particularly if caused by the more frequent occurrence of extreme weather events, or the possibility of acts of vandalism – could lead to a total or partial site shutdown and affect the production and marketing of the products made there.	To secure its production facilities, Bel regularly optimizes them by investing especially in the safety of its installations and employees, while also regularly implementing and auditing prevention and business continuation plans. To cover these risks, the Group has also taken out damage and operating loss insurance policies to cover risks that are presented in section 2.6 “Insurance and risk coverage policies”.
Residual risk	

Of course, the prevention and business continuity plans do not entirely preclude the risk of total or partial destruction of a production site, but they do make it possible to manage the impacts on the production and marketing of products manufactured at the affected site.

RISKS RELATED TO TRADEMARKS AND INTELLECTUAL PROPERTY

Description of the risk	Treatment of the risk
Bel owns trademarks, designs, domain names and copyrights around the world. Intellectual property is a substantial share of its immaterial assets and its brands are fundamental parts of its competitiveness. The Group therefore makes considerable efforts to protect and defend its portfolio of brands, especially its core brands, worldwide. Given the reputation of these brands, Bel is objectively exposed to the risk of counterfeiting and unfair competition. In addition, the Group must secure its product launches so as not to counterfeit its previous rights.	Trademark and patent registrations worldwide are updated every year. The Group also conducts global monitoring of its major brands to ensure that no similar or infringing trademarks are registered by third parties. If products or trademarks that are counterfeit or that harm its rights are discovered, all of the Group's legal resources in the country or countries concerned are put into action to halt the counterfeiting or unfair competition. The Group has introduced an Intellectual Property Policy to raise employee awareness of intellectual property issues and the dangers of counterfeiting. The Group Legal Department is tasked with ensuring the protection and effective defense of its trademarks, patents, domain names and copyrights. It centralizes the entire portfolio of trademarks, patents, domain names and legal disputes and implements a coherent global protection and defense strategy. In addition, new product and brand projects are analyzed for freedom of operation in view of previous third-party rights, prior to the launch. Any difficulties encountered in protecting and defending its intellectual property rights – mainly its trademarks and patents – and combating counterfeiting, could affect the Group's business and profits.
Residual risk	

The Group cannot fully control the risk of counterfeiting by a third party. In contrast, its specific policies enable it to act efficiently to defend its rights.

2.5 FINANCIAL RISKS

EXCHANGE RATE RISK

Description of the risk	Treatment of the risk
Bel and its subsidiaries are exposed to transactional exchange rate risks due mainly to sale and purchase undertakings in currencies other than their functional currencies. Bel also holds assets, earns income, and incurs expenses and obligations, either directly or via its subsidiaries, in a wide basket of currencies. Because the consolidated financial statements are presented in euros, the value of assets, liabilities, income and expenses will be impacted by fluctuations in the euro.	Management policy is to hedge very probable risk in foreign currency transactions using firm or optional derivative financial instruments to reduce sensitivity to unfavorable currency fluctuations. The Group implements a central exchange rate policy that aims to hedge the annual budgetary risk on currency purchases and sales, freely convertible and transferable, for all French, European, North American and Japanese entities. The Group Treasury Department provides these entities with the necessary currency hedges. The dollar, sterling and zloty are the main currencies exposed to transaction risk. Hedges do not exceed a horizon of 18 months. The hedging policy is set out in Note 4.15 of the Consolidated Financial Statements in Chapter 5. For subsidiaries in countries where there are no financial budgetary hedging instruments, the policy is to maximize natural hedging as much as possible, for example through billing currencies.
Residual risk	
In the event of a local currency devaluation in a country where there is no financial instrument for budgetary hedging, such an incident could have an impact on the profitability of the concerned entity and could affect the Group's operating or financial income. Since translation risk is not covered, the local currency share of contributions to the Group's consolidated earnings remains subject to changes in the euro against the local currency of these same subsidiaries.	

2.6 INSURANCE AND RISK COVERAGE POLICIES

2.6.1 INSURANCE AND RISK COVERAGE

Bel follows a centralized risk coverage approach encompassing all of its subsidiaries. Certain local legal constraints or specific regional exclusions may mean that policies have to be arranged locally.

An international insurance program is underwritten by leading insurers. The Group exercises operational control in terms of negotiating policies, monitoring capital and covering risks.

Bel maintains strict control and centralized management of industrial risks under the authority of the Industrial Technical Department controlled by the Industrial Environment Security Department, in liaison with the Legal Affairs and Risk Department and the Insurance Department placed under the authority of the Finance Department.

Following a comparative analysis phase in 2017, the gradual integration of MOM's policies into the Group's master insurance program started in 2018 and is ongoing.

2.6.2 DAMAGE TO ASSETS, OPERATING LOSSES AND TRANSPORT

Coverage of major hazards, particularly the risk of fire, explosion and natural events likely to generate a consequent operating loss, is negotiated for the entire Group with first-tier insurers. Coverage is renewed annually on January 1, except in the case of multi-year contracts (preferred for major risks via a partnership policy with the Group's insurers).

Coverage amounts are determined by assessing risks (e.g. vulnerability, protection, partitioning) and maximum

possible loss (MPL), taking into account the replacement value of assets and an appropriate indemnification period for each site. The insurers set various liability sub-limits, particularly for the risk of natural events.

Preventive audits of the industrial sites are regularly performed by experts within and outside the Group.

Automatic fire sprinkler systems will continue to be installed, and will eventually cover all strategic production sites.

2.6.3 CIVIL LIABILITY

The main contracts covering liability (particularly the Group's civil liability, business liability and product liability) and environmental damage are arranged as part of a

general insurance program, taking account of the specific features of frontline contracts entered into locally, mainly in the United States and Canada.

2.6.4 ADDITIONAL POLICIES

Some risks, such as corporate officers' liability and customer credit risk, are also managed centrally. In the case of

customer credit risk, subsidiaries are invited to endorse a master policy to cover their local customer risks.



Babybel® has launched a functional line in the United States with two products, Babybel Plus+ Probiotic and Babybel Plus+ Vitamins A & B12. With this innovation, Babybel becomes the first brand to offer a functional dairy snack.



3 CORPORATE SOCIAL RESPONSIBILITY

Non-Financial Performance Report

3.1	Bel: a growth model to champion healthier and responsible food for all	44	3.9	Appendix 1: Contributing to the United Nations' Sustainable Development Goals	104
3.2	A model that creates value for all its stakeholders	57	3.10	Appendix 2: Correlation table with the 11 TCFD recommendations	105
3.3	Contributing to healthier food	70	3.11	Appendix 3: Summary of environmental data	106
3.4	Promoting sustainable agriculture	75	3.12	Report by one of the statutory auditors on the consolidated non-financial performance report	108
3.5	Designing responsible packaging	82	3.13	Statutory Auditors' reasonable assurance report on a selection of consolidated non-financial information included in the Management Report	110
3.6	Fighting climate change and reducing its environmental footprint	86			
3.7	Improving the accessibility and affordability of its products	100			
3.8	Methodological note	102			

3.1 BEL: A GROWTH MODEL TO CHAMPION HEALTHIER AND RESPONSIBLE FOOD FOR ALL

3.1.1 BUSINESS MODEL

Bel's safe and high-quality products offer consumers the benefits of dairy, fruits and plant-based. The Group seeks to have a positive impact on its entire ecosystem, from farmers to consumers, whilst protecting the planet.

The Group signed on to the United Nations Global Compact in 2003, a testament to its commitment to promote sustainable development. Since then, Bel has published an annual "Communication on Progress" report, in which it tracks the initiatives taken and progress made by the Group to further the principles of the Compact, such as human rights, international labor standards, environmental protection and anti-corruption.

In 2016, the Group structured its approach to place corporate social responsibility and shared value creation (creation of underlying value by a company that also benefits society, by meeting its needs and challenges) at the heart of its growth model, by forging trusting, lasting and profitable relations for all players in its value chain (see the visual "*A business model that creates value for everyone*", section 1.1 "Group presentation").

To address growing climate and demographic issues and to respond to the emerging concerns of its stakeholders, the Group is redoubling its efforts to tackle the challenge of feeding 10 billion people while protecting the planet's resources. In 2018, it willingly embarked on a profound transformation of its business model to ensure that profitability and responsibility go hand in hand. For this, the Group adapted its corporate mission to "champion healthier and responsible food for all" thereby restating its commitment to sustainable and inclusive nutrition.

A year later, Bel unveiled its new corporate identity, "*For All. For Good*" and its five priority challenges:

- contributing to healthier food;
- promoting sustainable agriculture;
- committing to responsible packaging;

- fighting climate change and reducing its environmental footprint; and
- improving the accessibility and affordability of its products.

These priority challenges were defined based on lessons learned from the Group's materiality and risk analyses. They form the foundation of the Bel Group's sustainable growth model and include concrete objectives for 2025 that complement the Group's strategy and its four pillars:

- building positive brands;
- accelerating positive innovation;
- developing in key geographies; and
- adapting to tomorrow's distribution challenge.

The Group aims to grow by offering an ever-more responsible range of products that meet consumers' increasing demands for foods that are more natural and environmentally friendly.

In 2017 Bel chose to tie its financial to its non-financial performance, by signing an addendum to extend the maturity of its multi-currency revolving credit facility and include environmental and social impact criteria. In October 2019, the Bel Group successfully completed a Euro Private Placement ("Euro PP") transaction with social and environmental conditions. The criteria included in the Euro PP and credit agreement are based, respectively, on two and three objectives related to the Group's sustainable development strategy:

- deployment of a concrete action program for a sustainable upstream dairy sector;
- reduction of greenhouse gas emissions; and
- development of nutrition education programs in the Group's key countries (credit agreement only).

CORPORATE SOCIAL RESPONSIBILITY

Bel: a growth model to champion healthier and responsible food for all

The Group reports annually on progress toward these goals in its Non-Financial Performance Report, which is audited by an independent third-party organization.

	Definitions	Goal for December 31, 2020	Result on December 31, 2020	Goal met
Upstream dairy	<i>The Bel Group pledges to define and deploy to its 10 dairy supply basins a "Sustainable upstream dairy" program to improve the sustainability of the dairy sector (see section 3.4.1 "Taking action for a sustainable upstream dairy")</i>	Formalized monitoring of adherence to the roll-out schedule by the "Roll-out" steering committee	100% compliance with commitments	
Reduction of greenhouse gas emissions	<i>Greenhouse gas emissions ratio: greenhouse gas emissions in kg CO₂ equivalent (Scopes 1 and 2) per metric ton produced benchmark indicator: Pro-forma indicator calculated on 12/31/2017 using the new indicator format (with a denominator in metric tons produced) (see section 3.6.1 "Fighting climate change")</i>	-10%	-4.5% The shortfall is due to a certain inertia in the implementation of reduction plans. Significant projects will ensure the 2021 objective is met.	
Nutritional education programs	<i>Nutritional education program: a civic initiative by the brand or the Group aimed at promoting healthy eating habits and an active lifestyle through an entertaining, educational approach. These programs may be developed by a partner and sponsored by the Bel Group or its brands through lasting partnerships formalized in contracts (see section 3.3.2 "Promoting better eating habits and encouraging healthier lifestyles").</i>	5 countries	6 countries	

CORPORATE SOCIAL RESPONSIBILITY

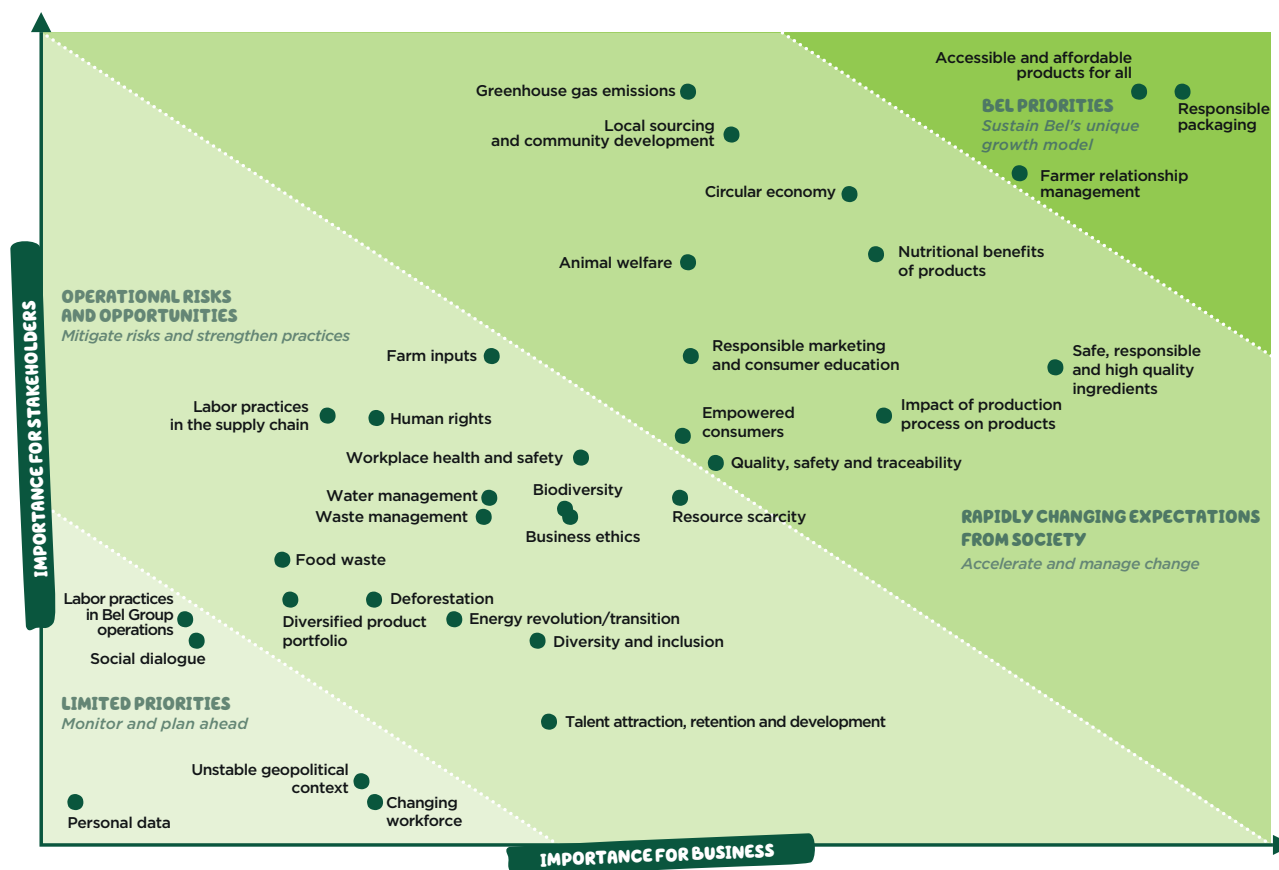
Bel: a growth model to champion healthier and responsible food for all

3.1.2 ANALYSIS OF PRIMARY NON-FINANCIAL RISKS

The selection of non-financial risks and opportunities presented in this Non-Financial Performance Report is founded:

- first, on the Group's risk management approach. Five non-financial risks were deemed significant (see Chapter 2 "Risk factors and insurance policy"):
 - risks related to corruption, human rights abuses and tax evasion,
 - risks related to suppliers and the priority challenge to promote sustainable agriculture,
 - risks related to quality, food safety and product regulation,
 - risk of environmental impact from Bel's direct and indirect operations and the priority challenge of committing to responsible packaging,
 - risks related to the sustainability of natural resources and climate change;
- second, on its updated materiality analysis conducted in 2018 on a panel of internal and external stakeholders representing the diversity of the Group's ecosystem:

BEL GROUP MATERIALITY ANALYSIS



The combined analysis of non-financial risks and the results of the updated materiality analysis:

- confirmed the relevance of the Group's long-standing commitment to conducting its business ethically (see section 3.1.5 "Ethics: a common foundation for conducting business") and to developing a model that creates value for all its stakeholders, especially its employees and consumers (see section 3.2 "A model that creates value for all its stakeholders"); and
- highlighted the priority challenges for the Group to address in the future, which are reflected in its new identity *For All. For Good* (see sections 3.3 "Contributing to healthier food" through 3.7 "Improving the accessibility and affordability of its products"):
 - contributing to healthier food,
 - promoting sustainable agriculture,
 - committing to responsible packaging,
 - fighting climate change and reducing its environmental footprint, and
 - improving the accessibility and affordability of its products.

Based on this work, the Group identified seven priority non-financial risks and opportunities. This Non-Financial Performance Report aims to present all the policies and action plans implemented by the Group to manage these risks, as well as the results of these policies.

CORPORATE SOCIAL RESPONSIBILITY

Bel: a growth model to champion healthier and responsible food for all

Objectives for 2025

SUMMARY TABLE - BEL'S MATERIAL NON-FINANCIAL RISKS AND CHALLENGES AND REMEDIATION POLICIES AND CORRESPONDING OBJECTIVES

Non-financial risks and opportunities	Corresponding material challenges ⁽¹⁾	Remediation policies															
Risks related to corruption, violation of human rights and tax evasion	- Human rights - Labor practices in the supply chain - Business ethics	- Code of Good Business Practices; - Risk mapping exercise and training program (see section 3.1.6 "Vigilance plan"); - Internal and external alert system (see sections 3.1.5 "Ethics: a common foundation for conducting business" and 3.1.6 "Vigilance plan").															
Risks related to human resources, health and safety of Group employees and labor relations	- Workplace health and safety - Labor practices in operations - Diversity and inclusion - Labor relations - Talent attraction, retention and development - Changing workforce	- Health and safety programs (see section 3.2.1.1); - Diversity and talent development programs (see sections 3.2.1.2 and 3.2.1.3); - Labor relations (see section 3.2.1.4). <table border="1"> <thead> <tr> <th>Bel's objectives</th><th>KPI</th><th>2025</th></tr> </thead> <tbody> <tr> <td>Work towards zero accidents at sites.</td><td>Bel AFR (Accident Frequency Rate).</td><td>3.0</td></tr> <tr> <td>Promote gender diversity and inclusion.</td><td>Share of women in top management.</td><td>40%</td></tr> <tr> <td>Develop its employees' talent.</td><td>Employees who attended training during the year.</td><td>100%</td></tr> </tbody> </table>	Bel's objectives	KPI	2025	Work towards zero accidents at sites.	Bel AFR (Accident Frequency Rate).	3.0	Promote gender diversity and inclusion.	Share of women in top management.	40%	Develop its employees' talent.	Employees who attended training during the year.	100%			
Bel's objectives	KPI	2025															
Work towards zero accidents at sites.	Bel AFR (Accident Frequency Rate).	3.0															
Promote gender diversity and inclusion.	Share of women in top management.	40%															
Develop its employees' talent.	Employees who attended training during the year.	100%															
Risks related to suppliers and the priority challenge to promote sustainable agriculture	- Producer relationship management - Local sourcing and community development - Animal welfare - Farm inputs	- Sustainable Purchasing Charter, supplier assessments and supplier risk mapping (see section 3.2.2 "Promoting responsible practices with its business partners"). <table border="1"> <thead> <tr> <th>Bel's objectives</th><th>KPI</th><th>2025</th></tr> </thead> <tbody> <tr> <td>Promote sound social and environmental practices among its suppliers.</td><td>Average EcoVadis supplier score (/100).</td><td>55.0</td></tr> </tbody> </table> - Bel Global Sustainable Upstream Dairy Charter (see section 3.4.1 "Taking action for a sustainable upstream dairy"). <table border="1"> <thead> <tr> <th>Bel's objectives</th><th>KPI</th><th>2025</th></tr> </thead> <tbody> <tr> <td>Contribute to better quality of life and working conditions for partner producers.</td><td>Producer access to innovative social models.</td><td>100%</td></tr> <tr> <td>Foster non-GMO feeding of the cows providing milk.</td><td>Milk collected from non-GMO fed cows.</td><td>100%</td></tr> </tbody> </table>	Bel's objectives	KPI	2025	Promote sound social and environmental practices among its suppliers.	Average EcoVadis supplier score (/100).	55.0	Bel's objectives	KPI	2025	Contribute to better quality of life and working conditions for partner producers.	Producer access to innovative social models.	100%	Foster non-GMO feeding of the cows providing milk.	Milk collected from non-GMO fed cows.	100%
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(1) The material challenges are taken from the materiality matrix. Two challenges – identified in the materiality matrix "unstable geopolitical conditions" and "personal data" – are excluded from this table because they are covered and managed by other policies at the Group level.

CORPORATE SOCIAL RESPONSIBILITY

Bel: a growth model to champion healthier and responsible food for all

Non-financial risks and opportunities	Corresponding material challenges ⁽¹⁾	Remediation policies
Quality, food safety and product regulation risks	- Safe, responsible and high-quality ingredients - Quality, food safety and traceability - Impact of manufacturing process on products	Organization and dedicated processes (see section 3.3.1 "Offering products with optimal quality and safety").
Risks related to innovation and consumer expectations and the priority challenge to contribute to healthier food	- Responsible consumers - Diversified product portfolio - Responsible marketing and consumer education - Nutritional benefits of products	- Product offers that meet consumer needs (see section 3.3 "Contributing to healthier food"); - Programs to promote better eating habits and healthier lifestyles (see section 3.3.3 "Improving the nutritional quality of its products"); - Actions to improve the accessibility of its products (see sections 3.7.1 "Adapting its products to the needs of everyone" and 3.7.2 "Improving the accessibility of its products by developing innovative and inclusive distribution models").

Bel's objectives	KPI	2025
Continuously improve the nutritional quality of its products.	Children and family product portfolio meeting "Bel Nutri+" goal (Bel nutritional profiling system).	80%
Foster healthy consumption habits and lifestyle.	Key countries where a program is implemented for consumers ("Educanut").	10
	Number of subsidiaries where a program is implemented for their employees ("Healthy Smiles").	30 (100%) ⁽²⁾

(1) The material challenges are taken from the materiality matrix. Two challenges – identified in the materiality matrix "unstable geopolitical conditions" and "personal data" – are excluded from this table because they are covered and managed by other policies at the Group level.

(2) Indicator updated in 2020.

CORPORATE SOCIAL RESPONSIBILITY

Bel: a growth model to champion healthier and responsible food for all

Non-financial risks and opportunities	Corresponding material challenges ⁽¹⁾	Remediation policies											
Risk of environmental impact from Bel's direct and indirect operations and the priority challenge of committing to responsible packaging	- Responsible packaging - Deforestation - Greenhouse gas emissions - Waste management - Biodiversity	- Animal husbandry practices to reduce the environmental impact of upstream agricultural activities (see sections 3.4.1 "Taking action for a sustainable upstream dairy" through 3.4.3 "Delivering the goodness of fruits"); - Environmental policy (see section 3.6.3 "Using water sustainably"); - Programs intended to protect biodiversity and fight deforestation and ecosystem conversion (see section 3.6.2 "Preserving biodiversity and fighting deforestation and ecosystem conversion"); - Promotion of the circular economy for packaging (see section 3.6.2 "Preserving biodiversity and fighting deforestation and ecosystem conversion").											
		<table><tr><th>Bel's objectives</th><th>KPI</th><th>2025</th></tr><tr><td>Work towards 100% recyclable-ready and/or biodegradable packaging.</td><td>Recyclable-ready and/or biodegradable packaging.</td><td>100%</td></tr><tr><td>Reduce its global carbon footprint to meet Paris Agreement targets ⁽²⁾.</td><td>Global carbon audit (kg. CO₂ eq./metric ton produced).</td><td>-27.5% ⁽³⁾</td></tr><tr><td>Preserve natural ecosystems and fight deforestation through its supply chain.</td><td>Impact of sourcing policies on at-risk land (area of at-risk land whose conversion was avoided/total at-risk land area cultivated)</td><td>100%</td></tr></table>	Bel's objectives	KPI	2025	Work towards 100% recyclable-ready and/or biodegradable packaging.	Recyclable-ready and/or biodegradable packaging.	100%	Reduce its global carbon footprint to meet Paris Agreement targets ⁽²⁾.	Global carbon audit (kg. CO ₂ eq./metric ton produced).	-27.5% ⁽³⁾	Preserve natural ecosystems and fight deforestation through its supply chain.	Impact of sourcing policies on at-risk land (area of at-risk land whose conversion was avoided/total at-risk land area cultivated)
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Reduce its global carbon footprint to meet Paris Agreement targets ⁽²⁾.	Global carbon audit (kg. CO ₂ eq./metric ton produced).	-27.5% ⁽³⁾											
Preserve natural ecosystems and fight deforestation through its supply chain.	Impact of sourcing policies on at-risk land (area of at-risk land whose conversion was avoided/total at-risk land area cultivated)	100%											
Priority challenge to improve the accessibility and affordability of its products	Accessible and affordable products for all	- Adapt recipes to the nutritional needs of everyone, see section 3.7.1 "Adapting its products to the needs of everyone"; - Develop innovative and inclusive distribution models, see section 3.7.2 "Improving the accessibility of its products by developing innovative and inclusive distribution models".											
		<table><tr><th>Bel's objectives</th><th>KPI</th><th>2025</th></tr><tr><td>Improving the accessibility and affordability of its products.</td><td>Number of people benefiting from Bel's inclusive business programs.</td><td>80,000</td></tr></table>	Bel's objectives	KPI	2025	Improving the accessibility and affordability of its products.	Number of people benefiting from Bel's inclusive business programs.	80,000					
Bel's objectives	KPI	2025											
Improving the accessibility and affordability of its products.	Number of people benefiting from Bel's inclusive business programs.	80,000											

(1) The material challenges are taken from the materiality matrix. Two challenges – identified in the materiality matrix "unstable geopolitical conditions" and "personal data" – are excluded from this table because they are covered and managed by other policies at the Group level.

(2) Scopes 1, 2 and 3.

(3) Objective for 2030 compared to the benchmark year 2017.

CORPORATE SOCIAL RESPONSIBILITY

Bel: a growth model to champion healthier and responsible food for all

Non-financial risks and opportunities	Corresponding material challenges ⁽¹⁾	Remediation policies
Risks related to the sustainability of natural resources and climate change	• Water management • Circular economy • Energy transition • Sustainability of resources • Food waste	• Animal husbandry practices to reduce the environmental impact of upstream agricultural activities (see sections 3.4.1 "Taking action for a sustainable upstream dairy" through 3.4.3 "Delivering the goodness of fruits"); • Programs to reduce the impact of operations on climate change and to adapt to climate-related risks (see section 3.6.1 "Fighting climate change"); • Programs intended to fight the risk of biodiversity loss and deforestation (see section 3.6.2 "Preserving biodiversity and fighting deforestation and ecosystem conversion"); • Promotion of the circular economy for packaging (see section 3.6.2 "Preserving biodiversity and fighting deforestation and ecosystem conversion"); • Fighting food waste (see section 3.6.4 "Fighting food waste").

(1) The material challenges are taken from the materiality matrix. Two challenges – "unstable geopolitical conditions" and "personal data" – identified in the materiality matrix are excluded from this table because they are covered and managed by other policies at the Group level.

3.1.3 GOVERNANCE OF CSR ISSUES AT EVERY LEVEL OF THE COMPANY

The Group's structure facilitates the consideration of CSR challenges at all levels, from management bodies to operational employees. The Group's commitment to combining responsibility with performance is even reflected in its organization: it decided in 2020 to merge CSR and Finance within a single division.

The Board of Directors as the commitment watchdog

The Group's Board of Directors makes all decisions about the Group's strategic, economic, social, environmental, financial and industrial objectives, and ensures that they are implemented by Senior Management.

The Ethics and Compliance Committee

The Ethics and Compliance Committee assesses and oversees compliance policies. It receives assistance from an Ethics Coordinator and reports on its work to the Group Audit Committee.

The CSR Operational Committee as the promoter of strategic CSR priorities

The Executive Committee, headed up by the Chairman and CEO and comprising all the key corporate functions, promotes the Group's sustainable growth model.

To support the roll-out of this ambitious plan, Bel also has a CSR Operational Committee that includes several members of the Executive Committee and meets four times a year. The objectives of this committee's meetings are to validate the CSR policies in line with the Group's strategic decisions and commitments and to monitor the CSR scorecard and changes in the performance indicators. In addition, two annual sessions of the Executive Committee focus more specifically on long-term strategic CSR matters.

The Investment Committee as the guarantor of sustainable growth

The Investment Committee reports to the Chairman and Chief Executive Officer. Its role is to manage and sign off on the Group's overall investment budget and on all projects totaling more than €2 million. It meets eight to nine times a year.

The committee ensures that any new Bel investment of more than €300,000 complies with its CSR commitments. Indeed, such plans are reviewed according to economic and financial performance criteria, as well as non-financial criteria corresponding to the major challenges facing the Group, whether employee-related, environmental or social.

CORPORATE SOCIAL RESPONSIBILITY

Bel: a growth model to champion healthier and responsible food for all

Specific committees to guide priority issues

The CSR Operational Committee is supplemented by specific steering committees dedicated to priority challenges for the Group's sustainable growth model, such as the Sustainable Agriculture Committee (see section 3.4 "Promoting sustainable agriculture"). Their purpose is to define a road map and to track its operational deployment and progress. These dedicated committees meet four times a year and convene multidisciplinary teams.

Brand Steering Committees

The CSR teams participate in all Brand Committees, which are entities in charge of managing the portfolios for strategic brand innovation and renovation projects. A CSR assessment matrix for projects was introduced in 2020 to carefully review each project against the Group CSR strategy.

Employee networks to support operational deployment

Two complementary networks supplement the structure described above. Their role is both to support the deployment of the Group's commitments at every level of the Company and to initiate new approaches to enhance the positive innovation policy:

- a network of "Champion" employees representing various Group functions whose primary role is to monitor and report on Group KPIs and to lead CSR initiatives in their functions and communities; and
- a network that includes, among others, employees from the Marketing and Regulatory Departments, is deployed to all the Group's subsidiaries to further strengthen this system. The role of this network is to speed up the deployment of the CSR initiative to all the Group's functions and regions. Four annual meetings are held to share the latest news on the Group's CSR policies and commitments and to showcase the good practices put in place in various countries.

3.1.4 A COMPANY FULLY MOBILIZED TO ADDRESS THE HEALTH CRISIS

In 2020, an unprecedented global health crisis triggered many economic, social and environmental challenges. In this difficult situation, the Bel Group successfully rallied its employees, partners and citizens to maintain the continuity of the food chain, lend its support to communities and keep everyone safe and healthy – especially the most vulnerable.

Organizing crisis management across the Group

The Group transitioned to crisis management mode in January 2020 with three objectives: monitor the global evolution of the pandemic and its consequences on each market, protect its employees and ensure the continuity of operations and of the food chain.

The Group stood up a multidisciplinary crisis unit with representatives from all key functions in the Company. In parallel, crisis units were also mobilized in each country to operate either in crisis mode or standby mode depending on the local health situation.

The crisis management strategy was founded on advance planning, preparation in the form of measures taken at each level of the organization and gradual adaptation to the instructions issued by health authorities and to the consequences of the crisis in each country.

Preserving employee health: an absolute priority for the Bel Group

From the start of the pandemic, Bel adopted extremely strict preventive measures in accordance with the Group's internal health and safety procedures and with guidance from the World Health Organization (WHO). Based on those recommendations, Bel drew up a list of 80 measures to implement at all its sites.

For example, the Group established systematic temperature checks before entry, distributed health supplies (gloves, masks, hand sanitizer, etc.) and installed protective barriers at its 33 plants.

Access to the Group's other facilities was limited during the lockdown periods and teleworking was encouraged. The behaviors and key measures applied in the plants (e.g. temperature taking, masks, social distancing, cleaning and disinfection) were extended to other sites and everyone participated in a 15-minute mandatory training that reviewed the rules to follow.

In addition to these personal safety measures, the Group developed several initiatives to support its employees during this trying period. For example, Bel gave its employees access to various training modules to help them successfully work from home, maintain a healthy diet and exercise. The training team also encouraged employees who were working fewer hours because of the pandemic to sign up for training. Bel employees in several countries, such as France, Italy, Greece and Canada, had access to a counseling and support service if they needed it.

Upholding its value of responsibility, the Group chose not to resort to partial unemployment arrangements for the entire duration of the crisis. Moreover, Bel was particularly attentive to maintaining financial support for its employees during this period. All plant staff who were forced to stay home during the crisis were able to continue receiving their base salary. Moreover, Bel decided to stop counting the days of lost work for employees on leave of absence so their bonuses and profit-sharing benefits would not be affected. Finally, in compliance with French legislation, all eligible employees were paid a bonus.

Helping partners weather the crisis and maintaining the food chain

As a major player in the global food industry, Bel sprang into action to ensure the continuity of the food chain by supporting its producers and suppliers.

In France, Bel honored its milk purchase price commitments, underscoring the importance of the agreement negotiated with the APBO (Association des Producteurs de Lait Bel Ouest, or "Bel West Producers Association").

Bel also gave some of its suppliers in the eurozone the option to take advantage of modified payment terms to

CORPORATE SOCIAL RESPONSIBILITY

Bel: a growth model to champion healthier and responsible food for all

help them get through the crisis. Therefore, at a supplier's request, payment times were reduced (to 10, 20 or 30 days instead of the usual 60-day terms) with no deductions from their invoices.

Promoting action and solidarity

True to its values, the Bel Group sought opportunities to assist communities that were especially exposed to and affected by the crisis.

Throughout the world, Bel's teams responded to the many needs created by the crisis by providing financial aid and donating products and/or health supplies to local associations or hospitals near the Group's production sites.

On April 16, 2020, for example, the Group set aside a full day's worth of The Laughing Cow production (the equivalent of 20 million portions) to donate, in kind or in cash equivalent, to healthcare workers and the most

disadvantaged citizens. This operation mobilized 12 plants and 20 countries.

In addition, in Morocco, where the Group has deep and far-reaching roots, Bel donated 5 million dirhams to the Special Fund to Fight Covid-19.

Furthermore, the Group teamed up in France with the association "Tous confinés, Tous engagés" ("Everyone confined, Everyone committed") to allow employees to spend work time volunteering for national emergency missions identified by the government or other solidarity actions. More than 200 work hours were devoted to such programs.

Finally, Bel invited its employees in France to give away their paid leave with a matching contribution by the Group. As a result, more than €100,000 was donated to healthcare facilities located near the Group's plants and head office to support medical personnel and fund the purchase of equipment and supplies.

3.1.5 ETHICS : A COMMON FOUNDATION FOR CONDUCTING BUSINESS

Definition of the challenge

Bel is firmly committed to preventing the risk of environmental harm, protecting human rights and fighting corruption and it has always placed ethics at the heart of its business methods.

Moreover, by adopting the "Sapin II" and "Due Diligence" laws, the French government has further increased the need to give business ethics a central place in the Group's activities around the world. Rather than approaching it as an isolated issue, the Group must establish an everyday ethics culture and practice at all levels.

Governance

To ensure ethical behavior along its entire value chain, several years ago the Group put in place strong governance bodies to ensure adherence to Bel's values and principles at all levels of operation within the Company.

The Group's Ethics and Compliance Committee – created in 2012 – is now supported by an Ethics Coordinator and a network of ethics officers who are appointed within the subsidiaries' HR departments to oversee the implementation of the various commitments and their operational application. The Ethics Coordinator interacts as needed with the Risk Committee and updates the Group Audit Committee on the progress of projects. Once a year, the Audit Committee presents a work report to the Board of Directors. This governance structure was adopted by the Executive Committee.

The Ethics and Compliance Committee assesses and oversees compliance policies – especially those pertaining to human rights. It also ensures their effective deployment and monitors the corresponding training mechanisms. In addition, it can address any ethics alerts, including those that cannot be handled within the hierarchy. It can also be asked to issue an opinion on any compliance matters.

The role of the Ethics Coordinator is to oversee the definition and implementation of compliance actions – especially those relating to fighting corruption and respecting human rights and the environment – at the local level, with the support of ethics officers. He/she regularly

briefs the Ethics and Compliance Committee on these actions.

The ethics officers are responsible for taking the necessary steps to raise awareness and for training local employees in the Code of Best Business Practices and the related policies. They are indispensable local liaisons for all the business ethics initiatives introduced at the Group level.

Policies

In 2012 Bel adopted a Code of Good Business Practices establishing the general framework for the professional conduct of every Bel employee. The seven principles of this Code are the following:

- comply with laws and regulations and take into account international standards;
- protect consumers;
- respect the environment;
- protect employees' essential rights;
- prevent conflicts of interest, fraud and corruption;
- promote fair business relations; and
- ensure the accuracy and protect the confidentiality of professional and financial information.

The code also stipulates that the principles laid out do not stand in place of national laws and regulations. The teams are still required to comply with these, and in cases where a country's regulations are stricter than an ethical rule stipulated in the Code, the national regulations prevail.

To help all employees understand and buy into the Code, it has been translated and distributed in the languages spoken at the Group. It is available in French and English on the Group's website and is presented during special trainings on business ethics.

In order to adapt and clarify certain principles, the Code of Best Business Practices has been supplemented by policies dedicated to fighting corruption and to Group rules regarding gifts.

In 2017 these policies were revised to reflect the provisions of the "Sapin II" law. They were integrated into the internal regulations of the French sites, disseminated to foreign sites

CORPORATE SOCIAL RESPONSIBILITY

Bel: a growth model to champion healthier and responsible food for all

and, where applicable, are currently being transposed to the foreign sites' internal regulations.

Finally, "business" policies or charters systematically include the principles of the Code of Good Business Practices and translate them for specific areas of activity. These are shared with the relevant stakeholders (see section 3.2.2 "Promoting responsible practices with our business partners").

Action plan

In addition to due diligence and other actions taken to prevent the risks of corruption, human rights violations and environmental damage in all the companies where Bel operates (see section 3.1.6 "Vigilance plan"), Bel has also joined several voluntary ethics initiatives for many years. Indeed, the Bel Group signed on to the United Nations Global Compact in 2003, well before it adopted its Code of Good Business Practices. Since then, the Group has reaffirmed its commitments each year and reports on its progress regarding four fundamental principles: respect for human rights, respect for labor standards, the fight against all forms of corruption and respect for the environment. Bel pays particular attention to respect for children's rights given the positioning of most of its brands. The Children's Rights and Business Principles, drafted jointly by the UN

Global Compact, UNICEF and Save the Children, are Bel's reference framework and are fully incorporated within its Code of Best Business Practices.

Alert system

Beyond the conventional alert reporting channels (contacting human resources officers, employee representative bodies or ethics officers), in 2015 Bel created a system which gives all employees access to an alert system that they can use to report any infringements of the principles enshrined in the Code of Good Business Practices. This alert system enables the Group's employees, partners and all third parties who do business with the Group to report any unethical incident of which they are a witness or victim. The alerts are processed in accordance with legal provisions, especially in terms of whistleblower protections. The procedures for handling alerts are described in a special guide written for this purpose. All alerts are handled by the local ethics officer, who has a strict requirement to inform the Group ethics coordinator of the investigation results and the proposed response measures. When the alert cannot be handled locally (due to the type of alert or the identity of the individuals involved), the alert is handled directly by the Group's Ethics and Compliance Committee. In 2020, three alerts were submitted; one of them was received in December 2020 and was processed in 2021.

PERFORMANCE INDICATORS

Bel's objectives	KPI	2019	2020
Promote ethics as a common foundation	Number of alerts received	2	3
	Number of alerts processed	2	2
	Number of employees trained on corruption risks (in-person training)	500	500
	Number of employees trained on corruption risks (e-learning)	594	652

3.1.6 VIGILANCE PLAN

The adoption in 2016 of the anti-corruption aspect of the "Sapin II" law and in 2017 of the law on due diligence has led the Group to strengthen its monitoring in the fight against corruption, environmental damage related to its activity and violations of human rights and individual health and safety.

The Group's longstanding commitment to the ethical conduct of its activities has enabled it to effectively draw on the policies and checklists already in place to construct and to continuously improve the vigilance plans required by these two laws.

3.1.6.1 A system founded on risk identification

Corruption risks and the risk of human rights, individual health and safety and environmental violations are monitored within the framework of the Group's *Enterprise Risk Management* (ERM) system (see section 2.1 "Risk management policy").

Nevertheless, since the adoption of the "Sapin II" and "Due Diligence" laws, the Group has chosen to conduct a dedicated risk mapping exercise for all relevant topics to supplement the Group's risk management system (ERM). A common methodology was adopted to identify such risks.

CORPORATE SOCIAL RESPONSIBILITY

Bel: a growth model to champion healthier and responsible food for all

Relating to the Group's own activities

In order to identify and rank gross risks of corruption, violations of human rights and individual health and safety, and environmental risks, the Group carried out its first risk mapping exercise in 2017, which was updated in 2019. Risks were evaluated according to three criteria:

- the location of its activities;
- the nature of its activities (production, marketing, services); and
- the scale of its activities (in terms of revenue, number of employees and business volume).

The mapping exercise was completed for all the Group's subsidiaries and covers all export regions, in accordance with legal requirements.

This first study phase was supplemented by a thorough analysis of the Group's current policies and checklists that limit these risks, in order to adopt appropriate action plans. In connection with the roll-out of these initial action plans, the Group also strengthened the mechanisms governing ethics and compliance (see section 3.1.6 "Ethics: a common foundation for conducting business") to put in place a model organization commensurate with the importance of the issues.

This methodology was deployed locally through trainings arranged for all the Management Committees of the Group's subsidiaries to educate the local staff about the corresponding issues. After these training sessions, participants completed self-assessment questionnaires about risks relating to corruption, violations of human rights, individual health and safety, and the environment. The questionnaires were then analyzed to measure the actual risk in light of the policies and control points in effect at the subsidiaries.

In 2018, action plans were developed based on analysis of these self-assessment questionnaires, then deployed to the Group's subsidiaries.

The gross risk mapping and the analysis of the compliance and effectiveness of Group policies and control points were updated in 2019 and 2020 to measure the progress made. The implementation of additional policies and reinforced control points between 2018 and 2019 led to a marked improvement in the management of these risks.

Finally, in 2019 the Group rolled out a digital risk mapping tool that enabled it to complete a corruption risk mapping in 2020. Bel opted for a qualitative approach that essentially consisted in formalizing corruption scenarios specific to each of the Group's subsidiaries and taking into account aggravating exogenous factors, where applicable (for more details, see section 3.1.6.2 "Actions implemented"). The local Management Committees played an active role in determining the corruption risk scenarios, identifying aggravating factors and assessing the degree of control over those risks. Their involvement allowed local operational staff to become more confident and proficient in addressing these issues as they responsible for defending the Group's ethical standards in their daily activities.

Relating to the activities of its business partners

Bel has always been particularly vigilant regarding risks related to its supply chain. In late 2017, the Group supplemented the evaluations performed by EcoVadis in 2009 with a mapping of suppliers focused on CSR risks related to the environment, labor law, human rights and business ethics and with a mapping focused on corruption risks.

The results of this initial mapping exercises led to the identification of "purchasing category/country" pairs and the reinforcement of the due diligence steps taken prior to approving suppliers that come under those categories.

In 2020, the Group used a digital tool to update its supplier risk mapping. The software enables mass analysis of the portfolio, which pinpoints suppliers for whom greater diligence is required, based on a theoretical risk level. The digital resource can then be employed to access detailed reports about this set of theoretically risky suppliers to make well informed decisions about whether to continue doing business with the partner in question. These reports and the content of due diligence work performed are stored and can be viewed on a dedicated digital platform. In this respect, subcontractors, intermediaries and other consultants are considered to be suppliers and will, therefore, be included in the aforementioned category (a new risk mapping was carried out for this group in 2020).

The same approach will be rolled out in 2021 to all clients of the Bel Group.

3.1.6.2 Actions implemented

To fight corruption

The Group supplemented its Code of Good Business Practices with a gift policy and an anti-corruption policy, which was revised in 2017 to apply the provisions of the "Sapin II" law. They were incorporated within the French sites' internal regulations following consultation of the staff representative bodies and were conveyed to all the Group's subsidiaries.

Relating to its internal stakeholders

At the corporate level, the Bel Group has defined corruption risk types according to transaction and at-risk activity with all the relevant functional departments.

As part of the risk mapping exercise in 2017 and 2018, the Management Committees at the Group's subsidiaries were targeted with an initial educational program about the issues surrounding anti-corruption measures and the behaviors expected from all Group employees in this regard. Workshops were held for the local Management Committees to analyze the self-assessment questionnaires and define the specific types of corruption risks by comparing the list of risks identified at the corporate level to the reality at each subsidiary, in light of their exogenous environment.

This risk mapping exercise was conducted again in 2020 and will be updated at regular frequencies in accordance with legal requirements.

Moreover, in addition to the in-person trainings that have benefited more than 500 employees since 2015, an e-learning module on fighting corruption was launched in late 2018. The training was offered again in 2019 and 2020. The module was completed by all Management Committee members at every Bel Group subsidiary in 2020, prior to carrying out the dedicated risk mapping exercise for their subsidiary. As a result, this e-learning was completed by 650 Group employees.

Lastly, the entire anti-corruption system underwent an internal audit. The report's conclusions were presented to the Group Audit Committee and resulting action plans will be monitored on a regular basis.

CORPORATE SOCIAL RESPONSIBILITY

Bel: a growth model to champion healthier and responsible food for all

Relating to its external stakeholders

As regards its suppliers, and as indicated above, beyond the CSR risk mapping exercise, the Group further refined its risk identification process in 2019 with a mapping focused on corruption risks. Its conclusions made it possible to base the degree of due diligence on the risk level identified by “purchasing category/country” pair (see section 3.2.2 “Promoting responsible practices with its business partners”).

As regards its other external stakeholders, the Group has put in place measures to be notified if any of its retailers, customers or agents is found guilty of a crime, politically exposed or added to a blacklist or embargo. This continuous monitoring system will be supplemented with in-depth assessments of the most exposed stakeholders in 2021 thanks to a dedicated digital tool (see section 3.1.6.1 “A system founded on risk identification”).

In addition to these specific action plans, since 2014 the Group has participated in the Supply Chain Initiative in 16 European countries⁽¹⁾ which make up more than 40% of its revenue. This voluntary, self-regulatory code establishes 10 principles to be followed in commercial relations, with an emphasis on corruption. Most of these principles are also laid out in Bel's Code of Good Business Practices.

Finally, as part of its anti-corruption action plan, the Group once again sent its most significant partners its anti-corruption policy and inserted an anti-corruption clause in its terms and conditions of purchase and in its Sustainable Purchasing Charter. Moreover, the Group's alert system was opened to external stakeholders through the Group's website, with a redesigned user interface to give them more intuitive access to the system. This alert processing system is similar to the one used for alerts sent by internal stakeholders (see section 3.1.6 “Ethics: a common foundation for conducting business”).

To fight violations of human rights and individual health and safety

In 2012, the Group launched a proactive human rights program with the adoption of its Code of Good Business Practices. Respect for human rights, including individual health and safety, is one of the seven principles set out in the Code; it refers specifically to the Universal Declaration of Human Rights and International Labor Organization

conventions. The network of ethics officers who report to the subsidiary directors is responsible for implementation and compliance at each of the sites (see section 3.1.6 “Ethics: a common foundation for conducting business”).

Relating to its internal stakeholders

Protecting employees' essential rights is a constant concern. The Group has introduced very strict human resources policies on compliance with labor standards employee safety standards, especially for employees based in countries with a high risk of violations of human rights and individual health and safety.

In 2017, the Group ran a project aimed at detecting and measuring the risk of human rights violations, focusing on the risks of modern slavery, forced labor, child labor, and violations of individual health and safety, freedom of association, or the right to collective bargaining. This work also raised the awareness of the local Management Committees about these issues. In 2018, like the work carried out to fight corruption (see 3.1.6 “Vigilance plan”), self-assessment questionnaires covering the risks listed above were completed by the Group's subsidiaries. Dedicated action plans were drawn up after analyzing these self-assessments.

In 2019, the Group updated its mapping of human rights violation risks, which showed an improvement in the management of those risks, thanks to the addition of new control points focused on compliance with the Group's policies in this area.

Employee awareness is at the core of Group actions to fight human rights violations. Because of the public health crisis, in 2020 it was not possible to offer as rich an array of in-person trainings as in other years. However, the Group is rolling out an e-learning module on respecting human rights with an explanation of Bel's policies to protect such rights. Also, respect for human rights and adherence to related Group policies are discussed systematically at in-person trainings on the Code of Good Business Practices.

Finally, the Group naturally carried on with long-running social initiatives (see 3.2.1 “Building a sustainable future with its employees”) and, again in 2020, pursued its continuous improvement programs aimed at guaranteeing the health and safety of its employees through its “zero accidents” goal (see section 3.2.1.1 “Guaranteeing health, safety and well-being at work”).

(1) In 2018, Bel signed the Supply Chain Initiative in the following countries: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Portugal, Slovakia, Spain, Sweden and the United Kingdom.

CORPORATE SOCIAL RESPONSIBILITY

Bel: a growth model to champion healthier and responsible food for all

Relating to its external stakeholders

Bel is especially attentive to the human rights practices of its suppliers. This topic is addressed in a dedicated assessment with “social” and “ethics” criteria under the EcoVadis evaluation framework.

That system was supplemented with the CSR risk mapping exercise intended to define the purchasing categories most exposed to the risk of human rights violations (see section 3.2.2 “Promoting responsible practices with its business partners”).

Adherence to these principles was reaffirmed specifically in the Sustainable Purchasing Charter, which was revised in 2019.

To ensure respect for the environment

Bel is aware that its environmental responsibilities extend from upstream agricultural activities to the consumption of its products by the end consumer and packaging waste recycling. As part of its risk mapping, the Group identified the major risks to the ongoing viability of its activities and the risks that weigh on its ecosystem.

In its operations

On top of the Group risk mapping exercise, in 2017 Bel performed an environmental risk mapping focused on its own activities, during which it assessed its risks related to greenhouse gas emissions, climate change, water stress, biodiversity, deforestation and waste management.

To address these risks, the Group adopted highly ambitious objectives and is implementing continuous improvement plans designed to mitigate all the risks identified (see section 3.6 “Fighting climate change and reducing its environmental footprint”).

Thus, the Group has a strict, longstanding environmental policy that defines its goals and its guidelines for reaching those goals, especially the ones pertaining to its carbon footprint and water consumption. Furthermore, since 2017 the Group has participated in the Science-Based Targets (SBT) initiative started by the Carbon Disclosure Project (CDP), the World Resources Institute (WRI), the WWF and the United Nations Global Compact. This initiative aims to reduce greenhouse gas emissions along the entire Bel value chain (Scopes 1, 2 and 3).

In 2019, the Bel Group also formalized a policy on protecting natural ecosystems and forests, which seeks to ensure that, by 2025, none of its key raw materials contributes to deforestation or the conversion of natural ecosystems.

All these adopted policies are accompanied by objectives with corresponding action plans that are closely monitored

(for details on the action plans, see sections 3.6.1 “Fighting climate change”, 3.6.2 “Preserving biodiversity and fighting deforestation and ecosystem conversion” and 3.6.3 “Using water sustainably”).

Along its entire value chain

In light of the significant impact of agricultural raw materials on the Group’s overall carbon footprint (72%), Bel has made its commitment to a sustainable dairy sector a priority within its corporate social responsibility strategy, especially to achieve objectives set in connection with the Science-Based Targets initiative.

The acceleration of the Group’s strategic penetration into the plant-based segment also helps further its GHG emissions reduction goals.

Moreover, in 2020 the Group adopted a biodiversity policy that incorporates all the corresponding challenges at every stage in its value chain (see section 3.6.2 “Preserving biodiversity and fighting deforestation and ecosystem conversion”).

More broadly, Bel is fully mobilized to reduce the direct and indirect emissions generated by its operations all along its value chain.

Its engagement is characterized by its work to limit the risk of negative biodiversity impact and deforestation in its supply chain, fight food waste from production to consumption, and make Group packaging a part of the circular economy (see sections 3.6.1 “Fighting climate change”, 3.6.2 “Preserving biodiversity and fighting deforestation and ecosystem conversion”, 3.6.3 “Using water sustainably” and 3.6.4 “Fighting food waste”).

3.1.6.3 Dedicated controls

To ensure the effective implementation of such actions, Bel added control points to its existing internal control system in 2018 to check each of these actions. Further checks were added in 2019; these will be updated on an annual basis and as needed.

Under the responsibility of their general managers, the Group’s subsidiaries conduct an annual self-assessment against a control protocol. In addition to the pre-existing controls that help manage this risk, specific controls were added to the mechanism to fight corruption and human rights violations.

The results are shared with the Audit Committee, the Ethics Coordinator and the departments concerned so they can take actions and adjust corrective plans where applicable.

HIGHLIGHTS OF 2020

- Creation of Brand Committees to steer the brands’ CSR road maps.
- Strong Group response to its employees, partners and communities during the Covid-19 pandemic.

PRIORITIES FOR 2021

- Roll out the client assessment process.

CORPORATE SOCIAL RESPONSIBILITY

A model that creates value for all its stakeholders

3.2 A MODEL THAT CREATES VALUE FOR ALL ITS STAKEHOLDERS

Because Bel's business model and operations are founded on interactions amongst a large number of stakeholders, maintaining long-term, beneficial and sustainable relationships with those stakeholders is crucial.

This is why Bel has chosen to implement a model which creates shared value for its internal and external stakeholders, focused specifically on:

- its employees;
- its business partners; and
- its consumers.

WITH ITS ECOSYSTEM

Moving forward together in a positive innovation approach that creates value for all.



3.2.1 BUILDING A SUSTAINABLE FUTURE WITH ITS EMPLOYEES

Definition of the challenge

Bel's mission to "Champion healthier and responsible food for all" guides the Group's 12,510 employees in rolling out a sustainable and profitable model that places the consumer and shared valued creation at the heart of its decisions.

Bel's human capital is the indispensable foundation which enables it to fulfill its corporate mission. Therefore, the Group strives to offer its employees working conditions that promote wellness and safety and to enhance their employability by providing fair and appealing career opportunities.

CORPORATE SOCIAL RESPONSIBILITY

A model that creates value for all its stakeholders

Policy

In late 2020, Bel defined a new people policy to support the Company through its transformation over the next 10 years. This ambitious, innovative program, called “Nurture”, defines the Group’s HR commitments to its employees, as well as the expected behaviors and new management model that will be implemented to meet its goal. The vision is built upon the Group’s longstanding key values – Dare, Care and Commit – and expresses the unique value Bel wants to create for its employees.

Its HR commitments are organized around the five following principles:

- employee training and development;
- work environment;
- recognition;
- personal fulfillment; and
- support for families.

In 2021, Bel will begin rolling out the “Nurture” program to the Group’s various entities. The priorities of the operational road map will be to listen to employees and measure their satisfaction and to implement the management model. Programs have already been in place for several years to advance the topics of people development and the work environment; these actions are described in dedicated sections within this Non-Financial Performance Report.

Workforce

As of December 31, 2020, the Group employed 12,510 people in over 30 countries. Bel’s workforce (permanent and fixed-term employment contracts in effect on December 31, 2020) grew by 72 people, remaining stable compared to December 31, 2019.

Workforce by market type ^(a)	2018	2019	2020
Global (mature) markets	11,330	11,091	11,058
New regions ^(b)	1,307	1,347	1,452
TOTAL GROUP	12,637	12,438	12,510

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

(b) China, Mexico, Ivory Coast, South Africa, MOM.

Workforce by status ^(a)	2018	2019	2020
Managers ^(b)	2,521	2,498	2,676
Non-managers	10,118	9,940	9,834

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

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

New hires and departures (excluding changes in the consolidation scope)

In a particularly demanding market environment, Bel is constantly adapting its business lines and human resources to match its needs to maintain its competitiveness and fuel the growth of its core brands on the cheese and dairy

products market, as well as on the promising healthy snacking segment. The Group hired 1,615 people in 2020. The majority of the 1,516 departures in 2020 were voluntary (resignations and retirements).

Hires and departures	2018	2019	2020
Number of new hires	1,524	1,563	1,615
Number of departures	1,691	1,698	1,516
Of which redundancies/dismissals	171	276	229

CORPORATE SOCIAL RESPONSIBILITY

A model that creates value for all its stakeholders

Terminations by market type	2018	2019	2020
Global (mature) markets	165	211	218
New regions ^(b)	6	65	11
TOTAL GROUP	171	276	229

Rate of job insecurity ^(a)	2018	2019	2020
Global (mature) markets	10.3%	11.4%	11%
New regions ^(b)	29.2%	26.3%	31%
TOTAL GROUP	12.2%	13.0%	12.0%

(a) Proportion of fixed-term contracts to all contracts (in full-time equivalent jobs).

(b) China, Mexico, Ivory Coast, India, South Africa, MOM.

The Group's average rate of job insecurity is 12% (calculated excluding temporary staff). This rate represents the number of fixed-term positions compared to the total number of staff (fixed-term + permanent + temporary staff).

This average conceals significant local differences. For example, in some Middle Eastern and African countries, a fixed-term contract is standard legal practice and is not a sign of job insecurity.

3.2.1.1 Guaranteeing health, safety and well-being at work

Policies

Health and safety are absolute priorities for Bel, for both its employees and all other persons working within the Company. Bel has a health and safety policy that aims to achieve "zero accidents or occupational illnesses" by committing to:

- maintaining safe and healthy working conditions to limit accidents and occupational illnesses through risk prevention and management and a continuous improvement initiative;
- complying with all regulatory requirements; and
- eliminating hazards and reducing health and safety risks.

This policy also calls for the commitment and active participation of each and every employee. An incentive system encourages them to set a good example and to take actions to prevent and eliminate any dangerous behaviors or processes.

This policy is reviewed every two or three years and approved by the Group Executive Committee. It was updated in 2020 and disseminated to all Group sites. Bel also deployed a new safety organization aligned with its operational model to increase the efficiency with which action plans are rolled out and to leverage good practices and incidents identified in the Group.

Furthermore, a new Security policy was recently defined to protect employees from material or immaterial malicious acts (see section 3.3.1. "Offering products with optimal quality and safety").

Action plan

Ensuring the health and safety of its employees during the Covid-19 pandemic

The Bel Group took decisive actions to address the Covid-19 pandemic with extraordinary measures to protect its employees (see section 3.1.4 "A Company fully mobilized to address the health crisis").

Changing individual behaviors and preventing the risk of accidents

To advance toward the ambitious goal of "zero accidents", the Group has implemented many actions. It closely tracks the performance of those actions through the frequency rate of all accidents leading to medical treatment involving its employees and any other people on its sites (e.g. visitors, subcontractors and temporary staff), regardless of whether or not they led to lost time. The Group also tracks near-misses and incidents requiring first aid.

As a result, Bel's accident frequency rate (AFR) has been in constant decline since 2013. The Group also defined the goal of achieving an accident frequency rate of 3 by 2025.

	2018	2019	2020
Bel accident frequency rate ^(a) Bel AFR			
Accidents with and without lost time for all persons present on Bel sites	6.6	5.45	4.75
Accident frequency rate ^(a) AFR1			
Accidents with lost time for Bel employees	4.1	3.72	2.87
Accident severity rate ^(b) for Bel employees	0.15	0.11	0.10

(a) Number of workplace accidents per million hours worked.

(b) Number of days not worked due to accidents suffered by Bel employees per 1,000 hours worked.

CORPORATE SOCIAL RESPONSIBILITY

A model that creates value for all its stakeholders

People's behavior remains a major factor in preventing accidents and occupational illnesses. This is why Bel has set up a behavior safety visits (BSV) program on all of its sites. During these inspections, employees or subcontractors are observed at their workstations by two people, followed by a constructive discussion between the inspectors and the person "inspected". The goal is to change behaviors and improve communication on safety and trust between employees and managers. In spite of Covid-19, more than 23,000 BSVs were completed in 2020, in full compliance with Covid prevention protocols.

In addition to monitoring workplace accidents, sites are also required to report and investigate near-misses in the same way as incidents which cause injury or damage to prevent the recurrence of risky situations.

In a further step, the Group also uses audits to check that the principles of its health and safety policy are applied properly; these audits may be internal (conducted by certified auditors) or external (conducted by an auditing firm).

Finally, a road map that prescribes actions to take is drawn up at the Group level and sent to all subsidiaries and sites. In 2020, a few key actions from the 2019-2021 road map were implemented:

- acceleration of the "**LOTO**" program to secure site machinery by installing protective mechanisms on all machines at all sites by 2022;
- the "**Safety Leadership**" training, which gives managers skills to positively influence their employees' behaviors to make their practices safer;
- a Group campaign on hand protection;
- the gradual deployment of the "**Dry Plant-Safe Plant**" program, whose goal is to reduce slips caused by wet floors; and

- the revision and improvement of 32 existing safety standards and the internal cross audit process.

Reducing discomfort and preventing occupational illnesses

Bel is taking action to prevent musculoskeletal diseases by reducing load lifting and uncomfortable postures through ergonomic improvements and the progressive introduction of cobots. Furthermore, the Group has identified – among others – three sources of occupational discomfort that could affect employees working in its plants: noise, night shifts and repetitive tasks.

Plants are gradually introducing action plans to reduce these sources of discomfort and to create a healthy working environment for all employees. Improving workstation ergonomics is included as a criterion when assessing all Group investment projects.

Providing an organization more conducive to well-being at work

In a socio-economic environment leading to a constant quest for higher productivity, Bel takes into consideration factors that directly affect its employees' well-being at work, including the organization of working and relaxation areas, the organization of working and commuting time and changes in working methods.

The Group also believes that a work/life balance is an important prerequisite for its employees' development and the Company's success.

Thus, most of the Group's subsidiaries grant more paid leave than the minimum imposed by national laws and regulations.

	2018	2019	2020
% of employees receiving at least three weeks of leave per year	95%	98%	96%

While there are many causes of absenteeism, it may in some cases be directly correlated with unhappiness at work. This is why the Group hopes to lastingly reduce unhappiness through its various actions. The increase in absenteeism seen in 2020 is directly related to the Covid-19 epidemic.

To improve wellness in the workplace, Bel has created an e-learning program, workshops and training for employees at its headquarters to raise awareness about psycho-social risks and quality of work life (QWL). The Group began giving QWL training to managers in 2020.

Absenteeism rate	2018 *	2019 *	2020
Hours of absence due to illness/theoretical working hours	2.11%	2.05%	2.85%

* Excluding MOM.

PERFORMANCE INDICATORS

Bel's objectives	KPI	2018	2019	2020	2025 objective	Progress
Work towards zero accidents at sites	Bel accident frequency rate	6.6	5.45	4.75	3.0	

CORPORATE SOCIAL RESPONSIBILITY

A model that creates value for all its stakeholders

3.2.1.2 Promoting equal opportunity and diversity

Policies

The Bel Group is committed to fighting against all forms of discrimination. Bel fosters diversity and promotes equal opportunity when hiring and throughout the careers of its employees. To support these commitments, the Group introduced a "Diversity and Inclusion" program in 2016 that laid out gender diversity and multiculturalism targets for the Company for 2020 and 2025. This program will be revised in 2021 to speed up the Group's transformation. It is built on three pillars:

- **creating an inclusive corporate culture**, especially through a network of volunteer employees to help adapt the Group's strategy to the local level by identifying local challenges and deploying appropriate actions, as well as through employee training and awareness raising on the topic;
- **attracting, retaining and developing diverse talents**, by adapting all its HR policies and processes to foster diversity and ensure equal opportunity (diversification of

recruitment channels, career management for all, transfer opportunities between business lines, increased representation of women in management, more non-French staff in corporate office, etc.); and

- **effectively monitoring the Group's performance in these areas**, by organizing a mechanism to track employee perception through the Group's commitment survey and by giving local leaders (country general managers, plant directors, business directors, etc.) the necessary management tracking and reporting tools.

"Diversity & Inclusion" programs have been launched in various Group countries in response to local challenges, including the United States in 2020. The successes of these local projects will serve as inspiration for the Group's "Nurture" initiative to be deployed in 2021.

Action plan

Gender equality

For non-managers, the low proportion of women can be explained by the cultural contexts of the Group's sites, the organization of shifts, or even local regulations (e.g. night shifts).

Breakdown by gender	2018	2019	2020
Total employees	69%/31%	69%/31%	69%/31%
Non-managers	72%/28%	73%/27%	72%/28%
Managers	57%/43%	57%/43%	56%/44%

Breakdown of new hires by gender	2018*	2019	2020
Men	933	1,026	975
Women	591	537	640
TOTAL NEW HIRES	1,524	1,563	1,615

* Excluding Safilait but including MOM.

Although women represent approximately one-third of managers, the proportion is lower (25%) in the higher grades (1, 2 and the Executive Committee). To remedy the situation, the Group had adopted the goal of having 30% of these positions occupied by women by 2020 and 40% by 2025. In addition to a comprehensive approach, specific objectives have been set for each type of profession.

The Group's progress in placing more women in management bodies in 2020 is illustrated by the attainment of gender parity on the Executive Committee. The percentage of women in middle management has also risen considerably since 2017, forming a growing pool of women candidates for more senior positions. However, Bel has not

reached its objective for all of top management, so it revised its program to speed up the Group's transformation and meet its goal by 2025. To this end, two key actions were carried out:

- more than 85 women on staff have participated in the new leadership training program for female employees in the last few years, including 16 women in 2020; and
- Bel joined the European LEAD Network, whose mission is to advance women leaders in the retail and consumer goods industry. This network allows Bel to identify good practices in the sector and to make educational resources available to all its employees.

Gender breakdown by grade	2018 ^(a)	2019 ^(a)	2020
Board of Directors ^(b)	5/2	3/2	5/2
Executive Committee ^(b)	4/1	6/2	3/3
Grade 1	87 %/13 %	80%/20%	77%/23%
Grade 2	74%/26%	79%/21%	77%/23%
Grade 3	67%/33%	63%/37%	59%/41%
Grade 4	59%/41%	60%/40%	56%/44%
Grade 5	56%/44%	54%/46%	57%/43%
Grade 6	52%/48%	55%/45%	53%/47%
Grade 7	52%/48%	53%/47%	53%/47%

(a) Excluding MOM and Safilait.

(b) Absolute values.

CORPORATE SOCIAL RESPONSIBILITY

A model that creates value for all its stakeholders

In France in 2018, Bel signed a three-year agreement to promote skills development and diversity. This agreement is the synthesis of three separate agreements pertaining to gender equality in the workplace, the hiring of young people and retention of older employees, and employment and skills management planning. It renews most of the measures set forth in the previous agreements and aims to increase

diversity. Negotiations for a new agreement will begin in early 2021.

Bel also classifies a wage gap greater than 5% in the same country for equivalent grades as a wage discrimination problem. For managers in France, the only sample group that is representative on a Group scale, the average ratio of women's salaries to men's salaries is currently 1.03.

	2018	2019	2020
Average ratio of women's salaries to men's salaries ^(a)	0.97	0.98	1.03

(a) Managers of an equivalent grade in France. Data from other countries is considered non-representative due to the number of men and women of equivalent grades.

As a company with more than 1,000 employees, Bel met its obligation to publish its gender equality index; its score for 2020 was 98/100, a four-point improvement over its 2019 performance. This index takes into account five indicators:

- the wage gap between men and women in the Company;
- the gap between individual rates of wage increase;
- the gap in promotions;
- the rate of female employees who receive a wage increase in the year following their return from maternity leave; and
- the number of employees of the under-represented gender among the 10 highest-paid positions in the Company.

Although these calculations are applied only to the Company's France scope, this result is an indicator of the efforts made by the Bel Group to fight gender discrimination.

Multiculturalism

Bel sells products in more than 130 countries and pays close attention to the diversity of the world in which it operates. The Group's ambition is to better understand its consumers by putting together teams that reflect every type of difference.

Bel believes in the creative momentum and new combinations of knowledge driven by diversity. The Group sees diversity as an engine for innovation and for creating agile teams. This makes it a source of wealth creation that is inseparable from the Group's ambitious goals.

Bel has therefore set itself a target of achieving 45% non-French managers in the highest grades (1, 2 and Executive Committee) by 2025, as part of its "Diversity and Inclusion" program. In 2020, 29% of managers in the highest grades (1, 2 and Executive Committee) were of non-French nationality.

CORPORATE SOCIAL RESPONSIBILITY

A model that creates value for all its stakeholders

Disability

Bel is determined to be a committed player in the employment and inclusion of people with disabilities. In 2011, the Group signed a partnership agreement in France with AGEFIPH (an association providing funding and assistance to help people with disabilities into the workplace) and it signed its first Disability Agreement in 2014 to collaborate with social partners over a three-year period. In 2020, Bel and its social partners finalized a third Disability Agreement with the goals of reaching, at a minimum, a direct employment rate of 6% across all its sites in France and enabling persons who are disabled or likely to become disabled to work in an environment conducive to their professional and personal development. This agreement is driven by four main areas of action:

- the involvement and education of all employees;
- participation in or creation of actions to show that Bel is disability-friendly;
- the hiring of disabled employees; and
- prevention and job retention efforts.

In addition, Bel works with numerous institutions in France that provide work to people with disabilities (known as "ESATs" or "EAs"), most of which are based close to the Group's sites. These activities may include grounds keeping, printing, waste sorting, food service work in cafeterias, reception desk staffing or jobs related to operations at Bel plants, such as copacking.

PERFORMANCE INDICATORS

Bel's objectives	KPI	2018	2019	2020	2025 objective	Progress
Promote gender diversity	Share of women in top management	21% *	21% *	25%*	40%	

* Group scope excluding MOM.

3.2.1.3 Developing its employees' talent

Training program

Bel is striving to lay the groundwork for a learning organization that enables its employees to hone their skills and advance their careers. Each year, Bel issues guidelines in consultation with its business lines and countries that identify training priorities in light of current employee needs and the key competencies and skills to develop for the future.

The Group has set itself a target of having 100% of its employees participate in at least one training course each year by 2025⁽¹⁾.

In 2020, the Group's training plan tackled the following priorities:

- increase the general level of financial knowledge;
- develop skills in critical business lines;
- enhance project management; and
- support Bel's cultural evolution in connection with the key aspects of its transformation.

(1) This objective includes both in-person training and digital courses, to which employees have unlimited access through the Bel Training Book and Pick N Learn.

CORPORATE SOCIAL RESPONSIBILITY

A model that creates value for all its stakeholders

Action plan

In-person and digital training opportunities

In 2018, the Group began using the learning management system (LMS) provided by *SuccessFactors*, which hosts a comprehensive range of trainings, including:

- a catalogue of tailor-made and off-the-rack courses aligned with the Group's strategy to develop key competencies, the bulk of which were designed with support from Bel's business lines;
The Group-specific trainings in this catalogue include in-person and digital courses in three categories:
 - Bel culture and transformation,
 - functional expertise,
 - managerial, leadership and transverse skills;
- alongside an open-access platform with digital content to support employees in their personal development according to their goals and at their own pace. This resource is available to all Bel's connected employees.

In 2020, the training platform was improved with a new visual identity and new features to make it more learner-centric.

Although training tools were accessible and optimized, many in-person courses could not be held this year because of Covid-19. As a result, 76% of employees were able to complete at least one training in 2020.

Spotlight on digital training

Several large-scale trainings were rolled out in 2020.

While in-person training was significantly affected (cancellations/postponements) by Covid-19, in 2020 the Group still recorded a big increase in digital learning with the introduction of new training options, such as virtual classrooms, video learning, gamified learning and SPOCs.

For example, Bel trained its managers on cash flow management concepts to address operational needs with an e-learning called "**Cash Culture**" that was completed by nearly 2,750 employees throughout the world.

In addition, the Group offered its first SPOC (Small Private Online Course) to its Sales, Finance and Marketing teams. This training, which is still being deployed, is designed to impart new key competencies in sales through a progressive approach that leverages innovative, engaging educational formats.

Finally, the Group made a concerted effort to support its employees through the worldwide health crisis with access to digital learning modules covering a variety of topics, such as Covid-19 prevention measures, teleworking and collaborative work practices, and psychosocial risks and resilience. Furthermore, for employees in France, all these modules were compiled in a training program entitled "**S'adapter c'est la clé**" ("The key is adaptation").

Employee training	2018	2019	2020
Percentage of employees who attended at least one training course during the year	75%	76%	76%
Average number of training hours per employee	21	18	17.1

2020 highlights in building employee skills

Group onboarding program

In the summer of 2020, Bel launched "Bel'Come", a digital onboarding program designed for all newly hired, connected employees. The program comprises a broad array of interactive content, making it a valuable tool for learning about Bel's DNA. It facilitates the onboarding process for employees, supplementing the time they spend with their manager, department and HR team.

Annual performance and development reviews

A performance and development review takes place each year for all managers and employees. The process can be accessed through the HRIS. A form is also provided to manual workers. The performance review is an ideal occasion for employees to share the year's achievements and challenges with their manager and to assess leadership, technical and soft skills. This meeting also affords an opportunity to discuss the employee's professional goals and to co-design a suitable individual development plan that can include training, mentoring and work placements.

Individual performance reviews	2018	2019	2020
% of eligible managers ^(a) receiving an individual performance review (annual basis)	96%	90%	87%

(a) Eligible managers are those with permanent contracts who are on the payroll and worked for the Group for the entire year N or who joined before July 1 in year N-1 and left after July 1 in year N.

CORPORATE SOCIAL RESPONSIBILITY

A model that creates value for all its stakeholders

Continuous feedback

Bel has developed features in its HRIS to encourage continuous feedback. To supplement the individual performance and development review, a manager can request 360° feedback from staff in the same department, on a cross-departmental project team or who have a functional relationship with the employee in question. All the Group's employees can share feedback throughout the year after a presentation or project.

People review and succession planning

The people review and succession planning processes are coordinated and led by HR staff and managers. This forward-looking approach examines whether current resources are evolving to meet the future needs of the

organization. If gaps are identified, the HR teams and managers can devise suitable action plans. The processes also serve to promote transfers within the Group and anticipate hiring and retention needs.

Internal transfers and career paths

To avoid any form of discrimination and to ensure transparency for the Group's teams, vacancies are systematically advertised to Group employees (e.g. via the intranet or display boards) before being offered to external applicants – unless there are confidentiality requirements or the required skills do not exist in-house.

Bel offers its managers greater career path visibility through measures such as skills guidelines, career guides and potential job transfers.

PERFORMANCE INDICATORS

Bel's objectives	KPI	2018	2019	2020	2025 objective	Progress
Develop our employees' talent	Employees who completed at least one training course during the year	75%	76%	76%	100%	

3.2.1.4 Ensuring a fair compensation system

Policies

Bel is persuaded that offering fair, motivating and non-discriminatory compensation is the key to combining appeal with competitiveness. The Group's wage policy is determined by the Human Resources Department and the local teams are then responsible for its implementation.

Action plan

Internal equality and external competitiveness

The Group always complies with the minimum levels set by local laws and strives to apply non-discriminatory wage

policies. Any differences in pay for equal work must have a valid reason (e.g. personal background, local context, etc.). To attract and retain its employees, Bel ensures that it offers them competitive salaries and benefits. Therefore, the Group's subsidiaries regularly request salary surveys to monitor market practices from specialized consulting firms which supply Bel with a yearly comparative analysis of remuneration and benefits offered by companies in the same business sector.

Employee benefits

Beyond the minimum base set by national laws and regulations, Bel wants to ensure that all its employees worldwide receive benefits that are in line with Group standards. Bel's supplemental benefits are checked against prevailing market practices. This is a way of providing total compensation packages that exceed minimum levels.

	2018	2019	2020
% of employees ^(a) with health coverage	93%	93%	93%
% of employees ^(a) with death and disability coverage	92%	91%	92%

(a) Permanent or fixed-term employees.

Recognition of individual and group performance

Individual performance is recognized based on merit. Variable remuneration of grade 1 to 6 managers and Vice-Presidents (i.e. 67% of managers) accounts for at least 8% of their fixed compensation. At least 10% of this variable compensation is contingent on meeting non-financial objectives and an additional 10% is linked to adherence to

the Group's safety policy, in connection with its CSR strategy.

Due to the coexistence of legally separate entities, the Group does not have a single profit-sharing and bonus system. However, the subsidiaries are gradually adopting compensation systems that factor in Group performance to strengthen a sense of belonging and pride.

	2018	2019	2020
% of employees who have a compensation system based on the overall performance of the subsidiary or Group	66%	59%	59%

CORPORATE SOCIAL RESPONSIBILITY

A model that creates value for all its stakeholders

3.2.1.5 Promoting a positive dialogue

Policies

The positive company climate at Bel is the culmination of numerous human resources policies and practices – both local and harmonized at the Group level – in areas such as labor relations, training, job transfers, safety and remuneration.

Action plan

Labor relations

A healthy, ongoing social dialogue improves the workplace experience. The Group therefore encourages continuous exchanges between all the Company's stakeholders: employees, managers, personnel representatives and senior executives.

Personnel representatives, whether they are elected or appointed by employees, play a critical role within this labor relations ecosystem. This is why the Bel Code of Good Business Practices recognizes its employees' right to a representative body.

The framework may differ by region (employee committee, value committee, trade union, local representatives and so on), but the goal is always the same: encourage dialogue.

Beyond such local bodies, a works council was set up at the European level in 2019 to enable transnational dialogues

with 24 staff representatives from 13 countries. The quality of its discussions reflects a high level of interest in the works council, which continues to meet remotely during the public health crisis.

In 2016, Bel implemented an International Labor Relations Charter which organizes its approach around essential principles to be implemented or enhanced in each of its regions. The principles enshrined in the charter underscore the importance of compliance with legislation and of open, informed dialogue with representative bodies and with managers and employees.

In 2019 Bel created the position of International Labor Relations Manager whose mission is to guide the social dialogue at the Group level.

Employee commitment survey

To obtain a clearer picture and assessment of its employees' level of commitment, Bel conducts satisfaction surveys.

The most recent survey, in 2019, was sent to all connected employees and garnered an overall response rate of 45%.

The survey, conducted in four successive waves (February, April, June and October), revealed an improvement in employee commitment over the course of the year, with an initial commitment score of 7.3/10 after the first wave and a score of 7.8/10 after the wave carried out in October 2019.

Starting in 2021, this survey will be carried out annually at the Group level and more regularly depending on the needs of the countries where Bel operates.

3.2.2 PROMOTING RESPONSIBLE PRACTICES WITH ITS BUSINESS PARTNERS

Definition of the challenge

As the standard bearer for a responsible business model, Bel strongly believes that it is possible to combine rigorous management with exemplary practices, profitability with integrity, and growth with ethics. The Group fosters lasting, trust-based relationships with all its business partners (suppliers, subcontractors and retailers) and works to promote exemplary environmental, social and ethical practices all along its value chain.

Policy

For over 10 years, the Bel⁽¹⁾ Sustainable Purchasing Charter has set forth the Group's commitments to its partner suppliers, as well as its expectations from them, in matters related to the environment, labor and business ethics. This charter was revised in 2019 to strengthen the process for selecting suppliers and monitoring their performance and to reinforce requirements related to suppliers' vigilance plans.

Action plan

In light of the specific nature of the challenges arising from the upstream dairy sector and their strategic importance for Bel, the measures taken to promote responsible practices among milk producers are presented in a dedicated chapter (see section 3.4 "Promoting sustainable agriculture").

Identification of risks in the supply chain

In the framework of the Due Diligence and "Sapin II" laws, the Group carried out mappings of its CSR risks and of its corruption risks linked to the supply chain, based on exogenous data. These exercises performed in 2017-2018 helped fine tune the identification of purchasing categories and geographic areas requiring special attention (see section 3.1.6 "Vigilance plan").

The level of CSR or corruption risk associated with these purchases is evaluated on the basis of the "purchasing category/supplier country" combination. Combinations with a high CSR risk accounted for less than 4% of purchasing volumes in 2017, while combinations with a high corruption risk made up less than 2% and combinations with high CSR and corruption risk made up less than 5%.

(1) For more information, the Sustainable Purchasing Charter is available on corporate website: <https://www.groupe-bel.com/wp-content/uploads/2019/11/sustainable-purchasing-charter.pdf>.

CORPORATE SOCIAL RESPONSIBILITY

A model that creates value for all its stakeholders

A dedicated tool that uses the results of these mappings was developed and deployed to the Group's community of buyers in early 2019. This tool enables them to determine the risk levels in their portfolio of current and potential suppliers and to define a priority plan for evaluating the CSR performance of those suppliers.

Bel plans to update its risk mappings in 2021 and to review its approach for all corruption-related risks. The Group used a digital tool to update its supplier risk mapping. The software enables it to perform a mass analysis of the portfolio (see section 3.16 "Vigilance plan") and to review its approach for all corruption-related risks.

Roll-out of a supplier evaluation and control system

From the start of the tendering process, all suppliers receive a copy of the Group's Sustainable Purchasing Charter. To ensure suppliers comply with the Charter and with the Code of Good Business Practices, a "CSR and ethics" clause is inserted in calls for tenders, contracts signed with suppliers and the Group's general terms and conditions of purchase. This clause was revised in 2019 to strengthen suppliers' compliance with ethical rules and the performance of due diligence vis-à-vis their supply chain and to define the consequences in the event of negligence on their part. The criteria Bel applies when selecting suppliers include the supplier's willingness to make a commitment and its ability to translate its commitments into suitable practices over time. Category-specific CSR requirements can also be added to the specifications defined in calls for tender and contracts depending on the main risks or challenges identified.

Furthermore, since 2009, the Group has been assessing the CSR performance of the suppliers and subcontractors that it deems key given their business volume, the potential risk associated with the products/services supplied or their location. This assessment, carried out in cooperation with EcoVadis, a sustainable purchasing specialist, is based on 21 criteria grouped into four themes: environment, labor law and human rights, ethics and sustainable purchasing. Bel has established a gradual, corrective approach based on the supplier's score: in some cases, the Group may impose a mandatory action plan and schedule an early re-assessment.

Since 2016, the suppliers assessed represent, on average, 65% of the Group's purchases by value. In 2020, the coverage rate was 69%.

MOM has also been working with EcoVadis since 2017 to evaluate the performance of its suppliers: In 2020, the

suppliers assessed in the preceding two years accounted for 59% of MOM's purchases by value, excluding milk and apple producers.

In 2016, Bel became a member of AIM-Progress, a group of leading companies in the mass retail sector and shared suppliers that seeks to positively influence people's lives through the combined effect of responsible purchasing practices applied to all their supply chains. Since 2017, Bel and six other AIM-Progress members have been committed to the EcoVadis AIM-Progress initiative which strives to improve transparency and responsible, sustainable practices in the food sector.

The participants in the initiative share their supplier assessments on the platform, which simplifies processes and prevents the duplication of effort for members and suppliers alike. As of the end of 2020, some 6,600 EcoVadis supplier evaluations had been shared under the initiative.

Roll-out of a subcontractor evaluation and control system

Subcontractors manufacturing finished products allow Bel's brands to develop their presence in new regions. They produce around 7% of the cheese volume sold by the Group; seven major subcontractors alone accounted for 90% of the subcontracted volume.

Bel requires that all its subcontractors providing finished products be assessed by EcoVadis with the same management rules as other suppliers. In 2020, the average score for subcontractors manufacturing finished products was 49.3/100 and none of the subcontractors assessed had a high risk (EcoVadis score under 25/100).

Buyer training

In 2019, Bel teamed up with EcoVadis to develop and roll out a training program for all the Group's buyers. Since the beginning of 2020, the program can be accessed anytime on the Group's training platform and all new buyers must complete this training within their first three months on the job. The goal of the training is to teach buyers how to incorporate CSR and EcoVadis assessments throughout the buying process and thereby improve the performance of their sourcing chain. More than 95% of buyers have completed this training.

In 2020, Bel also provided its buyers with an EcoVadis handbook that summarizes the essential details on how the assessments and corresponding platform work to help them make the most of CSR data in their practices.

Performance indicators

BEL	2018 ^(a)	2019 ^(b)	2020 ^(c)
Number of Bel suppliers assessed (excluding collected milk)	508	559	614
Average score of Bel suppliers assessed (excluding collected milk)	50.8/100	51.7/100	51.8/100
Average score of companies assessed by EcoVadis over the year (excluding collected milk)	43.4/100	45.1/100	46.1/100
Rate of coverage of purchases by value (excluding collected milk)	65%	64.7%	69%

(a) Suppliers assessed between 2015 and 2018 - Data excludes MOM and Safilait.

(b) Suppliers assessed between 2016 and 2019 - Data excludes MOM and Safilait.

(c) Suppliers assessed between 2017 and 2020 - Data excludes MOM.

CORPORATE SOCIAL RESPONSIBILITY

A model that creates value for all its stakeholders

MOM	2018 ^(a)	2019 ^(b)	2020 ^(c)
Number of MOM suppliers assessed (excluding collected milk and fresh apples)	97	153	155
Average score of MOM suppliers assessed (excluding collected milk and fresh apples)	53.2/100	55.7/100	56.6/100
Rate of coverage of purchases by value (excluding collected milk and fresh apples)	61%	58%	59%

(a) Suppliers assessed between 2017 and 2018.

(b) Suppliers assessed between 2017 and 2019.

(c) Suppliers assessed between 2017 and 2020.

Bel's objectives	KPI	2018 ^(a)	2019 ^(b)	2020 ^(c)	2025 objective	Progress
Promote sound social and environmental practices among its suppliers	Average EcoVadis supplier score (/100)	50.8 ^(d)	51.7 ^(d)	51.8 ^(e)	55	
		53.2 ^(f)	55.7 ^(f)	56.6 ^(f)		

(a) Suppliers assessed between 2015 and 2018.
(b) Suppliers assessed between 2016 and 2019.
(c) Suppliers assessed between 2017 and 2020.
(d) Excluding MOM and Safilait.
(e) Excluding MOM.
(f) MOM data.

Vigilance about retailers, customers and agents

In line with the provisions of the "Sapin II" and Due Diligence laws (see section 3.1.6 "Due diligence"), the Group has taken measures to ensure it is well informed about its

stakeholders ("Know Your Customer"). With these measures, the Group is sure to be notified if any of its retailers, customers or agents is convicted, politically exposed or added to an embargo or blacklist. When appropriate, the logistics service providers and banks in some countries are also covered by these measures.

3.2.3 COMMUNICATING RESPONSIBLY AND TRANSPARENTLY WITH ITS CONSUMERS

Definition of the challenge

Around the world, Bel products are consumed by over 400 million people, many of whom are children. That trust confers great responsibilities on the Group: the duties to communicate responsibly and transparently, to protect consumer health and to encourage healthier lifestyles.

Policies

Bel adopted a Responsible Communication Charter in 2009, encouraging the Group to promote healthy eating habits (e.g. suitable portion sizes and active lifestyles) across all its communication channels. This charter covers communication in all its forms (advertising, corporate communications, packaging, digital channels, etc.).

Action plan

Communicating responsibly

Integration of CSR issues from the advertisement design stage

The various departments at the Group (marketing, nutrition, Sustainable Development, legal, communications) work actively from the brand communication design stage to

ensure the truthfulness of the information imparted and its compliance with Group principles. A dedicated tool called "Validcom" enables the departments in question to review and validate all types of communication materials (e.g. packaging, television commercials, in-store promotions, digital channels) for the Group's entire brand portfolio.

Positive brands to convey the new signature "For All. For Good"

The brands are the ambassadors of the Group's identity *For All. For Good*: because they are close to consumers, they are the Group's best messengers to communicate about topics relating to responsibility. Thus, in addition to addressing consumers' needs and concerns, the brands seek to capitalize on the trust they have forged with consumers to guide them towards balanced and more environmentally friendly food choices and responsible social practices. With this in mind, all the Group's core brands have adopted three-year CSR road maps that define objectives to tackle the five priority CSR challenges.

In 2020, the Group saw continuing growth in its sales of positive products, which increased from 73.4% to 76%.

CORPORATE SOCIAL RESPONSIBILITY

A model that creates value for all its stakeholders

Communicating responsibly to children

Bel is especially careful when it comes to messages intended for children. That is why, in addition to the Internal Nutrition Communication Charter, Bel has been committed since 2016 to the voluntary European movement EU Pledge. Through this initiative, Bel pledges not to advertise any of its products that do not meet the nutritional criteria of the EU Pledge (Nutrition White Paper⁽¹⁾) via television, the press or digital channels.

Providing transparent and relevant information to consumers

Consumers are increasingly raising questions about the social and environmental impact of the food they eat. This is why the Group is committed to proactive transparency to explain its actions along its entire value chain, from farm to table.

On sustainable agriculture

The Group strives to be ever more transparent when communicating with its consumers about the upstream dairy sector, especially the origin of raw materials, production methods and the monitoring of commitments under the

Global Sustainable Upstream Dairy Charter (see section 3.4.1 "Taking action for a sustainable upstream dairy"). In 2020, Bel promoted its sustainable upstream dairy commitment to French producers with a multichannel communication campaign (stores, digital platforms, press, etc.) that emphasized the French origins of its milk and the fair compensation policy defined jointly with APBO producers.

On nutrition

To satisfy the demands of its customers, Bel systematically provides information on the ingredients used in its recipes and their nutritional value, often surpassing regulatory standards. The nutritional information given on its products is established in accordance with the country-specific regulations in effect for nutritional information provided to consumers.

On the environment

The Group also communicates about environmental protection measures, including how it manages packaging waste: waste sorting instructions are provided in countries where recycling channels exist, and eco-friendly advice is given in other countries (see section 3.5 "Designing responsible packaging").

PERFORMANCE INDICATORS

Bel's objectives	KPI	2018	2019	2020	2025 objective	Progress
Offer positive products to consumers	Share of revenue generated by the sale of positive products ^(a) (%)	72.9%	73.4%	76%	N/A ^(b)	

(a) For the purposes of calculating this indicator, positive products are those which have at least one of the following characteristics:

- are organic;
- are qualified as "Bel Nutri+";
- contain no more than one additive; or
- are made from non-GMO fed animals.

(b) This indicator is currently in development and an objective will eventually be defined.

HIGHLIGHTS OF 2020

- Adoption of a new human resources management program called "Nurture".
- Management of the HR implications of Covid-19.
- Creation of an EcoVadis handbook for buyers.
- Roll-out of the Bel brand as an umbrella brand for the various core brands in communications (packaging, advertising, digital channels).

PRIORITIES FOR 2021

- Update the supplier risk mapping.
- Transpose the "Nurture" program into policies and operational road maps.
- Implement the Group's revised HR policies, including the "Diversity and Inclusion" program, with two key goals: "user centricity" and simplification.
- Deploy a mentoring program for women working in industrial professions.
- Launch the new worldwide employee survey, the employee engagement program and the new management model.
- Deploy the Right to Disconnect Charter throughout the world.
- Manage the Covid-19 crisis, plan for the post-Covid phase.

(1) https://eu-pledge.eu/wp-content/uploads/EU_Pledge_Nutrition_White_Paper.pdf.

3.3 CONTRIBUTING TO HEALTHIER FOOD

Bel's mission to "Offer healthier and responsible food for all" is the linchpin of its business strategy. As an agrifood company, Bel is serious about its responsibilities to:

- support UN Sustainable Development Goal 2 to eradicate hunger by 2030 ("Zero hunger") and to ensure that all people, especially the most vulnerable, have year-round access to a healthy, nutritious and adequate diet;
- offer safe, healthy products while encouraging better eating habits. When eaten in moderation, a serving of

Bel's products can contribute to a balanced diet. Cheese is an important source of calcium, which is an essential nutrient for growing children, and is compatible with the nutritional needs of all; and

- meet the needs of its customers, who, in addition to demanding products that satisfy organoleptic and safety requirements, are increasingly attentive to the quality, origin and naturalness of the ingredients used.

3.3.1 OFFERING PRODUCTS WITH OPTIMAL QUALITY AND SAFETY

Definition of the challenge

Selling safe food products is a top public health priority. Thus, Bel takes the measures necessary to ensure a strict standard of food safety and quality in line with regulatory requirements. To do this, the Group works in close collaboration with all the participants in the food chain, from sourcing raw materials to processing and distributing its products.

Policies

Bel has adopted several foundational policies to guarantee optimal food quality and safety and guard against the risks identified at all stages of its value chain. These include:

- its Industrial Operations Management policy, which is applied at all plants and reaffirms Bel's strict commitment to ensuring the food safety and quality of all its products;
- its Food Fraud policy, whose purpose is to prevent all attempts at food fraud involving the raw materials used by the Group, as well as its subcontracted processes and – since 2019 – primary packaging. This policy is overseen by the Group Quality and Regulations Department and is implemented locally by Purchasing; and
- its new Security policy intended to protect the Group and its products from material or immaterial malicious acts. It lays out eight commitments pertaining to prevention measures and includes the Food Defense policy, which aims to protect the food chain against malicious, criminal or terrorist acts that could result in product contamination. This policy is overseen by the Group Quality and Regulations Department and implemented locally by each site manager.

Building on these policies, in 2020 Bel revised and improved a set of standards to harmonize the quality procedures in place at the Group to ensure food safety (contaminants, allergens, customs flows, etc.).

Action plan

Performing strict upstream controls on raw materials and packaging

Assisting milk producers

On the farm, dairy producers are responsible for the safety and compliance of the milk they produce. To prevent any risk such as bacteriological risk, Bel's dairy production technicians continuously teach producers about good practices for producing quality milk. Samples are taken during milk collection to verify that it meets content and health requirements and does not contain any traces of antibiotics. If the milk quality fails to meet Group standards, Bel consults with the producers to carry out targeted actions, including:

- a farm audit;
- proposed action plans to improve milk quality; and
- action plan monitoring to help the producer improve.

The milk is not used if the quality is considered to be inadequate. However, this is a very rare occurrence.

Moreover, to preserve the milk's qualities, Bel collects it within 72 hours of milking. Bel also supplies refrigerated tanks to some of its producers.

Controls on suppliers of other strategic raw materials and packaging

Quality audits are conducted on major suppliers of the most sensitive raw ingredients and packaging. If any minor non-compliances are observed and pose no food safety risk, the suppliers pledge to the Group that corrective actions will be taken within a specific time frame.

Each year, Bel revises its supplier auditing system to reflect newly identified and emerging risks. For example, the Group conducted an in-depth ethylene oxide audit on all its seed supplies in 2020.

Rigorous safety controls when raw materials arrive at its plants

All the ingredients used in Bel's recipes, including liquid and solid dairy raw ingredients, undergo several safety inspections upon arrival at production sites. They are tested again before they are used for processing to check microbiological, physicochemical and organoleptic properties. In 2020, the allergen audit was extended to new substances beyond regulatory requirements; it now includes plant-based and hybrid products.

All packaging – especially packaging in direct contact with products – undergoes a similar inspection upon arrival at the Group's plants.

Deploying strict procedures at production sites

A production site certification procedure

The Group has been pursuing quality certification of its production sites against recognized GFSI standards (BRC, IFS, FSCC 22000). To date, 25 of the Group's industrial sites have earned GFSI certification.

In 2020, Bel was designated as a "security and safety" authorized economic operator ("OEA FULL") for all its French sites and the head office. This customs status enhances the safety and security of merchandise flows into and out of the European Union. The initiative will continue to be progressively rolled out to the other production sites in the coming years. Beyond certification, Bel has strict procedures that define everyone's roles and responsibilities and a department devoted exclusively to managing customs operations and monitoring regulatory changes. This department also audits the Group's customs and export partners, transportation providers and brokers.

Strong, standardized quality processes

Bel has set up a HACCP (Hazard Analysis Critical Control Point) system at all its production sites to identify, assess and control significant food safety dangers. In 2019, Bel drew up a Group HACCP standard that establishes baseline quality requirements that are adapted to each production site. This standard is updated each year to reflect regulatory changes and emerging risks identified by the group.

Furthermore, Food Fraud and Food Defense policies common to all production facilities are implemented locally. To prevent the risk of malicious acts, each site is required to deploy its own Food Defense plan, which includes an exhaustive assessment of risks and threats and dedicated action plans to control and reduce these risks. The Food Fraud policy was supplemented in 2020 with a vulnerability analysis to identify the products, raw materials and packaging most exposed to the risk of fraud and which, therefore, require regular, advanced controls.

Strict safety controls

Bel adheres to product inspection plans along the entire production chain to guarantee its products comply with regulatory requirements for many variables, including foreign bodies, allergens and microbiological, chemical and nutritional criteria.

These quality control plans concern semi-finished products (work in progress), finished products and the production environment (air, water, machines, manufacturing premises, staff, etc.). They are carried out by the plant's testing laboratory or by accredited independent external laboratories, where necessary. The HACCP assessment determines the frequency of these inspections, which are tailored to the raw material in question. The sites maintain records of these inspections.

In addition, subject-specific monitoring plans are implemented each year at all plants for all products. In 2020, 42 contaminants from mineral oils were studied.

Appropriate preservation conditions

The pasteurization process used at Bel sites ensures the proper preservation of collected milk and manufactured products, which are further protected by individually packaged portions.

Similar requirements for products that are subcontracted and/or co-branded with partner products

The Group's product quality, safety and traceability requirements are applied without exception to all subcontracted and co-branded products. It is especially vigilant when it comes to co-branded products; this ensures that whenever a Bel product is paired with another brand's product, the result always meets the expectations of the Group's consumers.

In addition, quality audits are conducted of subcontractors whose products bear Bel brand names and if any minor non-compliances are observed that pose no food safety risk, the suppliers pledge to the Group that corrective actions will be taken within a specific time frame.

Ensuring product quality and safety during downstream transport

Bel audits its product distribution chain to ensure compliance with the cold chain, transport and preservation conditions required for its products. The Group has shared a Good Storage and Distribution Practices Charter with its retailers in various regions. Bel is also working to create a network of quality coordinators, logistics coordinators and subcontractors to check compliance with storage and production requirements. Furthermore, pursuant to its certification as an authorized economic operator, the Group carries out numerous controls on its logistics chain (carrier audits, vehicle integrity inspections upon arrival and departure from the plant, etc.).

A robust traceability system to prevent risks

Product traceability all along the food chain...

Bel takes the necessary steps to ensure traceability, from raw material purchases to product distribution to consumers.

As regards raw materials, regular traceability tests are conducted and suppliers are required to meet an optimal deadline for obtaining traceability results.

Ensuring product traceability entails the use of mandatory labeling on consumer sales units (e.g. batch codes, best-before date, use-by date, etc.). All logistic units are identified by means of labels that link each unit to the corresponding product batch code.

A single Group tool also provides information about where all its products are stored, whether with the final customer or anywhere within its distribution network.

...to effectively prevent and manage risks

The methods applied make it possible to identify, at any time, product batches containing a batch of ingredients that has been reported, which guarantees that any withdrawals or recalls are carried out efficiently. This tracking system and the various traceability tests performed provide information about product flows. As a result, the Group can identify risks, store food safety data for use by the authorities and isolate individual production runs if necessary.

To prevent and manage risks, the Group has also developed and deployed a procedure for handling food quality and safety alerts. This includes a recall procedure for the swift, organized management of any potential health/quality crises triggered by serious alerts.

Protecting consumer health and safety and building a relationship of trust

By providing transparent and relevant information to consumers

See section 3.2.3 “Communicating responsibly and transparently with its consumers”.

By offering a proactive customer service response

To improve customer satisfaction and the quality of its products, Bel has introduced an effective quality complaint management system. This makes it possible to alert the Group when any products sold do not meet the expected quality requirements (traceability, integrity, reliability, safety, etc.).

Consumer feedback is centralized in a dedicated tool called “We Care”, which is deployed to all the Group’s subsidiaries (excluding MOM and Safilait).

3.3.2 PROMOTING BETTER EATING HABITS AND ENCOURAGING HEALTHIER LIFESTYLES

Definition of the challenge

Bel feels a strong sense of responsibility to help feed the world’s populations. It knows that children and their families must be educated to shift their eating habits and lifestyles toward best practices. The Bel Group wants to go further by promoting healthier lifestyles. This is what inspired the Group to develop nutritional education programs for its employees and for consumers.

Policies

Bel has developed nutritional education programs and projects that shape its approach to awareness:

- the “Healthy Smiles” program for employees; and
- the “Educanut” project for consumers.

Action plan

Encouraging its employees to adopt better eating habits

The Group continues to roll out the “Healthy Smiles” nutritional education program with the goal of deployment to 100% of subsidiaries by 2025. This program is organized around two fundamental principles: encouraging physical activity and promoting a balanced diet and a healthy lifestyle. The target was revised upward to 100% of subsidiaries by 2025 instead of 30 subsidiaries, because all the subsidiaries have committed to improving the food available at our sites before 2025 so that employees have access to healthy food every day where they work.

In addition, multiple awareness campaigns and events are organized year. These include distributing educational tools and games and organizing sports competitions. To inspire its employees to get more exercise, Bel organized a virtual Active Challenge in 2020 with assistance from a fitness

coach. Its employees’ efforts helped raise €3,000, which was donated to associations raising awareness about nutrition, wellness and healthy diets. The initiative will take place again in 2021.

Encouraging consumers and children to adopt better eating habits

Bel supports nutritional education programs for its customers through the “Educanut” project.

These programs are designed to help children and their parents better understand that nutrition and physical activity are important for their health. They are led in partnership with other actors, such as public health associations, governmental and non-governmental organizations and universities and take a variety of forms (distribution of teaching tools, organization of events, talks by nutritionists/dieticians, etc.). Bel’s goal is to support programs in 10 key Group countries by 2025. In 2020, Bel:

- set up a program in partnership with Action Contre la Faim (“Action Against Hunger”) in Ivory Coast to support medical personnel in the country and reduce risks related to malnutrition,
- set up a partnership between Bel Egypt and the FAO to raise awareness about good eating habits.

In 2020, the Bel Foundation and the Bel Group also backed “Vivons en Forme” (“Let’s Be Fit”), a unique program in France that promotes health and fitness through food, physical activity and well-being. Bel is also deploying nutritional education programs to some schools in South Africa.

In addition, Bel is involved in the international SUN (Scaling Up Nutrition) movement to combat malnutrition in developing countries. Bel wants to participate in the nutritional education of at least 50,000 children a year through 2025. Thus, the Group is advancing healthier diets for children through its corporate foundation, which was formed over 10 years ago to tackle this issue.

PERFORMANCE INDICATORS

Bel's objectives	KPI	2018	2019	2020	2025 objective	Progress
Foster healthy consumption habits and lifestyles	Key countries where a program is implemented for consumers ("Educanut")	4	5	6	10	
	Number of subsidiaries where a program is implemented for their employees ("Healthy Smiles")	25	29	31	30 (100%)*	

* Objective updated.

3.3.3 IMPROVING THE NUTRITIONAL QUALITY OF ITS PRODUCTS

Definition of the challenge

The nutritional quality of food products is an increasing concern for public health authorities and consumers alike. Malnutrition is still a problem in developing countries, while the obesity rate is constantly growing and contributing to the rise of chronic diseases all over the world. At the same time, the demand for natural products is insistent and growing among Bel's consumers around the world as they seek out products with shorter, simpler ingredient lists. In fact, ingredient lists play an important role in the perception of a food product's naturalness and quality.

As a result, the Bel Group continues to pursue the strategic transformation of its brand portfolio to offer its customers products that combine taste, nutrition and quality ingredients.

Policies

In 2019, to accelerate the transformation of its brands in line with its new identity "For All. For Good", Bel adopted a structuring policy called "Healthier"⁽¹⁾ that is founded on two pillars:

- nutrition, to frame the development of new products and continuously improve the nutritional quality of existing products; and
- naturalness, to incorporate the most natural ingredients and limit the use of additives.

This policy is supplemented by its position papers on colors and flavors.

Furthermore, in keeping with the Group's goal to accelerate its growth in the plant-based food market, at the end of 2020 Bel adapted the "Healthier" policy to the plant-based category. This policy guides the transformation of its core brands and frames the development of new products in this segment. Thus, the Group decided to collaborate with an international committee of experts to create a set of nutritional specifications to govern the composition of those products. The committee defined thresholds for ingredients to consume in limited amounts (fat, saturated fatty acids, sugar) and for nutrients to be encouraged (protein, calcium, etc.) in relation to daily intake and based on the product's place in the meal. After all, the world of plant-based foods is vast – fruits, vegetables, legumes and grains – and boasts an array of quite diverse nutritional characteristics. Because the products differ considerably in terms of ingredients, uses and formats, the nutritional thresholds established in the specifications were adapted to reflect whether the product is consumed as a cheese substitute or a vegetable spread. In light of its goal to deliver products with shorter ingredient lists, the Group pledges not to use any colors or artificial flavors in the plant-based products marketed under its core brands, or in the dairy products in its portfolio.

(1) More information is available on the Bel Group's website, groupe-bel.com (exe-200630-brochure-bel-nutrition-hd-franais-200630.pdf).

Action plan

Improving the nutritional quality of its products

Targeted work on key nutrients

Cheese is an important source of calcium, which is an essential nutrient for growing children that is compatible with the nutritional needs of all. When eaten in moderation, Bel's products can contribute to a balanced diet. For several years, Bel has focused its efforts primarily on the quantities of three key nutrients in a unit of consumption (per portion):

- calcium: Bel is gradually adjusting the calcium content of its products if the amount is too low and there are proven cases of deficiency in the local population;
- fats: Bel offers reduced fat versions for three of its five core brands (The Laughing Cow, Leerdammer and Babybel); and
- sodium: Bel is striving to reduce the amount of salt in its recipes, while monitoring product safety and working within the constraints of the production process.

A nutritional profiling system and improvement objectives

In 2017, Bel introduced a nutritional profiling system called "Bel Nutri+", based on the dietary recommendations of the World Health Organization (WHO) and several international experts, to build on the nutritional initiatives undertaken by the Group. "Bel Nutri+" establishes threshold values to orient the Group's approach to developing new products and updating existing ones.

Values are defined by product category (cheese, milk, yogurt, savory snacks and sweet snacks) and by target (adults and children) for six nutrients:

- nutrients to promote: calcium, proteins; and
- nutrients to limit: fat, saturated fatty acids, added sugars, salt.

Under this new system, Bel is working so that 80% (by volume) of its portfolio of products for children and families conforms to the "Bel Nutri+" promise by 2025. At the end of 2020, 72% of volume met this target, achieving the goal for the year.

For example, in 2020 Bel launched:

- for several European countries, the new, protein-rich Mini Babybel® Protein;
- for GCC⁽¹⁾ countries, a new "Greek Style" Kiri recipe with reduced fat and increased protein and calcium content; and
- for Morocco, Algeria and Egypt, a new recipe for The Laughing Cow enriched in iron, zinc, iodine and vitamins A and D.

Moreover, to improve the nutritional quality of its products, the MOM Group now offers an additional assortment of unsweetened products for most of its lines. In 2020, 67% of products sold under the Materne and Pom'Potes brands contained no added sugar. MOM's goal is to increase that proportion to 80% in 2021 and to reach 100% by 2025.

In June 2020, Materne and Pom'Potes introduced two new product lines for adults, "Pom'Potes Recipes of the World" and "Materne Grains & Seeds", which are made with no added sugar, preservatives or artificial flavors.

Committing to constantly improving naturalness

Bel's mission is to offer healthier and more responsible products for everyone. The Bel Group's nutrition strategy now devotes an entire pillar to naturalness to provide guidance on the developments, updates and innovations to pursue. The goals are to deliver products with shorter ingredient lists, continue to guarantee optimal food safety and maintain the great flavor of the Group's products, which are enjoyed by millions of children and families every day.

Today additives have become a major source of concern for customers. The Group voluntarily initiated a sweeping plan to rework its recipes in order to reduce or remove additives while ensuring food safety and quality. In 2018, Bel made a commitment to eliminate all artificial colors and flavors from its core brands, such as Apéricube and The Laughing Cow, by the end of 2021. This ban on artificial colors and flavors applies to all new products, while existing products that contain these additives are being gradually reformulated through 2021.

The recipes for many of the Group's products, including Mini Babybel Original and Leerdammer Original, are historically quite simple, containing just four ingredients (milk, salt, cultures and rennet) and no added preservatives or other additives.

For other products, like The Laughing Cow and Kiri, much effort has been made in the last few years to improve their recipes by scaling back and/or eliminating additives. Obviously, the Group's priority is to meet its customers' demands for naturalness, without compromising taste, safety or quality.

Several symbolic recipe innovations and renovations were completed in 2020:

- a new, additive-free Kiri® recipe containing just dairy ingredients, water, salt and cultures was launched in all of Europe;
- the recipes in the Kiri Goûter and Apéricube lines were simplified and the number of additives was reduced from three to one; and
- all artificial colors and flavors were eliminated from all Apéricube recipes.

(1) Gulf Cooperation Council.

CORPORATE SOCIAL RESPONSIBILITY

Promoting sustainable agriculture

Furthermore, in the spring of 2021, a brand-new recipe for The Laughing Cow® will be brought to market with a very short ingredient list.

The Group is also working with external nutrition experts to adapt its products to the needs of emerging countries. In

some parts of the world, where climate and storage conditions present real challenges, Bel is committed to using only those additives which are strictly necessary for shelf life and optimal product quality (see section 3.7.1 “Adapting its products to the needs of everyone”).

PERFORMANCE INDICATORS

Bel's objectives	KPI	2018	2019	2020	2025 objective	Progress
Continuously improve the nutritional quality of its products	Children's and family product portfolio meeting “Bel Nutri+” criteria*	65%	69%	72%	80%	

* Excluding MOM.

HIGHLIGHTS OF 2020

- Formalization of a Security policy.
- Implementation of standards to harmonize quality procedures within the Group.
- Obtainment of the “security and safety” authorized economic operator designation for all the French sites.
- Implementation of an “Educanut” program in partnership with Action Contre la Faim in Ivory Coast and with the FAO in Egypt.
- Launch of improved recipes for several of the Group's brands (Mini Babybel, Kiri, Apéricube, Pom'Potes, Maternelle).

PRIORITIES FOR 2021

- Create a network of quality coordinators, supply chain coordinators and subcontractors.
- Continue to improve the nutritional quality of Bel products to honor the “Bel Nutri+” promise and keep a competitive edge.
- Achieve the goal of removing artificial colors and flavors from 100% of products.
- Continue to deliver nutritional quality with special emphasis on the ingredients chosen for plant-based products.

3.4 PROMOTING SUSTAINABLE AGRICULTURE

By naming sustainable agriculture as one of the five priority challenges behind its new identity *For All. For Good* unveiled in 2019, Bel affirms its ongoing commitment to agricultural methods that are more sustainable and regenerative. The Group's objective is to improve the environmental, societal and social impact of the upstream agricultural activities that underpin its business.

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. This approach is in line with United Nations Sustainable Development Goal 12 “Sustainable Consumption and Production”. Bel aims to encourage regenerative agricultural practices, which are techniques that help fight and adapt to climate change, restore biodiversity and soil health and optimize the water cycle.

To this end, it has developed policies to ensure a sustainable upstream dairy and to favor the use of plant-based raw

materials. In line with the Group's goal to offer plant-based products for each of its core brands, Bel is currently working to define a commitment policy for plant-based ingredients. A sustainable development framework for sourcing plant-based ingredients was drawn up in 2020 and will apply to all products manufactured by the Group.

Governance

A Sustainable Agriculture Committee was set up in 2019; its members represent various Group departments and meet six times per year. This committee issues Bel's sustainable agriculture road map and monitors the progress of the action plans initiated.

As part of its efforts to promote sustainable agriculture, the Group introduced binding actions for key raw materials in its portfolio: milk and vegetable fat.

3.4.1 TAKING ACTION FOR A SUSTAINABLE UPSTREAM DAIRY

Definition of the challenge

Milk is the basic ingredient for cheese making: Bel collects nearly two billion liters of milk from approximately 2,500 producers or collection centers in its 11 dairy supply basins worldwide each year.

To do its part to feed more than 10 billion people responsibly in the near future, the Group must continue to encourage dairy production that preserves the planet's resources and to maintain long-lasting relationships with its partner producers.

Policies

To put this commitment into writing, in 2018 Bel adopted a charter of commitments for a sustainable upstream dairy that was co-developed by WWF France⁽¹⁾. The charter integrates economic, social and environmental aspects and covers all the Group's dairy supply basins throughout the world. It addresses six strategic focuses:

- sustainable production model;
- animal welfare;
- pasture grazing;
- sustainable and local animal feed;
- environmental footprint; and
- nutritional quality and food safety.

Each of these themes has been converted to actions and ambitious goals to be met by 2025.

In addition, in 2019, the topic of animal welfare was formalized in the Bel Animal Welfare Charter,⁽²⁾ which encompasses five themes:

- guaranteeing the animals' freedom of movement;
- ensuring good living conditions;
- providing care and keeping track of the herd's good health and welfare for continuous improvement;
- ensuring the well-being of calves; and
- accompanying the herds' end-of-life.

This charter was developed with the expertise of CIWF⁽³⁾ and standards issued by associations such as Welfarm, the World Organization for Animal Health (OIE) and the CNIEL (the French national dairy industry council). Bel's objective is to implement this charter in all its dairy supply basins by 2025 and have all its partner farmers certified by an independent third party.

The two charters mentioned above, along with the Group's Biodiversity policy, promote various principles of regenerative agriculture. Adopting innovative agricultural practices improves soil health and biodiversity all along the value chain. The encouragement of pasture grazing and the promotion of protein autonomy also have a positive impact on soil, improving its fertility and carbon storage capacity, and on the water cycle.

Action plan

Each of the Group's dairy supply basins defines its own road map to meet the 2025 objectives of the **Sustainable Upstream Dairy** and **Animal Welfare** Charters. In 2020, Bel began collecting liquid milk from an eleventh supply basin in the province of Quebec, Canada. A road map is being developed with this supply basin and may be ready for roll-out in the first half of 2021.

Because of the public health crisis in 2020, in-person work (inspections, tours, studies, etc.) had to be postponed.

Sustainable production model

Most of the milk used in Bel products is collected directly from its partner producers every two or three days. The Group relies on this direct, regular link to develop long-lasting relations with milk producers, even in a fragile economic environment. Dairy producers' quality of life and working conditions are a major concern for the Group, for which a sustainable growth model is inconceivable without the long-lasting relations and trust of its partners.

Bel set a target based on these convictions: 100% of its dairy producers with milk will have access to innovative social schemes to improve their quality of life and working conditions by 2025. In 2020, 39% of the Group's milk producers (including 100% of its APBO⁽⁴⁾ producers, 40% of producers in the Azores, 50% in Morocco, 16% in Portugal and 13% in Slovakia) had access to such schemes.

In France, Bel renewed its partnership with the APBO for the third time in the form of an unprecedented agreement for better milk use⁽⁵⁾. This agreement, renewed for the whole of 2020, guarantees an average reference price for milk bought from APBO producers (€350 for 1,000 liters) and to value differentiating farming practices in the form of monthly premiums: €15 per 1,000 liters for feeding a GMO-free diet to dairy herds and €6 per 1,000 liters for enhancing access to pasture grazing (a minimum of 150 days per year).

(1) For more information, the Sustainable Upstream Dairy Charter can be viewed on the Bel Group's website (<https://www.groupe-bel.com/wp-content/uploads/2019/10/charte-lait-wwf-fr.pdf>).

(2) For more information, the Animal Welfare Charter can be viewed on the Bel Group's website (<https://www.groupe-bel.com/wp-content/uploads/2019/10/charte-bien-etre-animal-fr.pdf>).

(3) Compassion In World Farming, an international NGO that promotes husbandry practices that preserve animal welfare.

(4) Association des Producteurs de Lait Bel Ouest, or "Bel West Producers' Association".

(5) <https://www.groupe-bel.com/fr/newsroom/news/partenaires-pionniers-dun-modele-remunérateur-et-durable-pour-la-filière-laitière-bel-et-lapbo-sont-fiers-de-perenniser-leur-accord-pour-2020-qui-incarne-pleinement-les-etats-gen/>.

CORPORATE SOCIAL RESPONSIBILITY

Promoting sustainable agriculture

Furthermore, in 2020 Bel defined a pilot project involving about 100 producers in the Netherlands to test a new price mechanism whose goal is to reduce price volatility. A second project was developed for the United States to assist small dairy producers by helping them grow their herd sizes to sustain their operations. These two initiatives will be implemented in 2021. In the other supply basins, programs to support farmers are already in place for certain partner producers (Azores, Morocco) or are currently being defined to provide an appropriate response to local needs.

To further advance the promotion and dissemination of sustainable agriculture practices, Bel continues to deploy its "Farming For The Future" program through Bel "Pilot Farms", coordinated with a panel of experts, including WWF France, European academics (notably from Wageningen University in the Netherlands) and American and French specialists. This program collaborates with volunteer producers to identify innovative practices already in use which are suited to local realities so they can be shared and implemented more widely. The work has already identified nine innovative practices, such as methods that combine pasture grazing and automated milking systems or approaches that enhance the protein autonomy of farms. In 2021, Bel will continue to identify good practices in regenerative agriculture, then raise awareness about them to promote methods that help enrich the soil with organic matter, boost carbon sequestration and improve water cycles.

Animal welfare

The Group has committed to promoting good practices in animal welfare and sharing strict common standards by addressing this sensitive issue with its partners. A key aim is to guarantee an environment and practices that are suited to the animals' physiological and behavioral needs.

Since the publication of the Animal Welfare Charter in 2019, the Group has worked on harmonizing and promoting all these good practices, with the ambitious goal of seeing that 100% of its partner dairy farms attain charter compliance by 2025 and are certified by a third party. To meet that target in countries where there is no national standard in line with the requirements laid out in the Bel charter, the Group is creating special audit grids with Bureau Veritas and CIWF and training technicians to use them. So far, Bel has completed animal welfare diagnostics in all its dairy supply basins⁽¹⁾ with different tools according to the country:

- the first diagnostics were conducted in 2020 using the grid developed with the CIWF in Slovakia, Ukraine, Iran, Poland and Morocco;
- 30 diagnostics were completed in France with the Boviwell tool, which APBO and Bel will continue to roll out to APBO member farms in 2021;
- 100% of the farms in the Netherlands that work with Bel have been diagnosed using the local grid Koemonitor;
- finally, an independent third party began carrying out diagnostics on producers in the United States.

Charter compliance audits will begin in 2022.

Pasture grazing

Bel encourages grazing whenever conditions allow. The pastures used for grazing may help provide environmental benefits such as water quality, carbon storage and biodiversity. Pasture grazing also increases the protein autonomy of farms more than other production systems.

Finally, pasture grazing in appropriate conditions can also prove beneficial to the health and well-being of dairy cows.

However, some essential criteria need to be considered in order to benefit from pasture grazing, such as the climate of the various regions where Bel collects milk, the availability of pastureland and local grazing traditions.

The Group's commitment is therefore two-fold:

- Bel sets grazing objectives wherever this is possible in regions with a pasturing tradition, while maintaining a necessary flexibility according to local climate conditions. Thus, Bel's partner producers must commit to a minimum of 120 days of grazing per year in the Netherlands, 150 days in France and 365 days in the Azores. In 2020, 90% of milk volume collected by Bel in these supply basins already complied with this commitment; and
- if grazing is not possible due to climate, geographic or structural limitations, the Group encourages its partner producers to create housing conditions that are respectful of animal welfare, such as good air quality and well ventilated buildings, with at least one stall per cow offering enough space to lie down and rest at the same time, and so on.

Lastly, in the second half of 2021, a grazing feasibility study will be launched in Poland with the WWF to determine whether this commitment can be applied to its dairy supply basin.

Sustainable and local animal feed

Feed varies according to the farm's geographic location. In France and the Netherlands, the average ration for a dairy cow is usually composed of 80% fresh grass and fodder and 20% other feed (grains, canola, soy, sunflower, and so on). More than 90% of the cows' feed can be locally sourced.

Since 2012, Bel and WWF France have been working together to evaluate and reduce the environmental impact of dairy cow feed. A joint study of the environmental risks related to each raw material in this feed showed that, although they account for less than 5% of a cow's diet, two ingredients have particularly high environmental impacts: imported soy meal and PKE (palm kernel expeller, a by-product of palm oil extraction). It is now acknowledged that uncontrolled soybean and palm cultivation is a major cause of deforestation, which the Group is committed to fighting (see section 3.6.2 "Preserving biodiversity and fighting deforestation and ecosystem conversion").

In 2014 Bel took practical action to support the creation of responsible supply chains for soy meal and PKE:

- Bel joined the Round Table on Responsible Soy (RTRS) in 2014 and the Round Table on Sustainable Palm Oil (RSPO) in 2015;
- since 2016, Bel has been buying certificates covering the full volume of at-risk soy meal (77,017 metric tons in 2020) and PKE (37,480 metric tons in 2020) used worldwide to produce the milk and raw materials used in its recipes. Purchasing these certificates supports the establishment of sustainable supply chains and helps local producers move toward responsible production methods;
- in 2019, the Group joined the responsible soy project launched in 2018 by WWF France. That initiative, which is supported by the Alliance Pour la Préservation des Forêts, the Duralim platform and the EarthWorm Foundation, defines a shared vision of responsible soy. It

(1) Excluding Canada, because Bel only began collecting milk in that dairy basin in 2020.

is also developing a common set of actions to build soy supply chains that do not cause the conversion of natural ecosystems; and

- with its “Farming For the Future” program, Bel supports the protein autonomy of farms. Protein autonomy enables farms to produce a significant portion – if not all – of their own animal feed. Thus, the animal feed used on these farms is local and sustainable and does not contribute to deforestation. This program is also valuable in terms of regenerative agricultural practices, such as protecting biodiversity and soil health, local food sourcing, etc.

At the end of 2020, the Group was offsetting 100% of its at-risk soy meal and PKE purchases with RTRS and mass-balance RSPO certificates. The Group's objective is to source from 100% traceable supply chains by 2025.

In its Sustainable Upstream Dairy Charter, the Group also commits to sourcing milk from cows whose feed contains no GMOs. GMOs may pose a threat to biodiversity due to the risk of uncontrolled seed spreading. In 2020, 100% of the milk purchased in France and Slovakia came from cows whose feed is free of GMOs. The transition to GMO-free feed is also progressing in the Netherlands (54%) and Poland (22%).

Environmental footprint

At a time when fossil fuel resources are increasingly scarce and water resources are deteriorating, the Group is working with its milk producers to encourage animal husbandry practices that reduce the impact of production on the environment, reduce greenhouse gas emissions and increase resilience to climate change and water stress.

Bel set a goal to reduce emissions from upstream agricultural activities by 20% (compared to 2017 levels) by

2030. To meet that target, Bel worked with CNIEL (the French national dairy industry council) to create Cap2'ER, a tool to measure the environmental impact of farms and to identify new pathways (see section 3.6.1 “Fighting climate change”). In 2020, carbon diagnostics were carried out in all dairy supply basins (except for Canada, which just became a Group dairy supply basin in 2020) using locally developed tools (ANCA in the Netherlands, Cap'2ER in France, SMART tool in the United States) or the Cool Farm Tool for other basins. Around 1,400 diagnostics were completed in 2020 on Bel's 2,500 partner farms; follow-up action plans are currently being defined. Bel and the APBO's goal for 2021 is for 80% of APBO member farms to carry out Cap2'ER audits and initiate action plans to reduce their carbon footprint. The goal for 2022 will be 100%. In parallel, in 2021 the APBO will apply to receive a CO₂ emissions reduction certification for its member farms under the “Label Bas Carbone” initiative.

Moreover, the Group also has the objective for all its dairy supply basins to set up action plans to increase resilience to climate change and water stress by 2025. Respect for water resources is a major challenge, especially in Morocco where a study was carried out in 2020 with WWF to prepare a compendium of concrete actions for the country's farms. Its launch, however, was delayed because of Covid-19 (see section 3.6.1 “Fighting climate change”). Nevertheless, the study results should be available in the first quarter of 2021.

Detailed information on the introduction of virtuous practices and Group action plans to limit the impact of dairy production on the environment and water availability is given in section 3.6 “Fighting climate change and reducing its environmental footprint”.

PERFORMANCE INDICATORS

Bel's objectives	KPI	2018	2019	2020	2025 objective	Progress
Contribute to better quality of life and working conditions for partner farmers	Producer access to innovative social models	34% *	38% *	39%	100%	
Encourage good practices to promote animal welfare	Share of farms abiding by the Animal Welfare Charter certified by a third party	-	1% *	5%	100%	
Foster non-GMO feeding of the cows providing milk	Milk collected from non-GMO fed cows	16%*	30% *	51%	100%	

* Excluding MOM.

3.4.2 USING VEGETAL RAW MATERIALS WITHIN STRICT LIMITS

Definition of the challenge

With a constantly growing world population that will hit 10 billion people by 2050, Bel is aware of the need to diversify and balance animal- and plant-sourced foods while preserving our planet's resources, as recommended by the IPCC report.

Thus, the Group chose to go beyond cheese with the 2016 acquisition of MOM, a fruit compote specialist, followed by the 2019 announcement of its expansion into the plant-based market.

This plan aligns with its business transformation which aims to establish a position in the three complementary categories of healthy snacking - dairy, fruits and plant-based - with the mission to "champion healthier and responsible food for all". It also responds to changing consumer needs and tastes as customers in many countries are increasingly turning to a flexitarian diet (which consists in restoring balance to one's diet by eating more plant-based products without eliminating animal products).

In concrete terms, the Group's core brands will complement their dairy products with totally plant-sourced products (e.g. plant-based Boursin sold in the U.S.) or combinations of plants, legumes and cheese (e.g. Vache qui Rit Blends) that blend the best of both worlds. A new, fully dedicated brand will also be launched.

Today, Bel is advancing along this path, which fits perfectly with its vision of inclusive and sustainable food driven by positive, innovative brands developed for everyone.

Policies

The Group's incorporation of vegetable fats in its hybrid products has been governed since 2019 by a dedicated policy. The policy formalizes strict commitments to taste, nutritional value and responsible sourcing to meet superior standards in three areas.

To honor its goals surrounding plant-based products, the Group began work in 2020 to define baseline commitments governing their use to ensure that its future innovations have a positive impact. Bel is currently working on a commitment policy to guide the development of plant-based ingredients.

Action plan

Vegetable fats

Bel set the goal of using vegetable fats sourced from responsible, traceable and certified agricultural supply chains (or, in the absence of certification, sources that do not pose significant risks) starting at the end of 2020. In 2020, total vegetable fat procurements amounted to 9,355 metric tons, which included 8,649 metric tons of palm oil.

Bel worked throughout 2020 to raise the share of vegetable fats sourced from responsible, traceable and certified agricultural supply chains or from supply chains that are not exposed to deforestation risk. Consequently, 100% of the Group's palm oil purchases are responsible (i.e. RSPO-certified segregated) as of December 31, 2020. On the whole, virtually all authorized vegetable fats supplies were responsible as of December 31, 2020: nearly 95% by volume. An action plan is being implemented to finalize the transition to 100% responsible vegetable fats.

Plant-based ingredients

In keeping with the Group's goal to be a profitable and responsible company, Bel wants to guarantee the responsible procurement of all the plant-based ingredients used in its recipes. In 2020, the Group studied its main suppliers of plant-based ingredients and analyzed the CSR risks associated with these supply chains.

The Group used the results to draw up a list of the social and environmental challenges to include in its process for selecting new plant-based ingredients. The challenges are organized around four core goals:

- respect the environment;
- have a positive impact on people;
- ensure a fair value chain; and
- maximize local value creation when it makes sense for all stakeholders.

The Group will work on a policy to guide the development of plant-based products in 2021.

PERFORMANCE INDICATORS

Bel's objectives	KPI ^(a)	2018	2019	2020	2020 objective	Progress
Guarantee the responsible procurement of the vegetable fats used in products	Procurements which are certified or honor the commitments of the Vegetable Fats Charter (where there is no certification)	1.4% ^(b)	32%	94.5%	100%	

(a) The method of calculation was revised in 2020 to take into account the ingredients listed responsible as of December 31 each year.

(b) Excluding MOM.

3.4.3 DELIVERING THE GOODNESS OF FRUITS

Definition of the challenge

The Group, working through MOM, is aware of the importance of the sustainable, responsible sourcing of its fruits. Sourcing is a crucial stage in the value chain to produce fruit-based finished products that are tasty and healthy. Sustainable sourcing also upholds the Group's commitments to maintaining relations with its business partners and promoting sustainable agriculture practices that limit biodiversity loss.

For several years, the MOM Group has been taking many actions to help expand sustainable farming methods in the orchards supplying it.

Currently, these commitments to sustainable agriculture pertain primarily to fresh fruits from France and the United States, which are MOM's two main sourcing countries.

Commitments and action plan

Encouraging sustainable agriculture to preserve biodiversity

At the end of 2019, the MOM Group met its goal of sourcing fresh apples exclusively from orchards that have obtained the Vergers Écoresponsables endorsement. These certified orchards account for 55% of all the Group's apple procurements. This certification system gives the Group certainty that the approved orchards comply with six major commitments:

- promote orchard biodiversity;

- prioritize biological control methods;
- adopt sustainable agriculture methods;
- harvest apples by hand at optimal maturity;
- guarantee traceability from orchard to the point of sale; and
- check adherence to these good practices through certification by an independent third party.

In the same vein, the Group encourages the use of biological control methods that protect plants using natural mechanisms. These techniques limit the use of phytosanitary treatments by promoting more natural alternatives and thereby protecting biodiversity around the orchards. The Group thus chose to test sexual confusion for insect pests, the use of nest boxes for great tit birds that feed on insect pests and the placement of insect hotels.

To support this process, the Group tracks the treatment frequency indicator (TFI) for phytosanitary products and monitors the biodiversity in its orchards via the Observatoire Agricole de la Biodiversité (OAB, for "Agricultural Observatory for Biodiversity").

In the United States, the MOM Group carefully tracks consumer expectations and adapts its products accordingly. The procurement of certified "Organic" fresh apples accounted for 22% of total apple purchases in the U.S. in 2020.

CORPORATE SOCIAL RESPONSIBILITY

Promoting sustainable agriculture

Tending its own orchards and developing trusting relationships with partner farmers

Delivering the goodness of fruits requires a thorough understanding of how they are grown. This is why 25% of the French fresh apple supply comes from dedicated orchards, under long-term contracts (3 to 15 years) signed with partner farmers. This contractual approach enables MOM to secure its procurements, hone its expertise and test out innovative sustainable farming methods while supporting the apple production chain by committing to a (re-indexed) price and time frame. An OAB biodiversity diagnostic is carried out on all dedicated orchards.

Developing product lines that align with its commitments

The Group is updating its product portfolio to move toward healthier and responsible snacking for all, by developing products that are organic, local and free of added sugars.

Thus, the Materne and Pom'Potes brands have pledged to use 100% French apples in their certified organic compote lines starting in 2021.

Moreover, to improve the nutritional quality of its products, the MOM Group now offers an additional assortment of unsweetened products for most of its lines. In 2020, 67% of products sold under the Materne and Pom'Potes brands contained no added sugar. MOM's goal is to increase that proportion to 80% in 2021 and to reach 100% by 2025.

In June 2020, Materne and Pom'Potes introduced two new product lines for adults, "Pom'Potes Recipes of the World" and "Materne Grains & Seeds", which are made with no added sugar, preservatives or artificial flavors.

PERFORMANCE INDICATORS

Bel's objectives	KPI	2018	2019	2020	2020 objective	Progress
Deliver the goodness of fruits	Share of fruit purchases from approved environmentally responsible orchards in France	-	42.3%	100%	100%	

HIGHLIGHTS OF 2020

- Milk collection from a new dairy supply basin in Canada.
- Design of a sustainable development framework for plant-based supply chains for all products manufactured by the Group.
- Completion of a carbon diagnostic at more than 50% of dairy farms.

2021 PRIORITIES

- Articulate a Group policy on responsible plant-based ingredient procurements.
- Continue the pasture grazing feasibility study in Poland.
- Continue carbon diagnostics and deploy action plans to reduce greenhouse gas emissions at dairy farms.
- Continue developing regenerative agriculture practices (identification and roll-out of good practices already in place or to be implemented).

3.5 DESIGNING RESPONSIBLE PACKAGING

Definition of the challenge

For nearly a century, the individual portion has been at the heart of the Bel business model. This packaging format gives the Group many advantages in its commitment to champion healthier and responsible food for everyone:

- by preserving food quality and safety over long periods (see section 3.3.1. “Offering products with optimal quality and safety”);
- by limiting excess consumption and offering consumers the right nutritional intake for their needs (see section 3.3.2 “Promoting better eating habits and healthier lifestyles”);
- by helping to reduce food waste (see section 3.6.4. “Fighting food waste”); and
- by enabling as many consumers as possible to be able to enjoy its products (see section 3.7 “Improving the accessibility and affordability of its products”).

Starting in 2019, the Group began including wax in its packaging measurements even though it is not considered as waste in regulatory terms. In 2020, Bel’s packaging was primarily comprised of paper-based materials – including cartons (70%), with smaller proportions of plastic (13%), wax (12%) and aluminum (6 %) ⁽¹⁾.

Bel is aware of the environmental challenges posed by individual packaging. Thus, the Group is striving to limit the impact of its packaging while improving the management of product end-of-life. In 2019, to coincide with its new identity *For All. For Good*, the Group conferred greater importance on its responsible packaging commitment, making it one of its five priority challenges for 2025.

Policies

Bel has had a “Responsible Packaging” policy ⁽²⁾ since 2018. It defines guidelines for reducing the environmental impact of packaging at every stage of the product life cycle, from design to end-of-life. In 2020, Bel conducted an in-depth evaluation of the packaging used for its entire product portfolio. This approach enabled the Group to refine its strategy and its five objectives for 2025, namely:

- reduce and simplify the composition of packaging by systematically following an eco-design process that takes end-of-life into account;
- systematically prioritize plant-based raw materials;
- use only paper and cardboard materials made from recycled fibers or certified or sustainably grown virgin fibers to protect the environment and fight deforestation;
- 100% of packaging is eco-designed to be recyclable-ready or biodegradable, depending on the processing channels that exist in the countries where the products are sold; and
- facilitate and encourage sorting and recycling by communicating clearly to consumers and by forging partnerships to develop packaging waste collection and recovery chains in all the countries where the Group operates.

Bel is determined to go even further by 2030 by developing packaging concepts that are reusable, edible, biodegradable and more. Its eco-design efforts will be founded on two pillars: the neutral environmental impact of all its packaging and the unique and memorable experience they create. This ambitious vision defined in 2020 points the Group in a new direction and complements its existing “Responsible Packaging” policy by pinpointing the drivers, challenges and tools that will enable Bel to reach its goal by 2030, while continuing to satisfy consumers and ensure the safety and quality of its products.

Governance

The responsible packaging policy is spearheaded by the Packaging Innovation Department (within the RID ⁽³⁾) and the CSR Department. The Packaging Innovation Department works on packaging design by product type. To supplement its efforts, in 2020 Bel created a team of five engineers working exclusively on ground-breaking projects and the Group’s 2030 vision. These teams work closely with the brands and ensure that responsible packaging considerations are integrated in their CSR road maps.

(1) The figures presented in this section do not include MOM and only partially cover Safilait and Bel Rouzaneh.

(2) <https://www.groupe-bel.com/wp-content/uploads/2019/10/emballages-responsable.pdf>.

(3) Research, Innovation, Development.

3.5.1 ECO-DESIGNING PACKAGINGS AND USING MORE SUSTAINABLE MATERIALS

Action plan

Reducing and simplifying the composition of packaging through eco-design

Eco-designed packaging is a cornerstone of Bel's strategy, which is why the eco-design principles apply to all stages in the packaging life cycle, from design to end-of-life. With eco-design, the Group is making progress in two key areas: minimizing the quantity of packaging used at the source, to the point of developing bulk solutions, and simplifying the composition of packaging by promoting mono-material packages and limiting the number of small, secondary materials. In 2020, more than two-thirds of the product portfolio was scrutinized against an eco-design grid Bel developed to obtain an accurate picture of the current situation.

In the last few years, Bel's efforts have helped decrease the thickness of the aluminum sheets used for The Laughing Cow and Kiri portions, which are now a mere 10 to 12 microns thick, and to reduce the amount of plastic used in Leerdammer sliced cheese packs by 9%. In 2020, Bel focused its efforts on the Boursin brand to eliminate the polyethylene layer from its box and reduce the quantity of packaging used. In all, an eco-design diagnostic had been conducted on more than two-thirds of the product portfolio by the end of 2020.

Starting from 2021, this comprehensive eco-design process will be applied systematically to all packaging introduced to the market at all design stages, including product innovation and renovation. It will also take into account the realities of the destination market to find the most appropriate solutions. To enable the teams working on packaging design to make the most responsible choices in line with Bel's policies, the Group will launch two tools in 2021: an Eco-Design Handbook and a life cycle analysis tool co-created with Quantis, a consulting firm with LCA expertise.

Bel's goal for the longer term is to progressively eliminate all packaging from its products. The Group is already actively seeking out innovative solutions. For example, in 2020 Bel introduced bulk Babybel at pilot stores in the Day by Day retail chain in France.

Prioritizing plant-based materials

Continuing in the eco-design spirit, Bel wants to limit the use of plastic as much as possible by systematically

prioritizing plant-based and biodegradable materials and sourcing locally whenever possible. In 2020, Bel used 70% plant-based materials.

Nevertheless, when plastic must be used, for example, for technical reasons or to maintain optimal conservation, Bel follows these guidelines:

- **limit the quantities of plastic used to the strict minimum;**
- **use 100% recyclable-ready plastic to promote its integration in the circular economy:**
 - this was already the case for 62% of the plastic used by the Group in 2020. The Group is developing innovations to promote recyclability: in 2020 an innovation was introduced to the Mini Babybel line in Europe to use bio-based cellophane that can be composted at home;
- **when it does not compromise product quality or safety and is technically feasible, incorporate recycled plastic to reduce the need for extracting the fossil fuels required to produce virgin plastic:**
 - the Group has pledged to boost the amount of rPET in its PET Leerdammer sliced cheese packs to 50% by 2025,
 - in 2020, Bel significantly increased the share of recycled plastic used in Leerdammer brand packaging, raising its rPET content from 24% to 30%. In Portugal, the Group's Limiano brand earned kudos for incorporating 30% post-consumer recycled (PCR) plastic from recycled PET bottles in the packaging for its snacking products; and
- **do not deposit any plastic from Bel plants in landfills.**

Using recycled, certified or sustainably sourced materials

Using paper and cardboard materials made from recycled or certified virgin fibers

The Group is working so that 100% of the paper and cardboard materials used in its packaging come from recycled, certified or sustainably grown fibers to preserve natural ecosystems and fight deforestation (see section 3.6.2 "Preserving biodiversity and fighting deforestation and ecosystem conversion"). For example, the paper used by the Group incorporates either recycled fibers or virgin fibers certified to be harvested from sustainably managed forests that protect biodiversity (FSC, PEFC, SFI, CSA, etc.).

CORPORATE SOCIAL RESPONSIBILITY

Designing responsible packaging

In 2020:

- 96% of Bel's paper/cardboard packaging contained over 85% recycled and/or certified origin fibers;
- 3% of paper/cardboard packaging contained a majority of recycled and/or certified origin fibers; and
- less than 1% of paper/cardboard packaging was made from non-certified virgin fibers. This is due mainly to the lack of a local source, but the Group is researching alternatives.

A specific approach for aluminum and wax

For other raw materials like aluminum and wax, Bel is developing tailor-made solutions.

Aluminum accounts for just 6% of the Group's packaging by weight, but it is symbolically significant in the brand

portfolio because most Bel products are wrapped in aluminum and it inflicts the highest carbon impact of all the materials used by the Group (24% of packaging's carbon footprint). This is why the Group is playing an active role in its sustainable management and has been engaged in the *Aluminum Stewardship Initiative* (ASI) since 2017. Bel is currently pursuing certification of its plant at Sablé-sur-Sarthe.

Furthermore, although wax is not considered as packaging in regulatory terms, Bel's goal is to identify and develop bio-based and biodegradable alternatives by 2025. Bel is exploring several possibilities (wax made from bio-based materials) in conjunction with its suppliers through an open-innovation process.

3.5.2 ENCOURAGING AND FACILITATING THE RECYCLING OF PACKAGINGS

Action plan

100% of packaging is eco-designed to be recyclable-ready or biodegradable, depending on destination country

To build momentum behind the circular economy and to optimize its products' end-of-life, the Group is working toward eco-designing 100% of its packaging so it is recyclable-ready and/or biodegradable by 2025. Thus, from the packaging design phase, Bel will study the existing channels in the countries where its products are sold and choose solutions that are the most environmentally sound and best suited to the country's realities (recyclability or biodegradability).

To bring its vision to life, the Group is prioritizing paper- and aluminum-based materials that are 100% recyclable-ready. When it comes to plastic, the Group favors mono-material packaging to ensure it can be recycled.

Furthermore, in 2021 Bel will launch a life cycle analysis tool co-created with Quantis that will enable it to identify, from the design stage, the solution that has the least impact on the environment based on the country where the product is sold.

In 2020, 82% of Bel product packaging was recyclable-ready and/or biodegradable. The performance drop compared to 2019 is attributable to changes in consumers' buying behaviors during the Covid-19 pandemic. Indeed, bulk purchases and large box and carton formats were abandoned in favor of products whose packaging is neither recyclable-ready nor biodegradable.

It should also be noted that, in the spirit of continuous improvement and transparency, the MOM Group began reporting on this indicator this year.

Encouraging and facilitating recycling

By communicating clearly to consumers

Bel wants to help its customers adopt good waste sorting practices to ensure optimal conditions for packaging

disposal. Therefore, sorting instructions are visible on the Group's packaging and on its brands' websites. In countries that do not currently have such disposal resources, the Group is gradually altering its packaging to explain how individuals can act responsibly and prevent litter.

In 2020, Bel joined the American initiative *How2Recycle*, which aims to establish a standardized labeling system to give consumers clear instructions on recycling. Several of the Group's products are now printed with the logos developed by this initiative.

By forging partnerships to develop packaging waste collection and recovery chains

Bel is supporting the development of collection and recycling schemes through various programs.

In 2020 the Group signed on to the "Pacte National sur les Emballages Plastiques" backed by the French Ministry of Ecological Transition, major retail players and manufacturers. The pact's signatories pledge to work together to eliminate problematic and unnecessary plastic packaging, speed up the recycling of plastic packaging, develop reuse, incorporate recycled raw materials and promote eco-design. Participating companies must publish annual reports to show their progress on 15 quantitative indicators defined by the pact.

In 2020 Bel also joined the "Consumer Goods Forum" to support the development of producer coalitions with extended responsibility in the countries where the Group's products are sold.

Since 2016 the Group has been an active member of CELAA (Club du Recyclage de l'Emballage Léger en Aluminium et en Acier), an initiative that encourages the sorting and recycling of small aluminum and steel packaging, in partnership with Citeo. It also co-founded AREME, a similar initiative, in Belgium. Finally, Bel Morocco has been working on the joint creation of an "Alliance for Packaging Innovation and Recycling" since 2019.

CORPORATE SOCIAL RESPONSIBILITY

Designing responsible packaging

PERFORMANCE INDICATORS

Bel's objectives	KPI	2018	2019	2020	2025 objective	Progress
Work towards 100% recyclable-ready and/or biodegradable packaging	Recyclable-ready and/or biodegradable packaging	81% ^(a)	84% ^(a)	82% ^(a)	100% ^(a)	
	Excluding wax	92% ^(a)	94% ^(a)	92% ^(a)	100% ^(a)	
	MOM			53%	100%	

^(a) Excluding subcontractors, excluding MOM.

HIGHLIGHTS OF 2020

- Development of the Group's 2030 vision to design future generations of packaging so that they disappear.
- Mini Babybel bulk sales experiment in a few pilot stores of the Day By Day retail chain in France.
- Use of bio-based, compostable cellophane for the Mini Babybel line in Europe.
- Increase in the share of recycled plastic used in Leerdammer brand packaging from 24% to over 30% rPET.
- Incorporation of 30% post-consumer recycled (PCR) plastic in the packaging for the Limiano brand's snacking products.

PRIORITIES FOR 2021

- Apply eco-design principles systematically for all packaging placed on the market.
- Make the Eco-Design Handbook given to the packaging teams more user friendly so they can systematically make the most responsible choices in line with the Group's policies.
- Launch a life cycle assessment tool.
- Continue research on alternative waxes and the gradual elimination of packaging.

3.6 FIGHTING CLIMATE CHANGE AND REDUCING ITS ENVIRONMENTAL FOOTPRINT

3.6.1 FIGHTING CLIMATE CHANGE

Definition of the challenge

Climate change is one of the biggest issues of our time. Therefore, fighting climate change is a strategic priority for the Group that calls for lasting actions to transform the Company, such as updating its product mix and improving its energy mix.

The Group has been a member of the Science-Based Targets initiative since 2017 and its greenhouse gas (GHG) emissions reduction targets were approved in 2019. These reduction goals align with the Paris Agreement and cover the Group's entire value chain, from upstream agricultural activities to transportation and packaging.

In addition, Bel recognizes the recommendations issued by the TCFD⁽¹⁾ for climate reporting. An action plan will be rolled out to align its climate reporting with these recommendations.

Overview of Bel's total carbon footprint

The Group's global carbon audit was updated in 2020 in accordance with the Greenhouse Gas Protocol⁽²⁾; it estimated the total amount of emissions generated by the Group in 2019 at 6 million CO₂ metric tons equivalent. It showed that 72% of the Group's total emissions come from the production of raw materials, followed by emissions from upstream and downstream transportation (13%), packaging (4%) and Scopes 1 and 2 (4%)⁽³⁾. The reduction in Scope 3 greenhouse gas emissions comes primarily from a decrease in emissions linked to milk and dairy raw materials brought about by the action plans deployed to the sustainable upstream dairy, the accelerated development of plant-based raw materials and the carbon diagnostics carried out at farms⁽⁴⁾.

Distribution of Bel's greenhouse gas emissions along the entire value chain Total estimated quantity = 6 million metric tons CO₂

	2018	2019
Scopes 1 & 2 ^(a)	3.5%	3.8%
Scope 3 ^(b)	96.5%	96.2%
• Of which raw material purchasing	72.3%	71.5%
• Of which packaging and finished product purchasing	3.8%	4.1%
• Of which subcontracted production	3.9%	2.7%
• Of which other goods and services purchasing	2.3%	2.8%
• Of which capital equipment purchasing	1.2%	0.9%
• Of which upstream transport (raw materials and packaging) ^(c)	4.8%	4.9%
• Of which downstream transport (products sold and by-products) ^(d)	7.3%	8.3%
• Of which products sold (reprocessing or product/packaging end-of-life)	0.8%	0.9%

(a) Scope 1 corresponds to 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 corresponds to indirect emissions associated with the purchased production of electricity, heat and refrigeration.

(b) Scope 3 corresponds to other indirect emissions, in particular raw material purchases, finished product packaging and upstream and downstream transport. Some quantified but negligible emissions were not included in the above table (processing of waste generated by operations, business travel, commutes, etc.).

(c) Raw materials, packaging and other inputs.

(d) Products sold and by-products.

(1) Task Force on Climate-related Financial Disclosures. See "Appendix 2: Correlation Table with the 11 TCFD Recommendations".

(2) <http://ghgprotocol.org/>

(3) This carbon audit does not include the impacts of the processing of the Group's by-products if they are sold to third parties.

(4) These diagnostics enable the Group to use specific emissions factors that are more accurate than the generic emissions factors used previously.

CORPORATE SOCIAL RESPONSIBILITY

Fighting climate change and reducing its environmental footprint

Organization and governance

Bel's climate strategy is spearheaded by the Group's Environment Department and the CSR Department, which work in close collaboration with other departments, including Manufacturing, Engineering, Purchasing, Logistics and RID.

RISKS RELATED TO CLIMATE CHANGE

Type	Risks linked to climate change	Potential financial impact	Impact on Group strategy
Transition risks	Regulatory risks		
	Long-term risks Implementation of new regulations relating to energy, greenhouse gas emissions or carbon prices.	Such regulations could increase operational costs for Bel.	Bel defined its 2°C road map under the Science-Based Targets initiative. The Group is setting up action plans to reduce the greenhouse gas emissions generated by its direct and indirect activities (see "Action plans" section below). Financial resources are allocated in a multi-year investment plan to take into account SBTi commitments.
	Reputation risks		
	Long-term risks Consumer preference for products with lower greenhouse gas emissions.	This risk could affect Bel's sales and market shares.	With its new identity <i>For All. For Good</i> , the Group aims to offer its customers healthier and more responsible food for everyone. To bring that vision to life, the Group identified five priorities – including the fight against climate change – which are presented throughout this document. Bel has taken stock of the need to transform its brands and products.
	Market risks		
	Long-term risks Volatility of energy prices.	This risk could boost operational costs for Bel (e.g. costs to produce and process raw materials and products, storage costs, etc.).	Bel has made strong commitments to reducing energy consumption all along its value chain (see "Action plans" section below).

CORPORATE SOCIAL RESPONSIBILITY

Fighting climate change and reducing its environmental footprint

Type	Risks linked to climate change	Potential financial impact	Impact on Group strategy
Physical risks	Chronic risks		
	Long-term risks - Precipitation variability could affect water reserves in or near Bel's dairy supply basins and industrial production sites. - Climate and weather variability could affect the procurement, quality and price of the agricultural raw ingredients used (e.g. fruits). - Variability of soil conditions could affect local animal feed production. - Unsuitability of region for milk production.	- Bel's dairy supply basins and production sites could experience water shortages or excessive rains, which could lead to an increase in operational expenses and production difficulties. - The price variability of raw materials could lead to an increase in Bel's costs. - The impact on the production of animal feed could increase the production costs for milk and milk products. - Difficulties in milk production could lead to decreased availability at milk production sites.	Bel is implementing actions to make agricultural production more resilient (see "Action plans" section below).
	Non-recurring risks		
	Long-term risks Risk of exposure of the Group's buildings and facilities and those of its suppliers to natural disasters (earthquake, fire, flood, etc.).	This risk could cause the loss of a strategic industrial site and result in high operational expenses and production difficulties.	Bel takes these risks into account when it builds a new site by choosing locations that are less exposed to extreme climate events and/or by designing adapted buildings. Moreover, Bel holds a "Damage to assets and operating losses" insurance policy that covers the Group's facilities against the consequences of extreme natural events (e.g. earthquake, severe storm, flood, torrential rain, hurricane, etc.). The consequences for Bel if one of its suppliers were unable to meet its obligations after an extreme climate event are also covered. Finally, Bel's insurers get involved at the plant design phase and conduct periodic audits on the Group's facilities to check their level of security, identify measures to take as needed and adapt the insurance coverage to the needs of each site.

CORPORATE SOCIAL RESPONSIBILITY

Fighting climate change and reducing its environmental footprint

Policies

Environmental policy

The Group has had an internal environmental policy since 2008. The policy, which was formalized in 2014, lays out Bel's goals to address climate and water challenges, as well as guidelines to achieve them. After adopting this policy, the Group set the objectives of reducing greenhouse gas emissions along its entire value chain and reaching carbon neutrality for Scopes 1 and 2 by 2025. An even more ambitious policy with new commitments to fight climate change will be published in 2021.

Science-Based Targets initiative

Since 2017 the Group has participated in the Science-Based Targets initiative (SBTi) started by the Carbon Disclosure Project (CDP), the World Resources Institute (WRI), the WWF and the United Nations Global Compact to reduce greenhouse gas emissions along its entire value chain (Scopes 1, 2 and 3). In 2019, Bel defined the following targets, which were approved by the SBTi technical committee:

- reduce emissions for Scopes 1 and 2 by 42% versus 2017 levels (in metric ton CO₂ eq./metric ton produced) by 2030; and
- reduce Scope 3 emissions by 27% versus 2017 levels (in metric ton CO₂ eq./metric ton produced) by 2030.

Other policies

The Group has adopted several other policies that contribute indirectly to reducing Bel's greenhouse gas emissions. Examples include the "Responsible Packaging" policy (see section 3.5 "Designing responsible packaging"), the "Preserving Forests and Natural Ecosystems" policy (see section 3.6.2. "Preserving biodiversity and fighting deforestation and ecosystem conversion") and policies on the upstream dairy (see section 3.4.1. "Taking action for a sustainable upstream dairy").

Action plan

Reducing greenhouse gas emissions – Scope 3

Agricultural raw ingredients

Given the significant impact of agricultural raw materials on the Group's overall carbon footprint (72%), reducing GHG emissions from this source will be decisive in achieving the targets set in connection with the Science-Based Targets initiative.

In light of its responsibility and of the impact dairy production has on the environment, the Group has made its commitment to a sustainable dairy sector a priority within its corporate social responsibility strategy. In order to take practical, measurable action, Bel and WWF France signed a partnership in 2012 with a common goal: limiting the

environmental impacts of dairy production (see section 3.4.1 "Taking action for a sustainable upstream dairy").

Bel uses a variety of resources (CAP2'ER, ANCA, Cool Farm Tool, etc.) to measure the environmental impact of dairy farms (see section 3.4.1. "Taking action for a sustainable upstream dairy"). These tools have been used at more than 70% of farms across the Group's dairy supply basins⁽¹⁾ and have identified numerous improvement practices that have been proposed to dairy producers. By fostering an open dialogue with producers about their environmental impact, these tools also enable Bel to assist its suppliers with their transformation.

Furthermore, the acceleration of the Group's positioning on the plant-based segment advances the global targets to reduce GHG emissions all along the value chain by helping to shift the balance between plant- and animal-based foods and by developing sustainable plant-based sourcing channels that encourage regenerative agriculture.

Transportation/distribution

The Group optimizes the transportation of its raw materials and finished products to reduce not just its greenhouse gas emissions, but also other nuisances (e.g. road congestion and noise). The locations of its plants and its logistics flows are designed to reduce distances both upstream (mainly for fresh milk) and downstream (as close as possible to consumer markets).

Bel works with its logistics service providers in every country to reduce the mileage of empty trucks and optimize truck and container fill rates, as well as transportation flows. The Group also studies alternatives to road transportation that produce fewer greenhouse gas emissions.

In 2020, Bel teamed up with the FRET 21 program, a multi-party initiative whose goal is to reduce greenhouse gas emissions from downstream transportation through various techniques, such as multimodal transportation, fill rates and green fuels.

Packaging

As a major player on the healthy snack food market, Bel faces packaging challenges. The Group issued a "Responsible Packaging" policy to address these challenges and to reduce the environmental impact associated with their use (see section 3.5. "Designing responsible packaging").

In April 2020, the Bel Group joined *Le Club des Entrepreneurs pour le Climat* ("Entrepreneurs' Club for Climate"), which was created in 2019 by *Institut Orygeen*⁽²⁾, a group of business leaders running French, family-owned businesses committed to fighting climate change with innovative, collaborative projects to reduce their carbon footprint. Bel is participating in working groups that are addressing topics such as developing the use of biofuels, upstream and downstream transportation powered by green hydrogen and the local production and consumption of renewable electricity through PPAs (Power Purchase Agreements).

(1) Except for the Canadian dairy basin which is still being studied.

(2) Institut Orygeen is a non-profit association founded in 2014 to encourage manufacturers to become more energy efficient. The institute pursues that goal with a variety of actions to provide information about energy efficiency in industry and to highlight initiatives put in place.

CORPORATE SOCIAL RESPONSIBILITY

Fighting climate change and reducing its environmental footprint

Reducing greenhouse gas emissions – Scopes 1 and 2

Audit of greenhouse gas emissions – Scopes 1 and 2

Greenhouse gas emissions at the Group's industrial sites come mainly from the energy mix and the processes used to manufacture its products. Refrigerant leaks and the fuel consumed by the Group's vehicle fleet also contribute to greenhouse gas emissions, but to a lesser extent.

The Group is tackling these sources of emissions to reduce the carbon intensity of its production to move toward carbon neutrality for Scopes 1 and 2 by 2025. To help meet that goal, Bel developed the Esabel ("Energy Saving At Bel") program to enable each site to monitor its consumption levels and define action plans to reduce them. Audits are carried out regularly to identify good practices and to track the progress of the action plans. Extensive audits were conducted at three sites in 2020 to define specific action plans for the energy transition and for energy efficiency. In addition, 21 industrial sites have implemented an ISO 14001-certified environment management system.

The action plans at the Bel production sites follow a two-step approach:

1. reduce the energy footprint of its activities; and
2. use renewable energies.

Reducing energy consumption at industrial sites

The Group sets ambitious targets for reducing the energy footprints of its sites. A portion of the €8 million invested in 2020 to improve its environmental footprint at production sites focused on this reduction. Nearly €69 million was invested between 2009 and 2020 to reduce Bel's environmental footprint.

The Esabel ("Energy Saving at Bel") program, for example, allows each site to access a compendium of good practices, monitor its consumption levels and define action plans to reduce them.

Fossil fuels account for 93% of the emissions generated by Bel's industrial sites. Thus, it prioritizes actions to reduce energy consumption as a way to lower its dependency on fossil fuels and, in time, to limit its greenhouse gas emissions.

Producing dairy products is a highly energy-intensive activity. That is especially true for milk pasteurization, which is necessary to ensure the perfect quality of a raw material that is sensitive to bacteriological contamination, and for the cold storage of finished products. In order to limit their energy consumption, the industrial sites systematically recover energy at the end of processing to reuse it at the start of processing. To improve energy efficiency at industrial sites, in 2020 Bel set up two energy recovery projects that use heat pumps. However, since the beginning of the Covid-19 pandemic, the production equipment must be stopped more frequently for disinfection, which limits energy recovery and raises energy consumption.

Using renewable energy sources

The Group also makes use of renewable energy sources while continuing to take local factors into account (availability of energy from renewable sources, technical feasibility and economic impact).

Bel now has two biomass boilers, which account for 11% of the energy consumed for heat production. The Song Than 3 site (Vietnam) was equipped with photovoltaic sensors in 2020, covering 7% of the site's consumption.

The Group also purchases electricity from renewable sources for Vale de Cambra (Portugal) and for all its Dutch and French industrial sites (including MOM, starting from 2021), making up 47% of the Group's total electricity consumption. In addition, the sites in Chorzele (Poland), Michalovce (Slovakia), Brookings (USA), Leitchfield (USA) and Little Chute (USA) plan to start buying guarantees of origin in 2021.

For the MOM Scope, the Chef du Pont site has a biomass boiler whose goal is to produce nearly 70% of the site's steam by the end of 2021.

CORPORATE SOCIAL RESPONSIBILITY

Fighting climate change and reducing its environmental footprint

	2008	2018	2019	2020	Change 2008-2020
Electricity consumption (in MWh)					
Electricity not from a renewable source	247,340	189,570	180,935	176,105	-29%
Electricity from a renewable source	-	151,141	152,260	155,194	
TOTAL ELECTRICITY	247,340	340,712	333,196	331,299	34%
Of which renewable electricity	-	44.4%	46%	47%	
Consumption of oil, gas and biomass products for heat generation and other purposes (in MWh LHV)					
Oil and gas products	543,381	503,023	518,208	513,284	-6%
Biomass	-	71,746	70,604	65,846	
STATIONARY COMBUSTION	543,381	574,769	588,812	579,130	7%
Of which biomass	-	12.5D	12%	11%	
Energy consumption (in MWh/metric ton produced) all B-to-C and B-to-B products					
Electricity	0.68	0.43	0.41	0.41	-39%
Oil and gas products	1.5	0.63	0.63	0.63	-58%
Biomass	-	0.09	0.09	0.08	

Breakdown of greenhouse gas emissions ^(a)	2018	2019	2020
Scope 1			
Associated with fossil fuel and gas consumption	55.3%	57.0%	57.6%
Associated with biomass consumption	0.8%	1.0%	0.7%
Associated with refrigerant leaks	2.8%	3.0%	2.2%
Associated with fuel consumption of Group-owned vehicles	4.2%	4.0%	4.2%
Scope 2			
Associated with the generation of electricity purchased within the Group	36.9%	35.0%	35.3%

(a) Indicator audited by the Statutory Auditors with a reasonable level of assurance.

Greenhouse gas emissions - Scopes 1 and 2	2017	2018	2019	2020	Change 2008-2020	Change 2017-2020
kg CO ₂ eq./metric ton produced (all B-to-B and B-to-C products)	291	288	282	278	-60%	-4.5%
Metric tons CO ₂	226,734	230,061	230,412	224,932	-11%	-0.8%

Finally, to meet its goal of carbon neutrality for Scopes 1 and 2, the Group's teams are making it a priority to reduce greenhouse gas emissions to the irreducible level determined by Bel's business operations. Alongside these efforts, a neutralization strategy is being prepared.

Increasing the resilience of agricultural production

Although our dairy supply basins differ with regard to the effects of climate change, these are being felt more and

more all around the world. Some areas where the Group operates are experiencing water stress,

Water is a vital input for agricultural production, yet farming affects the quality and availability of water resources. Bel is pursuing two complementary tactics to increase the resilience of dairy farms: reduce water needs and introduce solutions to satisfy irreducible needs such as changing fodder, building water storage systems and planting hedges.

CORPORATE SOCIAL RESPONSIBILITY

Fighting climate change and reducing its environmental footprint

Bel is participating in the *Climalait* program, which aims to give the French dairy sector practical solutions. To extend this approach to all its production regions, the Group has set the goal of ensuring that 100% of its dairy supply basins

have defined action plans to increase their resilience to climate change and water stress by 2025 (see section 3.4.1 “Taking action for a sustainable upstream dairy”).

PERFORMANCE INDICATORS

Bel's objectives	KPI	2018	2019	2020	2025 objective	Progress
Contribute to reducing its overall carbon footprint by making its operations carbon neutral ^(a)	Greenhouse gas emissions – Scopes 1 and 2 (kg CO ₂ eq./metric ton produced)	288	282	278	0	

(a) Scopes 1 and 2.

Bel's objectives	KPI	2017	2018	2019	Change 2017-2019	Reduction target 2017-2025	Reduction target 2017-2030	Progress
Reduce its overall carbon footprint to meet the goals of the Paris Agreement ^(a)	Global carbon audit (kg CO ₂ eq./metric ton produced)	8,653	8,198 ^(b)	7,433 ^(b)	-14%	-15%	-27.5% ^(c)	

(a) Scopes 1, 2 and 3.

(b) Because there is a one-year lag in determining the Scope 3 carbon footprint, the indicator can only reflect the 2019 result.

(c) This goal of -27.5% in 2030 versus 2017 for Scopes 1, 2 and 3 is aligned with the approved Science-Based Science Targets for Scopes 1 and 2 (-42%) and for Scope 3 (-27%).

HIGHLIGHTS OF 2020

- Launch of two heat-pump energy recovery projects.
- Membership in the FRET 21 program to limit CO₂ emissions from transportation.
- Preparation of an ambitious new road map for 2035 to fight against climate change.

PRIORITIES FOR 2021

- Continue supporting the sites' transition to renewable energies and rolling out energy efficiency solutions.
- Update the environmental policy.
- Define road maps with the industrial sites to optimize their energy management.

3.6.2 PRESERVING BIODIVERSITY AND FIGHTING DEFORESTATION AND ECOSYSTEM CONVERSION

Definition of the challenge

Bel is a global player in the healthy single-serving portion dairy, plant-based and fruit snacks market, and works every day to help meet the challenge of feeding 10 billion people by 2050, without compromising the Earth's resources. This challenge can only be met if companies fully incorporate biodiversity protection into the development of their activities

Biodiversity can be defined as “diversity within species, between species, and of ecosystems”⁽¹⁾. Species evolve and

interact, enabling ecosystems to function. From functioning ecosystems, human societies draw a variety of services and benefits called ecosystemic services. Among these services are provisioning services (such as food, raw materials, etc.); regulation and maintenance services (including pollination control, carbon capture and storage, water purification, etc.); and cultural services (encompassing interaction, spirituality, etc.)⁽²⁾.

Biodiversity, however, is under threat. According to a United Nations report published in 2019, nearly one million species are facing extinction in the near future.

(1) United Nations, 1992.

(2) WWF report, “Into the Wild” (p.16), 2019.

CORPORATE SOCIAL RESPONSIBILITY

Fighting climate change and reducing its environmental footprint

Yet Bel is dependent on this biodiversity. For example, 75% of crops depend on insects for pollination⁽¹⁾. That is why Bel believes it is vital to act now and place living organisms at the center of its concerns. In 2020, that conviction translated into the adoption of a biodiversity policy⁽²⁾ and an action plan to embrace all aspects of biodiversity and to act responsibly across its entire value chain, including:

- the upstream where the raw materials used by the Group are produced;
- production sites where its products are made; and
- the downstream of its activities such as packaging end-of-life.

In the area of biodiversity, Bel is especially involved in the fight against deforestation and in preserving natural ecosystems, as outlined in its forest and natural ecosystems policy⁽³⁾. As an agrifood company, the Group is mindful of its responsibility to address these two challenges. Thus, it has pledged to eliminate the risks of natural ecosystem conversion⁽⁴⁾, including the risk of deforestation, in the supply chains for its key commodities by 2025.

The key commodities whose production could contribute, directly or indirectly, to deforestation and the conversion of natural ecosystems are:

- The animal feed (soy meal and palm kernel expeller) used by its milk producing partners to feed their animals;
- The plant-based raw materials, including vegetable fat (palm, soybean, sunflower, canola and other oils), used in some current or future recipes; and
- The cardboard and paper used in its packaging and marketing materials.

Policies

In 2020, the Bel Group published a policy to protect, enhance and restore biodiversity along its entire value chain⁽⁵⁾. The policy, co-written with WWF France, lays out the Group's commitments in three areas:

- First, its desire to meet its 2025 targets for preserving and restoring natural ecosystems. To ensure its success, the Group will rely on dedicated policies, especially its policy on preserving forests and natural ecosystems⁽⁶⁾, with the ambitious goal that, by 2025, none of Bel's key

raw materials contributes to deforestation or the conversion of natural ecosystems;

- Second, the Group's dedication to assessing its biodiversity footprint so it can set robust objectives backed by a scientific approach. To achieve this, the Group is working out definitions of local ecological thresholds and a measurement of its overall biodiversity footprint, along its entire value chain; and
- Third, the Group's pledge to improve its biodiversity footprint by implementing projects that protect, restore and raise awareness about biodiversity, in close collaboration with its partners who work in the field every day.

Action plan

At each stage in its value chain, the Group identifies ideas for actions and projects to promote biodiversity, and defines medium- and long-term objectives to address the challenges at hand.

Taking action to protect biodiversity

Bel is committed to encouraging and developing responsible supply channels and minimizing the impact of its operations on biodiversity. To this end, Bel participates in several collective initiatives that are building momentum and synergy amongst all the actors in its value chain.

For example, the Group signed on to the *Act4Nature France* and *Act4Nature International* initiatives to take part in defining objectives around preserving biodiversity. These objectives were approved by a steering committee comprised of businesses, business networks, public authorities, environmental NGOs and scientific bodies.

Furthermore, the Group joined the Science-Based Target Network (*SBTN*) Corporate Engagement Program in 2020. In the same spirit as SBT for Climate, this alliance aims to design a robust and scientific method companies can use to define objectives aligned with a trajectory based on planet boundaries, especially biodiversity.

Finally, the Group is also participating in the "Laboratoire Capital Naturel" ("Natural Capital Laboratory") led by WWF France and the Chaire de Comptabilité Écologique ("Ecological Accounting Chair") supported by the AgroParisTech Foundation, which encourages the use of accounting tools to preserve biodiversity.

(1) *Assessment Report on Pollinators, Pollination and Food Production*, IPBES, 2016.

(2) *The biodiversity policy can be viewed on the Bel Group's website (<https://www.groupe-bel.com/wp-content/uploads/2020/10/groupe-bel-politique-biodiversit-fr.pdf>)*.

(3) *Bel's policy on forests and natural ecosystems is also available on the Group's website (<https://www.groupe-bel.com/wp-content/uploads/2019/10/forets-et-ecosystemes-fr.pdf>)*.

(4) *Conversion is modifying a natural ecosystem to use the land for a new purpose. It includes deforestation, which is the loss of natural forests.*

(5) *For more information, the biodiversity policy can be viewed on the Bel Group's website (<https://www.groupe-bel.com/wp-content/uploads/2020/10/groupe-bel-politique-biodiversit-fr.pdf>)*.

(6) *For additional information, refer to the Forests and Natural Ecosystems Policy on the Bel Group's website (<https://www.groupe-bel.com/wp-content/uploads/2019/10/forets-et-ecosystemes-fr.pdf>)*.

CORPORATE SOCIAL RESPONSIBILITY

Fighting climate change and reducing its environmental footprint

Improving the impact caused by the production of ingredients Bel uses in its recipes

Promoting pasture grazing

Bel encourages grazing whenever conditions allow because pastures are rich in biodiversity (see section 3.4.1 “Taking action for a sustainable upstream dairy”). Pasture grazing reduces the quantity of fodder and concentrates needed to feed the dairy cows. It also improves the quality of the water that seeps into the ground, replenishing the water table and the bodies of water that rely on it.

Developing sustainable farming practices

The Group has taken an active role in promoting sustainable farming practices, such as crop rotation and cover crops because these methods help protect biodiversity (see sections 3.4.1 “Taking action for a sustainable upstream dairy” and 3.4.3 “Delivering the goodness of fruits”). As part of its effort to apply SBTN methodology to define a biodiversity road map, the Group is working to define the ecological thresholds not to exceed to ensure the ongoing viability of species and ecosystems.

Encouraging farms that grow both crops and animals

Bel’s Farming For the Future program deploys good animal husbandry practices identified by its dairy farmers in pilot dairy basins. Nine projects have been selected, establishing practices that help protect biodiversity like rotational grazing, local production of animal feed, protein autonomy, new crop mixes (e.g. fodder beets, lupines, beans and peas) as well as reduced usage of fertilizers and the reuse of manure.

Promoting agroforestry

The Group is helping to create new spaces that combine agriculture with respect for biodiversity by encouraging the development of agroforestry. In particular, Bel is sponsoring a project with WWF France to raise awareness, train and support dairy producers in the use of agroforestry practices, such as the planting of rural hedges, wooded strips, trees, and even tree farms.

Helping to preserve natural ecosystems and fight deforestation through its supply chain

Bel has adopted the ambitious goal to eliminate the risk of ecosystem conversion associated with three key raw materials: animal feed in the form of soy meal and palm kernel expeller (see section 3.4.1 “Taking action for a sustainable upstream dairy”), vegetable fats (see section 3.4.2 “Using vegetal raw materials within strict limits”) and paper and cardboard packaging (3.5. “Designing responsible packaging”). The Group employs data updated

by WWF France to assess the impact of procurements in the countries where its raw materials are sourced. This data was updated in 2020, causing some places of origin to shift to different categories.

Limiting the biodiversity impact of product manufacturing

Reducing greenhouse gas emissions from operations

To reduce its impact on climate change and biodiversity, Bel is working to lower the carbon intensity of its production to move toward carbon neutrality for Scopes 1 and 2 by 2025 (see section 3.6.1. Fighting climate change”).

Protecting and promoting biodiversity at its production sites

Bel is committed to protecting and promoting biodiversity at its own production sites. This entails conducting a preliminary analysis with stringent biodiversity criteria before any new plant is built at all potential locations throughout the world. The Group is also looking into solutions to take into account biodiversity and soil artificialization in each investment decision.

Optimizing water management in quantitative and qualitative terms

The Group implements action plans to protect the environment around its plants, especially with regard to its liquid discharges (see section 3.6.3. “Using water sustainably”).

Optimizing product end-of-life

Working on the future of packaging

Bel is working to improve the post-consumption outcomes of its product packaging to join the circular economy and minimize its impact on nature and biodiversity (see section 3.5 “Designing responsible packaging”).

Providing reliable, helpful information to consumers

Bel has made a commitment to clarify sorting instructions both on its packaging and through other communication tools (see sections 3.2.3 “Communicating responsibly and transparently with its consumers” and 3.5. “Designing responsible packaging”).

Reducing food waste

Bel is actively involved in reducing food waste all along its value chain by addressing portion sizes, raising awareness on use-by dates, developing recipes that incorporate by-products and more (see section 3.6.4 “Fighting food waste”).

CORPORATE SOCIAL RESPONSIBILITY

Fighting climate change and reducing its environmental footprint

PERFORMANCE INDICATORS

Bel's objectives	KPI	2018	2019	2020	2025 objective	Progress
Preserve natural ecosystems and fight deforestation through its supply chain	Impact of sourcing policies on at-risk land (area of at-risk land whose conversion was avoided/total at-risk land area cultivated)	-	7.1%	7.1%	100%	

HIGHLIGHTS OF 2020

- Formalization of a Group biodiversity project co-written with WWF France.
- Roll-out of a pilot project with WWF France and WWF Netherlands to define ecological thresholds that will ensure the ongoing viability of species and ecosystems.
- Membership in Act4Nature France, Act4Nature International and the Science-Based Target Network.

PRIORITIES FOR 2021

- Participate, within the Science-Based Target Network (SBTN) program, to help design a robust scientific calculation method that can be used to define biodiversity trajectory.

3.6.3 USING WATER SUSTAINABLY

Definition of the challenge

Water scarcity affects more than 40% of the world's population⁽¹⁾; a worrying proportion that could worsen due to rising temperatures around the world. Ensuring availability and sustainable management of water and sanitation for all by 2030 is one of the UN Sustainable Development Goals. To contribute to this essential collective effort, Bel strives to constantly reduce the water consumption required for its activities and to improve the quality of its discharges by using efficient technologies. Further upstream in its value chain, Bel also seeks out solutions to make dairy farms more resilient to water scarcity in certain dairy supply basins that has been brought on by climate change (see section 3.4.1. "Taking action for a sustainable upstream dairy").

Policies

The Group has had a formal environmental policy since 2014. That policy lays out Bel's goals to address water and climate challenges, as well as guidelines to achieve them. This policy is due to be updated in 2021.

Action plan

Reducing water consumption at production sites

The Group sets ambitious targets to reduce the water footprints of its sites. A portion of the €8 million invested in 2020 to improve its environmental footprint at production sites focused on this reduction. Nearly €69 million was invested between 2009 and 2020 to reduce Bel's environmental footprint.

The *Wasabel* ("Water Saving at Bel") program, for example, allows each site to access a compendium of good practices, monitor its consumption levels and define action plans to reduce them. In addition, 21 industrial sites have implemented an ISO 14001-certified environment management system.

Most of the drinking water used in the Group's plants is managed by public utilities and is sourced from surface water bodies such as rivers and lakes or from groundwater (water tables).

Since the beginning of Covid-19, public health protocols have required that production equipment be washed and disinfected more frequently, which has led to an increase in consumption versus 2019. Nevertheless, the programs implemented have allowed Bel to reduce its water consumption per metric ton produced by 48% between 2019 and 2020.

(1) Source: United Nations Sustainable Development Goals.

CORPORATE SOCIAL RESPONSIBILITY

Fighting climate change and reducing its environmental footprint

Water consumption	2008	2018	2019	2020	Change 2008-2020
In m ³ per metric ton produced (all B-to-B and B-to-C products)*	12.53	6.52	6.34	6.48	-48%
In thousands of m ³ *	4,553	5,213	5,173	5,242	15%

* Group total.

Quality of discharges from its production sites into the natural environment

By reducing their water consumption, the sites automatically reduce their discharges and improve their quality, since the lower the volume of water treated in treatment facilities, the lower the concentration of organic matter flowing out of these facilities. To limit its negative impact on the environment and protect biodiversity, the Group makes sure that the quantity of organic matter contained in discharges from sites, and the temperature of discharges, comply with applicable regulations. Wastewater is treated internally or pre-treated by Bel, then sent to third parties for treatment. The Group spends over €6 million on wastewater treatment each year.

Furthermore, to avoid any accidental discharges directly into the environment, Bel protects water bodies and river run-off points adjoining its sites with special structures.

Finally, most of the sludge from wastewater treatment plants is recycled through appropriate channels. Since sludge is rich in fertilizing elements, some of it is spread on farmland, primarily in France, in accordance with local regulations, to avoid polluting underground water or soil. Sludge spreading is subject to local permits specifying the obligations to be met (e.g. spreading plans and surface areas and agronomic monitoring).

To limit the spread of the virus during the Covid-19 pandemic, the Group's industrial sites in France followed the recommendations of ANSES. Thus, wherever possible, sewage water was separated from industrial wastewater before treatment and diverted to specialized pre-treatment channels. Certain adjustments were made to minimize holding time before spreading.

	2018	2019	2020	Change 2018-2020
Total wastewater volume (in thousands of m³) ^(a)	4,562 ^(b)	4,634 ^(b)	4,603	1%
Treated internally	2,079 ^(b)	2,143 ^(b)	2,195	3%
Treated by a third party with other effluents	2,483 ^(b)	2,403	2,408	-3%
Spread untreated	N.A.	88	N.A.	-
Volume of wastewater per metric ton produced				
In m ³ per metric ton produced, all B-to-B and B-to-C products	5.7	5.75	5.69	-0.1%
Quality of treated water (in metric tons) ^(a)				
Chemical oxygen demand (COD)	81.2% ^(c)	81.6% ^(c)	96.9	19%
Suspended matter discharged	30.4% ^(c)	36.8% ^(c)	45.7	50%
Total nitrogen discharged	13.0% ^(c)	12.9	24.7	90%
Total phosphorous discharged	3.4% ^(c)	5.2	3.3	-3%
Cost of wastewater treatment (in thousands of euros) ^(a)	5,561	5,731	6,173	
Spreading of sludge from wastewater treatment or untreated water ^(a)				
Total dry matter (in metric tons)	1,077 ^(d)	1,116	1,080	0.2%
Nitrogen (in metric tons)	90 ^(d)	96	93	3%
Phosphorous (in metric tons)	81 ^(d)	84	83	2%

(a) Group total.

(b) Data available for 27 sites, i.e. 74% of total production for this reporting scope.

(c) Data available for 13 out of the 13 sites providing full treatment before discharge into the natural environment.

(d) Data available for five out of the seven sites that spread their waste.

CORPORATE SOCIAL RESPONSIBILITY

Fighting climate change and reducing its environmental footprint

Reducing water consumption linked to agricultural production

Lastly, Bel has taken action to limit the water needed for farming activities, especially for the dairy supply basins affected by water stress. The Group is participating in the

Climalait French pilot program. It is also launching studies in priority dairy supply basins such as Morocco and Iran to identify a compendium of actions to boost resilience (see sections 3.4.1 "Taking action for a sustainable upstream dairy" and 3.6.1 "Fighting climate change").

PERFORMANCE INDICATORS

Bel's objectives	KPI	2018	2019	2020	2025 objective	Progress
Reduce the water footprint of its production sites	Water consumption per ton of finished product versus 2008	-49%	-49%	-48%	-80%	

HIGHLIGHTS OF 2020

- Diminished performance in water consumption reduction efforts because of disinfection procedures implemented in response to Covid-19.
- Adherence to ANSES recommendations to manage discharges into the natural environment during Covid-19.

PRIORITIES FOR 2021

- Update the environmental policy.
- Define road maps for the industrial sites to optimize their water management.

3.6.4 FIGHTING FOOD WASTE

Definition of the challenge

Although one out of nine people – 795 million individuals – around the world are currently undernourished ⁽¹⁾, nearly 30% of the food produced in the world for human consumption is wasted, which amounts to approximately 1.3 billion metric tons per year ⁽²⁾.

For Bel, fighting food waste is a critical issue in our society and an ethical and environmental imperative that contributes to achieving the United Nations Sustainable Development Goal (SDG) of "Zero hunger". Minimizing waste will always be an integral part of Bel's business model: indeed, some of its core brands were born of an effort to optimize by-products. For example, the recipe for The Laughing Cow was invented in 1921 to utilize cheese surpluses and the Kiri recipe was initially developed to reuse the cream left over after producing certain cheeses. The individual portion format is embedded in Bel's DNA and it is a powerful tool in fighting food waste because it preserves the product: each portion is the perfect serving size.

In addition to recovering by-products to develop its brands and marketing individually portioned products, the Group strives to reduce food waste along its entire value chain, from the production and collection of its raw materials to the consumption of its finished products.

Policies

The Group participated in preparing the Anti-Waste Charter proposed by the Association Nationale des Industries Alimentaires ("Association of Agribusinesses", or ANIA), which is a collection of best practices to be used by Bel and all companies in the sector to reduce food waste all along the value chain.

Moreover, in the summer of 2019 Bel was one of the first stakeholders to join the *Too Good to Go France* initiative in partnership with other large-scale producers and major retail players. In 2020, their collective efforts resulted in the formalization and publication of a pact to reduce food waste linked to consumption dates. The pact focuses on four work areas:

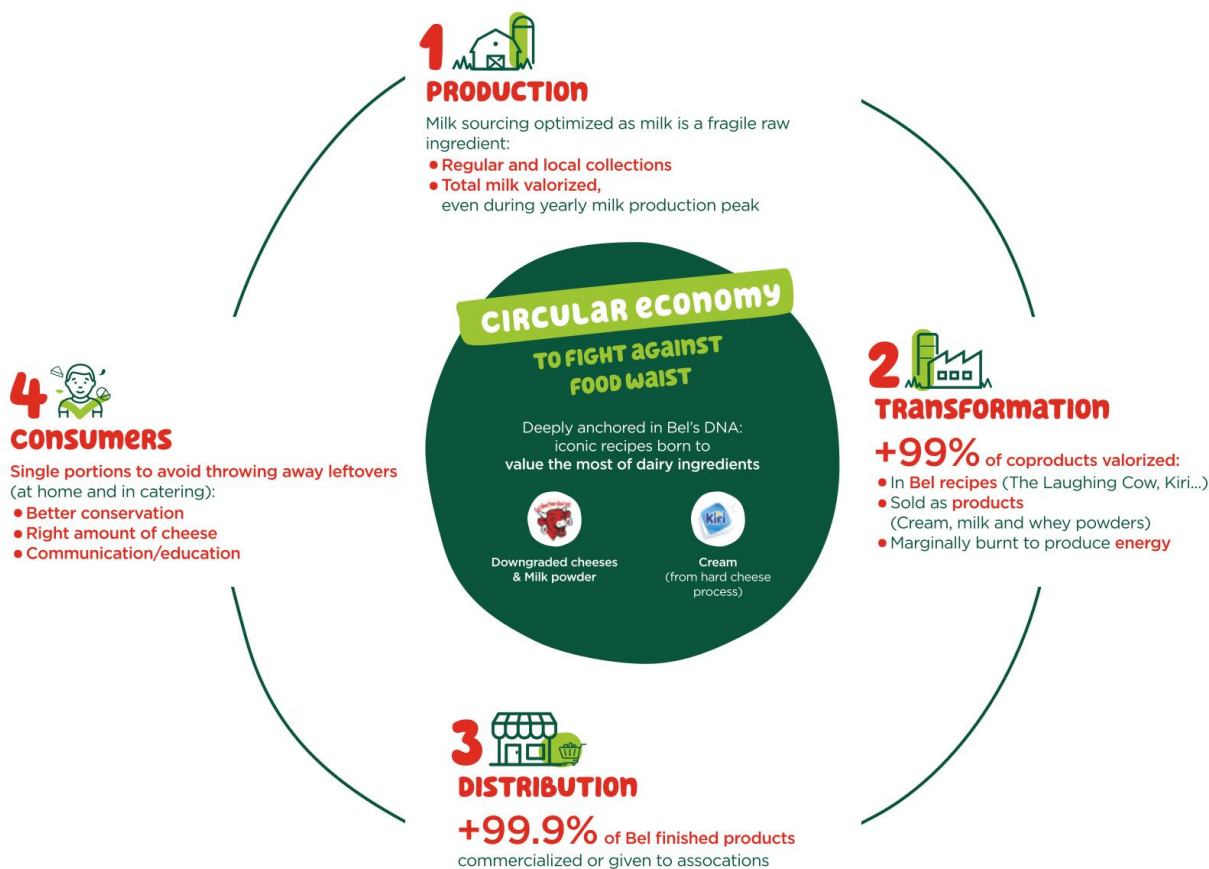
- educate the public so everyone understands that a product can still be consumed after its best-before date;
- clarify the difference between use-by dates and best-before dates to improve consumer understanding;
- maximize the recovery of products excluded from sales channels to prevent waste; and
- work together to standardize good practices and optimize distribution flows.

(1) <https://www.undp.org/content/undp/fr/home/sustainable-development-goals/goal-2-zero-hunger.html#targets>.

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

CORPORATE SOCIAL RESPONSIBILITY

Fighting climate change and reducing its environmental footprint



Production and collection

Bel minimizes the loss of raw materials during agricultural production, especially milk because it is a fragile, perishable ingredient. Thus, the Group collects milk locally and regularly (at least every three days) from partner producers to reduce the time elapsed between milking and processing. All the milk produced is collected, even when there are production overages.

Processing

Many efforts are made in the Group's plants to minimize the generation of waste.

The development and manufacturing of products (formulation, thermal treatment protocols, efficient packaging design, etc.) aim to enable Bel cheeses to keep their taste and health properties over relatively long shelf lives. Finished product production runs are also adjusted to match sales estimates to avoid manufacturing surplus products without a sales outlet.

Bel also strives to reuse milk production surpluses and all components of the milk collected, including by-products of cheese production, such as cream and whey. In addition, all Bel's manufacturing cycles generate some substandard cheeses (mainly for esthetic reasons). All these by-products and production surpluses are recovered: they are reused in the Group's own plants, resold as raw ingredients in the manufacture of other products or, to a lesser extent, reused to generate energy (methanization). In all, more than 99% of the Group's by-products are reused.

Distribution

Logistics: Bel's combination boxes and pallet loads are specifically designed to ensure that products are properly protected during their repeated handling (in trucks, containers and warehouses) and retain their integrity until they are sold to consumers.

The Group optimizes its distribution network with routes that are defined so that transportation takes the shortest path between the production site and point of sale.

Sales and donations: The vast majority of products are sold in traditional distribution channels. Nevertheless, when the Group must deal with excess inventory, it makes every effort not to destroy any production. The overages are sold via other channels or donated to associations, such as food banks. In 2020, Bel's warehouses in Europe⁽¹⁾ donated 673 metric tons of products to charity, including 372 metric tons in France. Given that the most common portion size at Bel is 25 grams, this means Bel donated cheese to over 27 million meals distributed by associations in 2020.

(1) Portugal, Sweden, Finland, Norway, Denmark, Czech Republic, Germany, Austria, Slovakia, Spain, Belgium, Switzerland, United Kingdom, Ireland, Ukraine, Holland.

CORPORATE SOCIAL RESPONSIBILITY

Fighting climate change and reducing its environmental footprint

The Group has taken the necessary steps to enable its sites and logistics warehouses to donate products to food banks. During Covid-19, Bel's teams stepped up to meet the needs of the most disadvantaged communities and the Group made many food donations (see section 3.1.4 "A Company fully mobilized to address the health crisis").

Partnerships: Bel France – joined in 2020 by Bel Portugal and Materne – works in partnership with other large-scale producers and major retail players within the Too Good To Go initiative. Moreover, in 2020 Bel became a member of the Consumer Goods Forum, an international effort that enables Bel to work hand-in-hand with other agrifood actors to fight against food waste. This group has identified three priority actions: develop a harmonized reporting framework, fight food loss at the harvest stage and roll out the "10X20X30" program (10 retailers engage 20 of their suppliers to halve their food waste by 2030).

Consumption

At home: Food wasted by consumers accounts for a large share of overall food waste. According to the European Commission, 42% of food waste in Europe occurs in households⁽¹⁾.

The individual portion format is a strong start to fighting food waste, both at home and in food service settings. Indeed, it allows for the optimum preservation of products even when a pack has been opened.

One of the main drivers of household food waste is a lack of understanding about consumption dates. In fact, half of consumers do not differentiate between use-by dates and best-before dates⁽²⁾. Bel believes that education, information and awareness efforts aimed at consumers are powerful ways to prompt actions to reduce food waste. This is why the Group, as part of its collaboration with *Too Good To Go*, worked to include informational and explanatory messages about the difference between use-by and best-before dates. In 2020, some 17 million round boxes of The Laughing Cow contained this information. The initiative was expanded to Portugal and Great Britain and may be deployed in other countries on a voluntary basis. Bel also educated its own employees about consumption dates as part of its World Food Day activities and it encourages them to do their part to fight food waste.

HIGHLIGHTS OF 2020

- Launch of the *Too Good To Go* pact.
- Explanations about consumption dates inserted in 17 million round boxes of The Laughing Cow in France.
- Participation in the "Fight Against Food Waste" coalition within the Consumer Goods Forum.

PRIORITIES FOR 2021

- Pursue the Group's commitments under the *Too Good To Go* pact and expand efforts to inform and explain consumption dates to other Group brands and countries.
- Work in partnership with international retailers through the Consumer Goods Forum's 10X20X30 initiative.

(1) https://ec.europa.eu/environment/eussd/pdf/bio_foodwaste_report.pdf.

(2) *Too Good To Go* Pact.

3.7 IMPROVING THE ACCESSIBILITY AND AFFORDABILITY OF ITS PRODUCTS

Definition of the challenge

In light of diminishing natural resources and a growing world population, the Bel Group is cognizant of the coming challenge of feeding 10 billion people in 2050, while one-fourth of the planet's population still does not have access to nutritious food. This knowledge prompted Bel to make

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. That commitment entails working on prices, in addition to adapting recipes to the nutritional needs of all and opening up new distribution channels so that its products are available to as many people as possible.

3.7.1 ADAPTING ITS PRODUCTS TO THE NEEDS OF EVERYONE

The Group is striving to develop new markets and offer products adapted to new consumers, particularly in emerging countries.

Adapting product lines to consumers' nutritional needs

Some populations with less purchasing power often find themselves in complex positions of under-nutrition or malnutrition. In keeping with its mission to offer healthier and responsible products for all, including consumers with lower incomes, Bel has consulted with external nutrition experts to develop products with special nutritional properties. The priority is to enrich the vitamin and mineral content of these products to help better cover the nutritional needs of populations, such as those in sub-Saharan Africa, and to adapt ingredients to guarantee optimal food safety and quality. In this way, Bel can deliver nutritional value added (specifically researched nutrients, competitive edge) while remaining attainable to as many consumers as possible (see section 3.3.3 "Improving the nutritional quality of its products").

In addition, Bel wants to be a pioneer in the organic cheese market by making organic products more accessible and affordable for everyone. By launching organic Mini Babybel and The Laughing Cow products, Bel has made it a priority to offer organic versions of products intended mainly for children. By 2022, the Group aims to further expand its organic offer with all its big international brands and with new brands created to combine accessibility and affordability with responsibility.

Moreover, in line with the Group's efforts to make its products more accessible to as many consumers as possible, Bel is launching more affordable and enriched product lines in certain regions to deliver added value suited to the needs of local populations. For example, in 2020 Bel launched the "Simply" line in Algeria at prices compatible with the country's economic and social circumstances. This version of The Laughing Cow is made with dairy and plant-based ingredients and enriched in calcium and vitamins A and D.

3.7.2 IMPROVING THE ACCESSIBILITY OF ITS PRODUCTS BY DEVELOPING INNOVATIVE AND INCLUSIVE DISTRIBUTION MODELS

To adapt to the reality of eating and shopping habits and to offer healthy foods to a larger proportion of the population, Bel has been taking up positions in new distribution networks for several years.

Therefore, Bel developed two innovative and inclusive distribution models:

- Bel launched its "Sharing Cities" program in 2013. This program aims to supplement traditional marketing channels with alternative distribution networks rooted in local buying practices, while improving the quality of life for vendors involved in the project. For example, the Group uses existing networks of street vendors to sell its products in six major cities in emerging countries. In this way, Bel helps these vendors develop their business and revenue and offers them access to health coverage and professional training.

- in 2019, the Group added a second inclusive economic model called "*Inaya*", a loyalty program open to retailers who are already Bel clients. The offer gives them access to health insurance services designed specifically for them and their families at preferred rates. Bel developed this model in Morocco and now plans to deploy it in Egypt.

However, the roll-out of these two programs was severely affected by the consequences of Covid-19 in emerging countries because many street vendors were forced to leave urban areas during lockdowns. This explains the drop in the number of people participating in a Bel inclusive business program in 2020.

CORPORATE SOCIAL RESPONSIBILITY

Improving the accessibility and affordability of its products

As of December 31, 2020, the “Sharing Cities” program had 6,487 partners, nearly 2,000 of whom had received access to healthcare (including their families, over 6,000 received healthcare services). Furthermore, when public health conditions permitted, “Sharing Cities” professional training courses continued, bringing the number of partners trained since the program’s launch to 1,230. Meanwhile, the *Inaya* program enables 963 Moroccan retailers to access health insurance services for themselves and their families.

Given the public health situation, the Group took action to support and assist its partners as best it could over the course of 2020. For example, 3,500 food and hygiene kits – whose contents included hand sanitizer, masks, food and a reminder of good hygiene habits to practice every day – were handed out.

Bel is aiming high with the goal of adding 80,000 participants to these two programs by 2025. To hit its mark, the Group’s plans include expanding its “Sharing Cities” program to the major cities of India, a country with 10 million street vendors.

PERFORMANCE INDICATORS

Bel’s objectives	KPI	2018	2019	2020	2025 objective	Progress
Improve the accessibility and affordability of its products	Number of people participating in a Bel inclusive business program	7,505	10,120	7,450	80,000	
	<i>Sharing Cities</i>	7,505	8,998	6,487		
	<i>Inaya</i>		1,122	963		

HIGHLIGHTS OF 2020

- Launch of The Laughing Cow “Simply” line in Algeria to offer a more affordable product enriched in calcium and vitamins A and D.
- Assistance provided to participants in Bel’s inclusive programs by maintaining their benefits and distributing health and food kits in response to Covid-19.
- Expansion of the plant-based product segment to address new consumer needs, especially the rise of flexitarianism.

PRIORITIES FOR 2021

- Continue deploying actions to improve product accessibility and affordability in India.
- Develop loyalty programs for retailers in Egypt.
- Continue the roll-out of plant-based products.

3.8 METHODOLOGICAL NOTE

Choice of indicators

Bel's non-financial key performance indicators were defined with respect to the Group's activities and the employee-related, social and environmental challenges arising from them. First, they enable operational steering of the progress made with initiatives in each of the areas defined by the Group. They also enable transparent reporting on the Group's non-financial performance in this Universal Registration Document and on other media (e.g. on the Group's website and social networks).

The Group's non-financial reporting satisfies the requirements of Decree No. 2017-1265 of August 9, 2017, implementing Ordinance No. 2017-1180 of July 19, 2017, relating to the publication of non-financial information. Bel's CSR program is modeled on two international frameworks: the United Nations Global Compact and the Global Reporting Initiative's G4 Sustainability Reporting Guidelines.

The calculation, measurement and analysis methods used all comply with appropriate national or international standards, where these exist.

Reporting procedure and guidelines

The non-financial reporting procedure describes the methods to be used to collect and calculate the Group's non-financial key performance indicators. It is circulated, read and applied at every data compilation and reporting level. This procedure is supplemented by a non-financial reporting protocol. It defines all the Group's performance indicators.

Organization of reporting

CSR and Finance, which have been merged into a single division, are responsible for the reporting process and the centralization of indicators. They ensure compliance with the reporting schedule and, together with the functional departments, organize the external communication of the data, in particular through the Bel Universal Registration Document. They check the overall consistency of the reporting and are the main contacts for external auditors.

The business line CSR Leaders coordinate the collection of CSR indicators in their respective areas of expertise. They rely on their network of local experts to contribute data.

Consolidation and internal control

The business line CSR Champions perform internal controls on the data for which they are responsible, checking for consistency and plausibility. This involves running consistency tests on the indicators for which this is appropriate (e.g. highlighting and justifying year-on-year variations or calculating ratios to compare the performance of different entities). Any significant variations identified are examined in detail with the data's contributor and may be corrected.

The business line CSR Champions also consolidate the data collected, in order to generate the Group indicators present in this chapter and communicate them to the CSR Department.

Reporting tools

Data is reported and consolidated using several collection systems, under the responsibility of the business line CSR Champions who coordinate them.

All data on environmental KPIs is collected using the reporting tool developed by Tennaxia and most calculations are made using this tool.

The bulk of the data on employee-related KPIs is collected through the HRIS tool developed by the Human Resources Department.

Some data is collected from Group information systems (e.g. SAP and Magdalena) or specific software (e.g. EcoVadis and Acciline).

Reporting scope and period

The published data covers all the Group's entities and subsidiaries as consolidated in the Annual Financial Report, except All In Foods, a company acquired in 2020 and except in the specific situations defined below.

If an indicator is calculated for a specific scope, it is systematically mentioned to avoid a biased understanding of the data.

The data collected covers the period from January 1 to December 31, 2020. Depending on the indicators, the figures are taken from:

- an annual data consolidation from January 1, 2020 to December 31, 2020; or
- data measured on Tuesday, December 31, 2020.

If historical data is available, it is provided for the last three financial years. For items relating to water, energy and greenhouse gas emissions, the areas of progress are reported on over the long term: Bel has provided data since 2008, which is the Group's base year for these areas.

Workforce

Bel's employee-related reporting covers all its industrial sites and subsidiaries (in France and abroad) that had at least one employee under a fixed-term contract or permanent contract during the period from January 1 to December 31, 2020, with the exception of the Syrian subsidiary, in the "Middle East, Greater Africa" area, which has been excluded from the reporting scope since the suspension of its production activities in 2012.

Environment

Environmental reporting includes all the Group's industrial and research sites.

Environmental reporting also includes the Group's collection centers, warehouses and head office. It does not, however, cover the exclusively tertiary sites of subsidiaries: the impacts of the corporate headquarters account for a negligible share of the Group's total environmental footprint.

Some environmental indicators are reported in metric tons produced (e.g. water consumption and GHG emissions). Since 2015, the metric tons produced have included manufactured products to be reprocessed within the Group. Products that result from a main manufacturing process are considered to be by-products.

Safilait produces pasteurized and UHT milk, while the MOM Group produces dairy creams and apple compote, which

generates significant production volumes. In addition, their consumption, emissions and waste are included in the reported volumes.

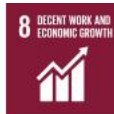
The direct impacts of the on-site activities of subcontractors and suppliers are recorded by the sites concerned. The impacts of the off-site activities of subcontractors and suppliers are not recorded by the sites concerned. The impacts of subcontracted production activities are not recorded.

The emission factors used for the consumption of electricity, fuel oil, gas, chlorofluorocarbons, gasoline and diesel are taken from the French Environment and Energy Management Agency (ADEME). All emission factors are updated annually based on data published by the International Energy Agency (IEA) for the international scope and by the ADEME for France. With respect to emission factors linked to milk sourcing, the gradual implementation of diagnostic tools at the farm level enables Bel to replace generic emission factors with actual emission factors for the farms audited and to arrive at weighted averages per dairy basin.

Greenhouse gas emissions from the Group's own fleet of vehicles include emissions from vehicles under long-term leases.

The classification of water availability risk is based on data from the FAO and a risk analysis using the "Water Risk Filter" tool provided by the WWF. This classification is updated every year.

3.9 APPENDIX 1: CONTRIBUTING TO THE UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

Document section(s)	The Sustainable Development Goals
3.2. A model that creates value for all its stakeholders 3.2.1 Building a sustainable future with its employees 3.2.2 Promoting responsible practices with its business partners 3.2.3 Communicating responsibly and transparently with its consumers	    
3.3. Contributing to healthier food 3.3.1 Offering products with optimal quality and safety 3.3.2 Promoting better eating habits and encouraging healthier lifestyles 3.3.3 Improving the nutritional quality of its products	  
3.4. Promoting sustainable agriculture 3.4.1 Taking action for a sustainable upstream dairy 3.4.2 Using vegetal raw materials within strict limits 3.4.3 Delivering the goodness of fruits	     
3.5. Designing responsible packaging 3.5.1 Eco-designing its packaging and using more sustainable materials 3.5.2 Encouraging and facilitating the recycling of its products	 
3.6. Fighting climate change and reducing its environmental footprint 3.6.1 Fighting climate change 3.6.2 Preserving biodiversity and fighting deforestation and ecosystem conversion 3.6.3 Using water sustainably 3.6.4 Fighting food waste	   
3.7. Improve the accessibility and affordability of its products 3.7.1 Adapting its products to the needs of everyone 3.7.2 Improving the accessibility and affordability of its products by developing innovative and inclusive distribution models	   

3.10 APPENDIX 2: CORRELATION TABLE WITH THE 11 TCFD RECOMMENDATIONS

TCFD Recommendations		Corresponding section in the URD	
Governance	a) Describe the board's oversight of climate-related risks and opportunities	4.1.4	Board and Committee organization and workings
	b) Describe management's role in assessing and managing climate-related risks and opportunities	2.1	Risk management policy
		4.3.2	Internal control environment of the Company
		4.3.3	Management of primary risks
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	3.6.1	Fighting climate change
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	3.6.1	Fighting climate change
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	3.6.1	Fighting climate change
Risk management	a) Describe the organization's processes for identifying and assessing climate-related risks	2.1	Risk management policy
		2.2	Hierarchy of risks
		2.3	Risks related to the external environment
		2.4	Risks related to the business
		3.6.1	Fighting climate change
	b) Describe the organization's processes for managing climate-related risks	2.3	Risks related to the external environment
		2.4	Risks related to the business
		3.6.1	Fighting climate change
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	2.1	Risk management policy
		2.2	Hierarchy of risks
		2.3	Risks related to the external environment
		2.4	Risks related to the business
Metrics and targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	3.6.1	Fighting climate change
		3.11	Appendix 3: Summary of environmental data
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	3.6.1	Fighting climate change
		3.11	Appendix 3: Summary of environmental data
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	3.6.1	Fighting climate change
		3.1.2	Analysis of primary non-financial risks

3.11 APPENDIX 3: SUMMARY OF ENVIRONMENTAL DATA

Bel Group with MOM and Safilait	Units	2018	2019	2020
Circular economy				
Recovered by-products				
Substandard cheeses or similar recovered internally or externally	mt	17,693	16,025	15,638
Dry whey extract recovered internally or externally	mt	80,548	107,205	92,179
Cream recovered internally (production site or within the Group) or externally	mt	48,981	52,655	49,595
Quantity of recovered by-products	mt	147,222	175,855	157,412
Water consumption				
Water consumption in vulnerable zone	m ³	818,654	1,625,749	1,919,629
Water consumption in stress zone	m ³	301,910	241,258	236,110
Water consumption in water shortage zone	m ³	1,056,359	870,305	865,877
Water consumption in non-vulnerable zone	m ³	3,036,555	2,435,742	2,220,252
Total water quantity	m ³	5,213,478	5,173,054	5,241,868
Energy				
Electricity				
Consumption of grid electricity from non-renewable source	MWh	189,570	180,612	176,105
Consumption of self-generated electricity from fuel oil or gas	MWh	460	323	106
Electricity consumption from a certified renewable energy source	MWh	151,141	152,218	155,194
Total electricity consumption	MWh	340,712	333,196	331,405
Fuels				
Fuel oil	MWh_LHV	85,834	87,551	83,574
Gas	MWh_LHV	417,189	430,657	429,710
Biomass	MWh_LHV	71,746	70,604	65,846
Total stationary combustion	MWh_LHV	574,769	588,812	579,130
Greenhouse gas emissions				
GHG				
GHG emissions linked to electricity consumption	tCO ₂ e	84,881	80,730	79,475
GHG emissions linked to fuel oil and gas consumption	tCO ₂ e	127,262	131,450	129,668
GHG emissions linked to biomass consumption	tCO ₂ e	1,751	1,723	1,607
GHG emissions linked to refrigerants	tCO ₂ e	6,573	7,004	4,864
GHG emissions linked to the Group's own vehicle fleet	tCO ₂ e	9,593	9,505	9,318
GHG emissions, Scopes 1 and 2	tCO ₂ e	230,060	230,412	224,932

CORPORATE SOCIAL RESPONSIBILITY

Appendix 3: Summary of environmental data

Bel Group with MOM and Safilait	Units	2018	2019	2020
Discharges into water				
Discharge into the natural environment				
Volume of water purified internally with discharges into the natural environment	m ³	2,078,832	2,143,434	2,194,538
Discharged chemical oxygen demand	kg	82,728	81,580	96,933
Discharged phosphorous	kg	3,719	5,211	3,289
Discharged suspended matter	kg	30,625	36,761	45,690
Discharged nitrogen	kg	13,104	12,854	24,670
Discharged to an urban wastewater treatment facility				
Volume of water treated by a third party with other effluents	m ³	2,483,266	2,403,209	2,408,437
Discharges into soil				
Spreading of untreated water				
Volume of wastewater spread as untreated water	m ³	N.A.	87,557	N.A.
Agricultural recovery of sludge from wastewater treatment facilities				
Nitrogen	mt	90	96	93
Phosphorous	mt	81	84	83
Dry matter	mt	1,077	1,116	1,080
Discharges into water and soil				
Total volume of discharges	m ³	4,562,098	4,634,200	4,602,974
Total cost of treatment of these discharges	EUR	5,560,745	5,730,606	6,173,361
Other emissions into the air				
Nitrous oxide, nitrogen dioxide	mt	197	200	189
Sulfur dioxide	mt	196	198	127
Noise pollution				
Percentage of sites whose noise level at their boundaries and emergence level for the most at-risk residents is compliant	%	83	77	73
Environmental damage				
Number of incidents	Unit	158	107	162
Corrective actions	Unit	150	106	152
Production of waste				
Quantity of non-hazardous waste sorted and sent for recovery	mt	28,299	28,439	36,707
Quantity of hazardous waste sorted and sent to appropriate treatment channels	mt	569	888	541
Waste incinerated to generate energy	mt	5,485	2,842	4,823
Waste incinerated without energy generation	mt	1,033	131	0
Waste deposited in landfills	mt	4,147	7,192	7,486
Total quantity of waste	mt	39,533	39,492	49,558
Cost of treatment	EUR	3,187,658	3,657,956	3,747,848
Income from sale	EUR	1,053,150	813,823	729,401

3.12 REPORT BY ONE OF THE STATUTORY AUDITORS ON THE CONSOLIDATED NON-FINANCIAL PERFORMANCE REPORT

For the year ended December 31, 2020

For the attention of General Management,

Following the request made to us in our capacity as Statutory Auditors of Bel SA (hereinafter the "Company"), we hereby present our report on the consolidated non-financial performance statement for the financial year ended December 31, 2020 (hereinafter the "Statement") presented voluntarily in the Group's Management Report, in accordance with the legal and regulatory requirements set forth in Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the Company

The Board of Directors wished to prepare a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied to address these risks and the results of said policies, along with key performance indicators. The Statement was prepared in accordance with the protocol used by the Company (hereinafter the "Reference Guide"), a summary of which can be found in the Statement and is available on request from the Company's head office.

Independence and quality control

Our independence is defined by the provisions set forth in Article L. 822-11-3 of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Furthermore, we established a quality control system consisting of documented policies and procedures designed to ensure compliance with ethical rules, professional standards and applicable laws and regulations.

Responsibility of the Statutory Auditor

Our responsibility, based on our work, is to formulate a reasoned opinion expressing moderate assurance regarding:

- the Statement's compliance with the provisions set forth in Article R. 225-105 of the French Commercial Code;
- the fair presentation of the information provided in accordance with paragraph 3 of section I and section II of Article R. 225-105 of the French Commercial Code, namely the results of the Group's policies, including key performance indicators, and action taken to address the main risks (hereinafter the "Information").

However, it is not our responsibility to form an opinion on the Company's compliance with other applicable legal and regulatory provisions, for instance with respect to due diligence, anti-corruption efforts and taxation, nor on the compliance of its products and services with applicable regulations.

Nature and scope of procedures

Our work described below was carried out in accordance with the provisions set forth in Article A. 225-1 *et seq* of the French Commercial Code determining the methodology based on which independent third parties must conduct their assignments, and with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) for such procedures [as well as with international standard ISAE 3000 (Assurance engagements other than audits or reviews of historical financial information)].

The work we carried out enabled us to assess whether the Statement complied with regulatory provisions and whether the Information was presented fairly:

- We familiarized ourselves with the activities of all the undertakings included in the consolidation scope, the presentation of the main risks, and the policies adopted to address these risks along with the results of said policies.
- We assessed the suitability of the Reference Guide with respect to its relevance, completeness, reliability, neutrality and clarity, taking into consideration the sector's best practices where relevant.
- We verified that the Statement covered each category of information provided for in section III of Article L. 225-102-1 as regards social and environmental issues and in paragraph 2 of Article L. 22-10-36 as regards respect for human rights and efforts to tackle corruption and tax evasion.
- We verified that the Statement included the information provided for in section II of Article R. 225-105, where relevant in light of the main risks, and, as applicable, an explanation justifying the absence of the information required under paragraph 2 of section III of Article L. 225-102-1.
- We verified that the Statement presented the business model and a description of the main risks inherent in the activities of all the entities included in the consolidation scope, including, where relevant and proportionate, the risks stemming from its business relations, its products or its services, as well as its policies, actions and results, including key performance indicators.

CORPORATE SOCIAL RESPONSIBILITY

Report by one of the statutory auditors on the consolidated non-financial performance report

- We consulted documentary sources and conducted interviews in order to:
 - assess the process for selecting and validating the main risks and to ensure that the results, including the key performance indicators used, were consistent with the main risks and policies presented; and
 - confirm the qualitative information (actions and results) we considered most important⁽¹⁾; we carried out this work at the level of the consolidating entity.
- We verified that the Statement covered the consolidated scope, namely all the undertakings included in the consolidation scope, in accordance with Article L. 233-16, subject to the limits set forth in the Statement.
- We familiarized ourselves with the internal control and risk management procedures applied by the Company and assessed the information collection process put in place by the Company to ensure that the Information was complete and fairly presented.
- For the key performance indicators and other quantitative results⁽²⁾ we considered most important, we performed:
 - analytical procedures consisting in verifying that the data collected had been consolidated correctly and that variations in the data were consistent;
 - detailed tests based on sampling, consisting in verifying that the definitions and procedures had been applied correctly and in reconciling the data with the supporting documents. This work was carried out at a selection of contributing entities⁽³⁾ and

covered between 13% and 100% of the consolidated data incorporated into the key performance indicators and results selected for these tests.

- We assessed the Statement's overall consistency with our knowledge of the Company.

Based on our professional judgment, we believe that the work we carried out enables us to reach a conclusion of moderate assurance; a higher level of assurance would have required more extensive verification work.

Means and resources

Our work required the expertise of seven people and was carried out between February and March 2021.

We consulted our sustainable development and corporate social responsibility experts to assist us with our work. We conducted about ten interviews with the persons responsible for producing the Statement.

Conclusion

Our work revealed no material misstatements that might cause us to doubt whether the non-financial performance statement was compliant with applicable regulatory provisions and whether the Information, taken as a whole, was presented fairly, in accordance with the Reference Guide.

Paris-La Défense, March 31, 2021

One of the Statutory Auditors,

Deloitte & Associés

Jean-Pierre AGAZZI

Partner, Audit

(1) *Deployment of supplier evaluation and control procedures (excluding MOM); System for reducing water consumption during agricultural production; Official oversight of the timetable for rolling out the upstream dairy program; Monitoring of the impact of sourcing policies on environmental risk surfaces.*

(2) *Employee-related indicators: Total employees; Number of new hires and departures; Share of women in top management; Percentage of employees having attended at least one training course over the year; Frequency of accidents with and without lost time for all persons present on Bel sites (Bel AFR); Frequency of accidents with lost time for Bel employees (AFRI); Accident severity rate for Bel employees; Number of countries having introduced a nutritional education program for consumers.*

Environmental indicators: Quantity of recovered by-products; Water consumption per metric ton produced; Energy consumption per metric ton produced; Greenhouse gas emissions (scopes 1 and 2) per metric ton produced; Distribution of greenhouse gas emissions along the entire value chain (scopes 1, 2 and 3); Share of recyclable and/or biodegradable packaging.

(3) *Employee-related indicators: Safilait Maroc; Fromageries Bel Maroc; Bel Nederland.*

Environmental indicators: Fkih Ben Saleh (Morocco); Evron (France); Boué (France); Dalfsen (Netherlands).

CORPORATE SOCIAL RESPONSIBILITY

Statutory Auditors' reasonable assurance report on a selection of consolidated non-financial information included in the Management Report

3.13 STATUTORY AUDITORS' REASONABLE ASSURANCE REPORT ON A SELECTION OF CONSOLIDATED NON-FINANCIAL INFORMATION INCLUDED IN THE MANAGEMENT REPORT

For the year ended December 31, 2020

For the attention of General Management,

Following the request made to us in our capacity as Statutory Auditors of Bel SA (hereinafter the "Company"), we hereby present our reasonable assurance report on a selection of consolidated non-financial information

(hereinafter the "Information") for the financial year ended December 31, 2020 presented in the Management Report, on which we conducted specific work.

The Company selected the following Information:

Employee-related information	• Total employees • Accidents with and without lost time for all persons present on Bel sites (Bel AFR) • Accidents with lost time for Bel employees (AFR1) • Accident severity rate for Bel employees • Number of countries having introduced a nutritional education program for consumers
Environmental information	• Quantity of recovered by-products • Water consumption by metric ton produced • Energy consumption by metric ton produced • Greenhouse gas emissions (scopes 1 and 2) per metric ton produced • Official oversight of the timetable for rolling out the upstream dairy program

Responsibility of the Company

This Information was prepared under the responsibility of the Board of Directors in accordance with the Company's procedures (hereinafter the "Reference Guide"), a summary of which can be found in the Management Report and obtained by request from the Company's head office.

However, it is not our responsibility to form an opinion on the Company's compliance with applicable legal and regulatory provisions, for instance with respect to due diligence, anti-corruption efforts and taxation, nor on the compliance of its products and services with applicable regulations.

Independence and quality control

Our independence is defined by the provisions set forth in Article L. 822-11-3 of the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors. Furthermore, we established a quality control system consisting of documented policies and procedures designed to ensure compliance with ethical rules, professional standards and applicable laws and regulations.

Nature and scope of procedures

Our work described below was carried out in accordance with the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des Commissaires aux comptes) for such procedures and with international standard ISAE 3000 (Assurance engagements other than audits or reviews of historical financial information).

The work we carried out enabled us to assess whether the Information was presented fairly:

- We assessed the suitability of the Reference Guide with respect to its relevance, completeness, reliability, neutrality and clarity, taking into consideration the sector's best practices where relevant.
- We verified that the Information covered the consolidated scope, namely all the companies included in the consolidation scope, subject to the limits set forth in the Management Report.

Responsibility of the Statutory Auditors

At the Company's request, it is our responsibility, based on our work, to express reasonable assurance that the Information selected by the Company and presented in the Management Report was prepared fairly in all material respects, in accordance with the Reference Guide.

CORPORATE SOCIAL RESPONSIBILITY

Statutory Auditors' reasonable assurance report on a selection of consolidated non-financial information included in the Management Report

- We familiarized ourselves with the internal control and risk management procedures applied by the Company and assessed the information collection process put in place by the Company to ensure that the Information was complete and fairly presented.
- For the quantitative Information selected, we performed:
 - analytical procedures consisting in verifying that the data collected had been consolidated correctly and that variations in the data were consistent;
 - detailed tests based on sampling, consisting in verifying that the definitions and procedures had been applied correctly and in reconciling the data with the supporting documents. This work was carried out at a selection of contributing entities⁽¹⁾ and covered between 28% and 100% of the consolidated data corresponding to the Information selected for these tests.
- We consulted documentary sources and conducted interviews to confirm the qualitative social information selected - this work was carried out at the level of the consolidating entity.

We believe the work performed allows us to express reasonable assurance with respect to this Information.

Means and resources

We consulted our sustainable development and corporate social responsibility experts to assist us with our work.

Conclusion

In our opinion, the Information selected by the Company and included in the Management Report is presented fairly in all material respects, in accordance with the Reference Guide.

Paris-La Défense, March 31, 2021

The Statutory Auditors,

Deloitte & Associés

Jean-Pierre AGAZZI
Partner

Grant Thornton

French member firm of Grant Thornton International

Virginie PALETHORPE
Associate

⁽¹⁾ Employee-related information: Safilait Maroc; Fromageries Bel Maroc; Bel Nederland; Bel USA; Syraren Bel Slovensko AS.
Environmental information: Fkih Ben Saleh (Morocco); Evron (France); Boué (France); Dalfsen (Netherlands); Shostka (Slovakia); Brookings (USA); Lons-le-Saunier (France); Corlu (Turkey).

In 2020, Kiri released its new recipe with a shorter list of ingredients (100% French dairy ingredients, water, salt and ferments), while preserving the product's texture and tastiness. This new recipe is marketed in Western Europe.



4 CORPORATE GOVERNANCE

4.1	Governance principles	114	4.3	Risk management and internal control procedures	136
4.2	Remuneration and benefits	128	4.4	Related-party transactions	139

This chapter forms an integral part of the Corporate Governance Report prepared in accordance with Article L. 225-37 of the French Commercial Code.

Factors likely to have an impact in the event of a public offering, as well as the rules of participation in Annual General Meetings, appear in Chapter 6 and in the brochure of the Combined General Meeting of Tuesday, May 11, 2021.

4.1 GOVERNANCE PRINCIPLES

4.1.1 ADHERENCE TO THE MIDDLENEXT CODE

Since 2010, the Company has followed the Middelnext Corporate Governance Code, available for consultation at the Company's head office and on <http://www.middelnext.com>. The Board of Directors considered this Code well suited to the specific situation of the Company, which has had a family shareholding structure since 1922, with 71.13% of the share capital and 72.51% of the voting rights owned by family shareholders and by the holding company Unibel as of December 31, 2020.

Pursuant to its recommendations, the Board of Directors meetings held on December 10, 2020 and March 18, 2021 reviewed the key issues of the Middelnext Code. These key issues refer to the main questions that the Board "must ask to ensure effective and quality governance". They relate to executive power (top-tier managers), supervisory power (Directors) and sovereign power (shareholders).

The Company does not diverge from the recommendations of the Middelnext Code.

4.1.2 COMPOSITION, TERMS OF OFFICE AND EXPERTISE OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Composition of the Board of Directors and Senior Management

The Company's Articles of Association provide that the Company is managed by a Board of Directors comprising no fewer than three and no more than twelve members unless otherwise authorized by legal provisions. The members of the Board of Directors are appointed by the Ordinary General Meeting at the proposal of the Board of Directors following an opinion from the Appointments and Compensation Committee.

The term of office for Directors is set at four years (renewable). It may exceptionally be reduced to one, two or three years for the sole purpose of staggering Directors' terms of office. The Company's Internal Regulations also stipulate that each Director must hold at least 20 shares of the Company throughout his or her period of service, although this measure is not applicable to the Director representing the employees. The number of Directors over age 72 must not exceed half (rounded up to the nearest whole number) of the serving Directors at December 31 of any given year.

Moreover, the Company's Internal Regulations require that a Lead Independent Director be appointed for a term that may not exceed his or her term of office as Director. The main role of the Lead Independent Director is to offer assistance to the Board of Directors and its Chairman to ensure that the Company's governance bodies are properly run, both within the Board and its specialized Committees.

He additionally acts as a liaison between the governance bodies, the Senior Management of the Company and the Executive Committee.

Article 13-2 of the Articles of Association stipulates that, in accordance with Article L. 225-27-1 of the French Commercial Code, the Board of Directors shall include a Director representing the Group's employees, appointed for a period of four years by the Central Works Council. By way of exception, the Director representing employees is not required to own a minimum number of Company shares.

The Board of Directors may also nominate one or several censors. The censors take part in the Board of Directors' meeting and their deliberations and have a consultative voice.

At the date of this Universal Registration Document, the Board of Directors had seven members, including two women and a Director representing employees appointed by the Central Works Council pursuant to Article 13-2 of the Articles of Association and the law of June 14, 2013.

In accordance with the terms set out in the Company's Articles of Association, Philippe Perche was appointed Board member representing the employees, by a decision of the Central Works Council of June 21, 2018 with effect from July 1, 2018.

General management is ensured by Antoine Fiévet, who combines the roles of Chairman of the Board and CEO since May 14, 2009. Thierry Billot was appointed as Lead Independent Director on July 29, 2015.

MEMBERS OF THE BOARD OF DIRECTORS, COMMITTEES AND SENIOR MANAGEMENT ON MARCH 18, 2021

Name	Current position within the Company	First appointed	Last reappointed	End of term of office	Audit Committee	Appointments and Compensation Committee
Antoine Fiévet	Board member	4/25/2001	5/14/2018	OAGM ^(e) 2022		Member
	Chairman and Chief Executive Officer	5/14/2009	5/14/2018	BoDM 2022		
Thierry Billot ^(a)	Lead Independent Director	5/14/2014	5/14/2018	OAGM ^(e) 2022	Chairman	Chairman
Fatine Layt ^(a)	Board member	5/10/2012	5/14/2020	OAGM ^(e) 2024	Member	
Florian Sauvin	Board member	7/26/2018	5/14/2020	OAGM ^(e) 2024		
Nathalie Roos ^(a)	Board member	5/14/2014	5/14/2018	OAGM ^(e) 2022		
Unibel SA ^(b) represented by Bruno Schoch	Board member	6/16/1972	5/11/2017	OAGM ^(e) 2021	Member	
Philippe Perche ^(c)	Director representing employees	7/1/2018		2022		Member
Ernst Pankert	Non-director member of the Appointments and Compensation Committee					Member
Joëlle Pacteau ^(d)	Non-director member of the Appointments and Compensation Committee					Member
Cécile Tandeau de Marsac ^(d)	Non-director member of the Appointments and Compensation Committee					Member

(a) Independent Director.

(b) Bruno Schoch was appointed by Unibel's Management Board as the permanent representative of Unibel on the Company's Board of Directors with effect from July 26, 2018, replacing Florian Sauvin.

(c) Philippe Perche was appointed as Board member representing employees in replacement of Antonio Maria, by the Group Works Council on June 21, 2018, with effect from July 1, 2018. Philippe Perche has been a member of the Compensation Committee since December 11, 2018 and as such attends meetings convened for compensation matters.

(d) Joëlle Pacteau and Cécile Tandeau de Marsac were nominated non-director members of the Appointments and Compensation Committee, on the recommendation of the Appointments Committee, by the Board of Directors on July 29, 2020.

(e) Ordinary Annual General Meeting.

Diversity policy applicable to members of the Board of Directors

The Board of Directors meeting on Thursday, March 18, 2021 examined the make-up of the Board of Directors and after an analysis in terms of the average age of the Directors, gender equality, diversity of professional skills and experience, of nationality and independence, reached the following conclusions:

- age of Directors: on December 31, 2020, the Directors were aged between 42 and 66 with an average at 55 years. The Board considered that the average age was satisfactory especially in view of the statutory rule by which the number of Directors aged over 72 may not exceed half of the amount of Directors in place, at December 31, 2020;
- gender equality: on December 31, 2020, the Board of Directors had seven members, of which two women. The Director representing employees is not included in the calculation of gender equality in the Board. The Board

noted that the difference between the number of male and female Directors is not higher than two in compliance with the stipulations of article L. 225-18-1 of the French Code of Commerce. In the event of a change in composition, the Board of Directors will pay specific attention to the diversity of its make-up;

- diversity of professional skills and experience: the Board of Directors considers that the Directors have a variety of professional experience in a variety of business sectors and with top-level positions. These also have Director and executive officer functions in other companies and provide particularly complementary expertise as a whole. The Board of Directors also has one employee Director, given the Company's operating reality;
- diversity in terms of nationality: on December 31, 2020, the Board of Directors had one dual-nationality member (French/Moroccan). The Board of Directors considers this point an area of improvement to work on in the future in a bid to reflect the Group's international dimension.

- independence of Directors: on December 31, 2020, the proportion of independent Directors stood at around 43% with three Directors qualified as independent in view of the criteria set by the Middelnext Code. The Board of Directors considers the percentage was respectable since it was higher than the ratio recommended by the reference Middelnext Code.

Concerning the quest for a balanced representation of men and women among the top 10% senior management positions, the Group's aim in terms of diversity resulted in the recent nomination of two new women to the Executive Committee, bringing the number of women to three out of seven members.

The percentage of women in middle management⁽¹⁾ has also risen considerably since 2017, forming a growing pool of women candidates for more senior positions.

To this end, two key actions were carried out:

- more than 85 female staff members have participated in a new leadership training program for female employees in the last few years, including 16 women in 2020;
- Bel also joined the *European LEAD Network*, whose mission is to advance women leaders in the retail and consumer goods industry. This network allows Bel to identify good practices in the sector and to make educational resources available to all its employees.

Independence of Directors

At its meeting of December 10, 2020, the Board of Directors examined the individual situation of each Director in relation to the independence criteria set out by the Middelnext Code.

In view of this criteria and the date on which this Universal Registration Document is closed, the Board of Directors includes seven members, three of whom are independent Board members. The independent Board members have no business dealing with the Company. The immateriality of the business relationship is assessed by the Board of Directors on a case-by-case basis using the independence criteria laid down in the Middelnext Code.

Fatine Layt, Nathalie Roos and Thierry Billot are qualified as independent in the terms of the Middelnext Code. Philippe Perche, the Board member representing the Group's employees, is not independent. Similarly, three Board members represent the family shareholders and in this respect are not independent in the terms of the Code: Antoine Fiévet and Florian Sauvin and the organizing holding company Unibel.

Information on conflicts of interest and agreements involving corporate officers can be found in paragraphs 4.1.3 and 4.4.1.

TABLE: SITUATION OF BOARD MEMBERS IN RELATION TO THE MIDDLENEXT CODE INDEPENDENCE CRITERIA

Middelnext Recommendation (R3)

The Company adheres to the Middelnext Code recommendation (R3), that at least two members are independent.

Criteria

Five criteria can be used to establish a Board member's independence, which is characterized by the lack of significant financial, contractual or family relations likely to have a bearing on independent judgment:

	Antoine Fiévet	Unibel	Florian Sauvin	Fatine Layt	Nathalie Roos	Thierry Billot	Philippe Perche
1) <i>Be neither an employee nor an executive corporate officer of the Company or an entity within its Group, and not have been one in the past five years.</i>	No	No	No	Yes	Yes	Yes	No
2) <i>Not have been in a significant business relationship with the Company or its Group within the past two years.</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3) <i>Not be a reference shareholder of the Company or hold a significant percentage of its voting rights.</i>	No	No	No	Yes	Yes	Yes	Yes
4) <i>Not have a close relationship or family ties with a corporate officer or reference shareholder.</i>	No	No	No	Yes	Yes	Yes	Yes
5) <i>Not have been an auditor of the Company in the past six years.</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Conclusion of the Board on the independence of the Directors: three Directors qualify as independent in the Board's view	Not inde- pendent	Not inde- pendent	Not inde- pendent	Inde- pendent	Inde- pendent	Inde- pendent	Not inde- pendent

(1) *Grades "manager", "non manager" and "worker".*

GENERAL AND PERSONAL INFORMATION ON THE CORPORATE OFFICERS AND THEIR EXPERTISE

Biography and information on current corporate officers



Born in 1964
French citizen

Business address:
2, allée de Longchamp
92150 Suresnes

Restriction on disposal of issuer shares held

Antoine Fiévet declares himself party to the Unibel family shareholders' pact signed on September 19, 2013 and published by the AMF on September 26, 2013.

ANTOINE FIÉVET

Director, Chairman and Chief Executive Officer

Term of office and expiry date

Antoine Fiévet was coopted to the Board of Directors on April 25, 2001, a decision ratified by the Annual General Meeting of April 25, 2001. He was appointed as Chairman and Chief Executive Officer by the Board of Directors on May 14, 2009. His term of office was renewed by the Annual General Meeting of May 14, 2018 for four years, i.e. until the end of the Annual General Meeting to be held in 2022.

Biography, relevant management expertise and experience

Antoine Fiévet represents the fifth generation of the family shareholding (Bel was established in 1865 by his great-great grandfather, Jules Bel). He graduated from the Université Paris-II Assas (undergraduate degree in economics) and the Institut supérieur de gestion de Paris (graduate studies). He held several managerial positions in communication and publishing firms prior to 2001. Between 2001 and 2009, he was Managing Partner of Unibel SA, chairing the Management Board and Strategic Directions Committee while also sitting on the Bel Board of Directors. Antoine Fiévet is also a member of the Board of Directors of FBN France (Family Business Network) which consists of more than 180 French family firms. Finally, he is a member of the Board of Directors and Compensation Committee of Bonduelle.

Nature of any family ties existing between the corporate officers of the Unibel-Bel Group

Valentine Fiévet (sister), Vice-Chairwoman of the Unibel Supervisory Board, Marion Sauvin (cousin), member of the Unibel Supervisory Board, Thomas Sauvin (cousin), member of the Unibel Supervisory Board, Laurent Fiévet (brother), member of the Unibel Supervisory Board, and Florian Sauvin (cousin), Managing Director and member of the Unibel Management Board and Director of Bel.

Terms of office and current positions within the Group, held in France

- Chairman of the Unibel Management Board (listed company)
- Chairman and Chief Executive Officer and member of the Bel Appointments and Compensation Committee
- Chairman of SICOPA SAS
- Chairman of the Bel corporate foundation

Terms of office and current positions outside the Group, held in France

- Managing Director of SCI MORI
- Member of the Board of Directors and Compensation Committee of Bonduelle (listed company)
- Managing Director of RFE
- Director of CGFF
- Managing Director of GINKGO
- Managing Director of Groupement Forestier de la Croix d'Urbay

Terms of office and current positions within the Group, held abroad

- Chairman and Chief Executive Officer of Bel Africa
- Chairman of the Board of Directors of Bel Belgium
- Chairman of the Board of Directors of SIEPF
- Chairman of the Board of Directors and Board member of Fromageries Bel Maroc
- Chairman of the Board of Directors and Board Member of Safilait
- Chairman of the Management Board and representative of Bel on the Management Board of Bel Vietnam Co. Ltd

Terms of office held within the Group having expired in the last five years

- Permanent representative of Fromageries Bel Maroc on the Board of Bel Africa
- Representative of SICOPA on the Board of Directors of Bel Africa
- Director of SOFICO
- Chairman and Chief Executive Officer of Fromageries Picon
- Chairman and CEO then Chairman of SICOPA SA
- Director and Chairman of the Board of Directors of Fromagerie Bel Algérie



Born in 1955
French citizen

Business address:
6, avenue de Camoëns
75016 Paris

**Restriction on disposal of
issuer shares held**
None.

THIERRY BILLOT

Lead Independent Director

Term of office and expiry date

Thierry Billot was appointed by the Annual General Meeting of May 14, 2014 for a four-year period, and then renewed by the Annual General Meeting of May 14, 2018, namely until the Annual General Meeting due to be held in 2022. He was appointed as Lead Independent Director, effective July 29, 2015, for a maximum period equal to that of his term of office as Director.

Biography, relevant management expertise and experience

Thierry Billot, a graduate from the École supérieure de commerce de Paris (ESCP), began his career as auditor at Peat Marwick Mitchell from 1980 to 1982. He joined Pernod Ricard in 1982 as internal auditor. He then became Administrative and Finance Director at Pernod in 1985, before being nominated Finance Director of Pernod Ricard in 1986. Chairman and Chief Executive Officer of Austin Nichols in the United States from 1992, he was appointed Chairman and Chief Executive Officer of Pernod in October 1996. In 2002, he became Chairman and Chief Executive Officer of Pernod Ricard Europe, Middle East and Africa. In 2008, he was appointed to the position of Deputy Chief Executive Officer in charge of brands until February 27, 2015 when he left Pernod Ricard.

Nature of any family ties existing between the corporate officers of the Unibel-Bel Group

None.

Terms of office and current positions within the Group, held in France

- Lead Independent Director of Bel SA
- Chairman of the Audit Committee
- Chairman of the Appointments and Compensation Committee

Terms of office and current positions outside the Group, held in France

- Chairman of THB Conseil

Terms of office and current positions outside the Group, held outside France

- None

Terms of office held outside the Group having expired in the last five years

- Director of Ricard SA (until February 27, 2015)
- Member of the Supervisory Board of Pernod Ricard Europe, Middle East and Africa (until February 27, 2015)



Born in 1965
French citizen

Business address:
9 Rue de l'Ablette
67000 Strasbourg

**Restriction on disposal of
issuer shares held**
None.

NATHALIE ROOS

Board member

Term of office and expiry date

Nathalie Roos was appointed by the Annual General Meeting of May 14, 2014 for a four-year period, and then renewed by the Annual General Meeting of May 14, 2018, namely until the Annual General Meeting due to be held in 2022.

Biography, relevant management expertise and experience

Nathalie Roos joined the L'Oréal group in October 2012. Since August 2013, she has been Country Manager for Germany, L'Oréal's fourth-largest global market with sales in excess of €1 billion. Nathalie Roos was nominated Managing Director of the Professional Products divisions and therefore joined the L'Oréal Executive Committee. She officially took up her position in April 2016. Previously, after her first professional stint as Head of Sales at Kraft Jacobs Suchard (1987-1989), she spent a large portion of her career at the Mars Group. Between 1989 and 2000, she held various positions at Mars France. From head of sales promotion, she worked her way up the Marketing and Sales Departments to become National Key Account Manager and then head of the retail network of Brasseries Kronenbourg (2000-2004). Nathalie Roos became Chairwoman and Chief Executive Officer of Mars Chocolat France in 2004, then Chairwoman of Mars Inc. Group's European markets from 2009 to 2012. She is a graduate of the École supérieure de commerce de Reims. In 2012, she was named a Knight of the Legion of Honor, France's highest civil order of merit.

Nature of any family ties existing between the corporate officers of the Unibel-Bel Group
None.

Terms of office and current positions within the Group, held in France

- Director of Bel

Terms of office and current positions outside the Group, held in France and abroad

- Member of "Les Cigognes" (a French association supporting single mothers)
- Member of the Board of Directors of Clinique Rhena in Strasbourg
- Director of NEOMA Business School

Terms of office held outside the Group having expired in the last five years

- Country Manager of L'Oréal Germany



Born in 1967
French citizen

Business address:

LionTree Advisors –
7, rue Rouget-de-l'Isle
75001 Paris

**Restriction on disposal of
issuer shares held**

None.

FATINE LAYT

Board member

Term of office and expiry date

Fatine Layt was appointed to the Board of Directors by the Annual General Meeting of May 10, 2012 for a period of four years, and reappointed at the Annual General Meeting of May 12, 2016, until the Annual General Meeting to be held in 2020.

Biography, relevant management expertise and experience

Fatine Layt began her career at the Euris Group when it was formed in 1989, first in private equity and then management as Chairwoman and CEO or Director of various group subsidiaries (EPA, Glénat, Editeuris, Sygma presse). In 1996, she was appointed Chairwoman and CEO of specialist press group CEPP, controlled by APAX Partners. She was also a Director of the press trade union. In 2000, she set up her own business, Intermezzo, a financial engineering consulting firm which she still manages. In 2003, she began working with Jean-Marie Messier at Messier Partners, a merchant bank specializing in mergers and acquisitions. Then in March 2007, she founded Partanée, sold in October 2008 to Oddo & Cie, investment and asset management bank, for which she became a member of the Executive Committee and Chairman of Oddo Corporate Finance until 22 October 2015. She was Managing Director of ACG until 29 January 2016. Since January 2017, Fatine Layt has been President and Managing Partner of the merchant banking firm LionTree in France. She is a graduate of IEP Paris (finance major) and the French Society of Financial Analysts (SFAF) and is a former senior lecturer at IEP Paris in finance and financial management.

Nature of any family ties existing between the corporate officers of the Unibel-Bel Group

None.

Terms of office and current positions within the Group, held in France

- Director and member of Bel's Audit Committee

Terms of office and current positions outside the Group, held in France

- Director of the Renault Foundation
- Managing Director of Intermezzo SARL
- Managing Partner of LionTree Advisors

Terms of office and current positions, held abroad

- Managing Director of Intermezzo International Co. Ltd

Terms of office held having expired in the last five years

- Chair and Managing Partner of Oddo Corporate Finance (until October 22, 2015)
- Member of the Executive Committee of Oddo et Cie SCA (until October 22, 2015)
- Chief Executive Officer of ACG (until January 29, 2016)
- Director of Imerys (listed company)



Born in 1979
French citizen

Business address:

2, allée de Longchamp –
92150 Suresnes, France

Restriction on disposal of issuer shares held

Florian Sauvin declares himself party to the Unibel family shareholder pact signed on September 19, 2013 and published by the AMF on September 26, 2013.

FLORIAN SAUVIN

Board member

Term of office and expiry date

Florian Sauvin was a Director of Bel from August 26, 2009 to May 12, 2015, when he was appointed as Unibel's permanent representative on Bel's Board of Directors, replacing Pascal Viénot. Florian Sauvin was coopted as Board member to replace James Lightburn on July 28, 2018. This cooptation was approved by the Annual General Meeting held on May 22, 2019. Since May 14, 2020, Florian Sauvin is Chairman of the Supervisory Board of Unibel, the Bel Group holding company.

Biography, relevant management expertise and experience

Florian Sauvin, an EPFL engineer, joined the Group in 2006 as a management controller for two years. He was responsible for the Bel Access Department, the Company's incubator charged with seeking and promoting new business models, aimed especially at developing a sustainable approach to low-revenue consumption markets taking social impact and economic viability factors into account. He completed the PLD program at Harvard Business School in 2015. He was then the Group's Chief Digital Officer. He was a member of Unibel's Management Board between May 2009 and May 2020. Between May 2019 and 2020, he was also member of the Bel Executive Committee and is Executive Vice-Chairman responsible for the transformation.

Nature of any family ties existing between the corporate officers of the Unibel-Bel Group

Antoine Fiévet (cousin), Laurent Fiévet (cousin), Valentine Fiévet (cousin), Marion Sauvin (sister) and Thomas Sauvin (brother).

Terms of office and current positions within the Group, held in France

- Chairman of Unibel's Supervisory Board
- Director of Bel
- Joint managing director of SOPAIC
- Treasurer of Bel Corporate Foundation

Terms of office and current positions outside the Group, held in France

- Director and CEO of CGFF
- Director of CIANAS
- Chairman of SAS Lobster Investment Company
- Joint managing director of SARL SAUF11
- Managing Director of SCI La Tuilerie
- Managing Director of SARL Fiévet Frères
- Managing Director of SCP HPFFS
- Managing Director of Groupement Forestier de la Boissière
- Managing Director of Groupe Forestier du Bois des Dames

Terms of office and current positions outside the Group, held abroad

- Director of Biomass Holding SAL

Terms of office held having expired in the last five years

- Director of SICOPA SA
- Permanent representative of SICOPA on the Board of Directors of ATAD
- Member of Unibel's Management Board



Born in 1965
French citizen

Business address:
2, allée de Longchamp –
92150 Suresnes, France

**Restriction on disposal of
issuer shares held**
None.

BRUNO SCHOCH

Permanent representative of Unibel, Director

Term of office and expiry date

Bruno Schoch was appointed Deputy General Manager by the Board of Directors of December 17, 2008, renewed by the Board of Directors decisions of May 14, 2019 and May 14, 2014 for the duration of the term of office of the CEO, until the Annual General Meeting of May 14, 2018. On July 27, 2018, Bruno Schoch took up new functions within Unibel, where he was named Chairman of the Management Board. Consequently, he stepped down from his position as Deputy General Manager of Bel and was appointed permanent representative of Unibel on the Board of Directors of Bel, in replacement of Florian Sauvin, as of July 26, 2018.

Biography, relevant management expertise and experience

Part of the Group since 2003, he has held the posts of Financial Director and then Director of Strategy and Development at Unibel SA. Between 2008 and 2018, Bruno Schoch was Deputy General Manager responsible for the Group's financial and legal affairs and IT systems. From 1993 to 2003, he held several posts in auditing at Deloitte & Touche (Paris) and mergers and acquisitions at Chase Manhattan Bank (London) and Schweizerischer Bankverein (Frankfurt). He holds a DESS (master's degree) in Finance and Management from Paris Dauphine University and is a qualified chartered accountant and Statutory Auditor. Since November 2013, Bruno Schoch has been a member of the extended bureau and the Board of METI (an association of medium-sized enterprises).

Nature of any family ties existing between the corporate officers of the Unibel-Bel Group
None.

Terms of office and current positions within the Group, held in France

- Chairman of Unibel's Management Board
- Permanent representative of Unibel, member of Bel Board of Directors

Terms of office and current positions outside the Group, held in France and abroad

- Member of the Supervisory Board of Société des Domaines SAS
- Member of the Supervisory Board of Geratherm AG (listed company)
- Permanent representative of Unibel on the Board of Directors of Biomass Holding SAL
- Member of the Supervisory Board of Limes Schlosskliniken AG

Terms of office and current positions within the Group, held abroad

- None

Terms of office held within the Group having expired in the last five years

- Director of Bel Belgium
- Deputy General Manager, not a Director of Bel
- Permanent representative of Bel on the Board of Directors of ATAD
- Joint managing director of Bel Deutschland
- Permanent representative of Bel on Fromageries Picon's Board of Directors
- Permanent representative of Bel on the Board of Directors of SASFR
- Permanent representative of SICOPA on the Board of Directors of SOFICO
- Permanent representative of Bel on Fromagerie Bel Algérie's Board of Directors
- Member of Syraren Bel Slovensko's Supervisory Board
- Member of Bel Shotska Ukraine's Supervisory Board
- Member of Bel SYRY Cesko's Supervisory Board
- Director of Bel Karper
- Director of Bel Cheese Korea
- Permanent representative of SICOPA on Fromageries Bel Maroc's Board of Directors
- Representative of SICOPA on Bel Africa's Board of Directors
- Permanent representative of SICOPA on the Board of Directors of SIEPF
- Director of BEL LAO ZI



Born in 1962
French citizen

Business address:
2, allée de
Longchamp 92150 Suresnes,
France

**Restriction on disposal of
issuer shares held**
None.

PHILIPPE PERCHE

Director (representing employees)

Term of office and expiry date

Philippe Perche was appointed as Director representing the Group's employees by a decision of the Central Works Council on June 21, 2018, effective July 1, 2018, for a period of four years, i.e. until the end of the Annual General Meeting to be held in 2022.

Biography, relevant management expertise and experience

Philippe Perche joined the Group as manufacturing line conductor in 1990. Thereafter, he was fresh manufacturing pilot and head of the Kiri manufacturing team at the Sablé-sur-Sarthe site. During his career, Philippe Perche has also occupied various trade union positions representing workers (employee representative, representative for the Works Council, member of the Health and Safety Committee).

After being appointed Board member representing Group employees on June 21, 2018, Philippe Perche resigned from all of his trade union mandates, in compliance with applicable legislative measures. He also did training on How to Be an Employee Board member with the IFA in November 2018.

Nature of any family ties existing between the corporate officers of the Unibel-Bel Group

None.

Terms of office and current positions within the Group, held in France

- Director representing employees

Terms of office and current positions outside the Group, held in France

- None

Terms of office and current positions within and outside the Group, held abroad

- None

Terms of office held having expired in the last five years

- None

4.1.3 DISCLOSURES RELATING TO MEMBERS OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

No convictions for fraud, bankruptcy or public sanctions over the last five years

To the knowledge of the Company and as of the date of this document, no person belonging to an administrative, management or supervisory body has been, over the past five years, the object of a sentencing for fraud, or concerned by a bankruptcy, sequestration, liquidation, or placing of companies in receivership, or the object of an official accusation and/or public sanction pronounced by a statutory or regulatory authority (including designated professional bodies) or stripped by a court of the right to exercise the function of member of an administrative, management or supervisory body, or to intervene in the management or conduct of a Company's business.

To the knowledge of the Company, SCI Belfran, where Florian Sauvin was Manager, has been liquidated on good terms, distinct from all settlement and preventive procedures for struggling companies, during the past five years.

Service contracts

To the knowledge of the Company and as of the date of this document, and subject to the following paragraph, there is no advantage granted at the end of the service contracts between a corporate officer and the Company or anyone of its subsidiaries.

The Company is related to the parent company Unibel by a cash agreement, authorized by the Board of Directors on October 11, 2007, and a service agreement dated December 14, 2001, authorized by the Board of Directors on December 12, 2001, the terms and conditions of which are detailed in section 4.4.1 "Statutory Auditors' Special Report on regulated agreements and commitments" of this Universal Registration Document. These agreements were subjected to the control procedures for regulatory agreements set out by Articles L. 225-38 et seq. of the French Commercial Code.

Conflicts of interest and agreements to which the corporate officers are party

To the knowledge of the Company and as of the date of this Universal Registration Document, there were no potential conflicts of interests between the duties of Fatine Layt and Thierry Billot, Directors, and Bruno Schoch, permanent representative of Unibel, Director, who are not members of the Fiévet-Bel family group, in relation to the Company and their private interests and other duties. Mrs Roos stated she was in a situation of potential conflicting interest under the framework of a recruitment procedure within a rival company, and the Board of Directors took note of this on March 18, 2021. Antoine Fiévet, Director and Chairman and Chief Executive Officer, and Florian Sauvin, Director, are also members of Unibel's Management Board, holding more than two-thirds of the capital and voting rights of the Company and participating in the Unibel shareholders' agreement binding the members of the Fiévet-Bel family group. Information about the Company's share capital is presented in Chapter 6 of this Universal Registration Document. Philippe Perche is the Director representing employees and thus has an employment contract as required by law.

Information on conflicts of interest and agreements involving corporate officers can be found in section 4.4.1 "Statutory Auditors' Special Report on Related Party Agreements".

Arrangement or agreement on the appointment of members of the Board of Directors and Senior Management

The Articles of Association do not set out any specific rules for the appointment and replacement of members of the Board of Directors. Legal provisions apply.

To the knowledge of the Company and as of the date of this document, no arrangement or understanding exists with major shareholders, customers, suppliers or others, pursuant to which any person belonging to an administrative, management or supervisory body was selected as a member of the administrative, management or supervisory bodies or member of executive management.

Restrictions relating to the transfer of shares

Under the French General Tax Code, notably Articles 787 B, 885 I bis and 885 I quater, collective or individual lock-up agreements relating to Bel shares may exist. Those known to the Company – mainly concerning Antoine Fiévet and Florian Sauvin and Unibel – are described in section 6.1 "Shareholding and share capital".

To the knowledge of the Company, at the date of this document there were no other restrictions accepted by members of the administrative, management or supervisory bodies relating to the transfer over a certain period of time of their holdings in the Company's capital.

4.1.4 BOARD AND COMMITTEE ORGANIZATION AND WORKINGS

Board of Directors organization and workings

Company management structure

The Company is run by a Board of Directors whose Chairman, Antoine Fiévet, is also Chief Executive Officer. At its meeting of May 14, 2009, the Board decided to combine the roles of Chairman of the Board and Chief Executive Officer of the company to better suit the management structure and running of the Company, and to facilitate and streamline decision-making and liability.

Antoine Fiévet has been Chairman of the Board of Directors and Chief Executive Officer since May 14, 2009 and was reappointed as such on May 14, 2018.

In his capacity as Chairman of the Board, Antoine Fiévet organizes and directs its work, reporting on it to the Annual General Meeting. He ensures that the Company bodies function properly and makes sure, in particular, that the Directors are able to carry out their duties. In his capacity as Chief Executive Officer, Antoine Fiévet has the broadest

powers to act on behalf of the Company in any circumstances. He exercises his powers within the scope of the Company's objectives and is subject to those powers that the law expressly allocates to Shareholders' Meetings and the Board of Directors.

Lead Independent Director

Since 2015, following a proposal from the Chairman and Chief Executive Officer, the Board has decided to appoint one of the Independent Directors as Lead Independent Director. Thierry Billot has held this position since July 29, 2015. His term was renewed on May 14, 2018 for a maximum duration equal to his term on the Board of Directors, i.e. until the 2022 General Shareholders' Meeting. He is responsible for ensuring the proper running of the Company's governance bodies within both the Board and the specialized Committees. He additionally acts as a liaison between the governance bodies, the Senior Management of the Company and the Executive Committee. He is also the specific point of contact for Directors on the issue of conflicts of interest.

Duties of the Board of Directors

As part of the strategy adopted by Unibel, the holding company, the Board gives its opinion on all decisions relating to implementing the Company's main strategic, economic, societal, environmental, financial and industrial guidelines and ensures that they are adopted by senior management. It is regularly informed, either directly or through its Committees, of any significant event affecting the conduct of the Company's business.

At each Board meeting, the Chairman informs the Directors of the main facts and significant events relating to the Group that have occurred since the last Board meeting. Each Board meeting also provides a debriefing of the Company's business.

In accordance with legal and statutory provisions, the Board meets at least four times a year, convened by its Chairman at least one week before the meeting, unless there is an emergency, to examine and approve the annual and consolidated financial statements, review the draft management documents, and approve the consolidated half-yearly financial statements. A document covering all the key points to be discussed and examined at the meeting must be sent to the Directors several days in advance unless impeded by an emergency or urgent event.

However, a meeting of the Board of Directors can be convened on any other subject of significant importance. The Board of Directors is then regularly informed of the state of progress of cases. The work and decisions of the Board are formalized in the minutes of the meeting.

Internal Regulations of the Board of Directors

The Company's Board of Directors has Internal Regulations specifying the conditions for preparing its meetings and the rules governing its work. It determines the limits the Board places on the powers of the Chairman and Chief Executive Officer. In accordance with the law, these limits are established internally and are not binding on third parties.

The Internal Regulations also state the rights and duties of Directors during their terms of office. In 2013, the Audit Committee and the Appointments and Compensation Committee both drew up a charter defining each of their workings, roles and responsibilities.

The Internal Regulations of the Board of Directors was amended on July 29, 2015 in order to set the terms and conditions of the lead Board member's functions as well as the duties entrusted. The Internal Regulations were again amended and adopted by the Board of Directors on July 28, 2017 in compliance with the latest Middelnext Code guidelines, particularly those covering the succession plan for Senior Management. This Regulation was the object of a revision to take account of the measures of the Pacte law. This revised version was adopted by the Board of Directors on Wednesday, March 11, 2020. Finally, the Internal Regulations were then amended by the Board of Directors of May 14, 2020 to anticipate the possibility of written consultation by the Directors under the terms set out in the law.

The Board's Internal Regulations, along with the Charters of the Audit Committee and the Appointments and Compensation Committee, can be viewed at the Company's head office.

Limits placed on the powers of the Chairman and Chief Executive Officer and the Deputy General Manager by the Board of Directors

In his capacity as Chief Executive Officer, Antoine Fiévet has the broadest powers to act on behalf of the Company in any circumstances. The Chief Executive Officer represents the Company in its relationships with third parties. He has the ability to partially delegate his powers. He exercises his powers within the scope of the Company's objectives and is subject to those powers that the law expressly allocates to Shareholders' Meetings and the Board of Directors.

Furthermore, as an internal matter, and not binding on third parties, the prior authorization of the Board is required for any transaction or potential transaction that is major and/or significant by virtue of its amount or nature.

The following are particularly concerned:

- decisions or measures affecting or likely to modify the legal or financial structure of the Company or Group or the scope of its activity;
- any transaction or potential investment over ten (10) million euros;
- borrowings and financing totaling over twenty-five (25) million euros and the granting of guarantees attached to said financing;
- restructuring operations exceeding the threshold of ten (10) million euros;
- acquisitions or disposals affecting the brands with a value of over five (5) million euros, as well as agreements with third parties relating to the use of the Group's core brands;
- real estate transactions exceeding the threshold of five (5) million euros.

Work of the Board of Directors during 2020 and since the start of 2021

During 2020 and since the start of 2021, the Board met ten times with an attendance rate of 93% on the part of its members.

In 2020, as part of its duties the Board reviewed the quarterly, half-yearly and annual financial information, the annual financial statements and the consolidated financial statements, the half-yearly consolidated financial statements, and the processes used to prepare this information. Each Board meeting called to approve the financial statements was preceded by a meeting of the Audit Committee. The Directors systematically reviewed the press releases relating to this information before their release.

The state of business was assessed at each meeting. Regular attention was given to the economic and geopolitical situation of the markets and its impact on the Group's business.

In particular, the Directors discussed the Group's industrial investments and financing. The Board of Directors also approved the evaluation process for its work, in accordance with the recommendations of the Middelnext Code.

The Board of Directors has met once since the beginning of 2021. It discussed the review of the annual financial statements and consolidated financial statements for 2020, as well as the convening of the Annual General Meeting and decided on its agenda.

Composition, workings and activities of the Board of Directors' Committees

The Board of Directors has two specialized Committees, an Audit Committee and an Appointments and Compensation Committee.

These Committees issue proposals, recommendations and opinions on matters within their remit, depending on the case in question. They have an advisory capacity and act under the authority of the Board. They report on their work to the Board whenever necessary.

Audit Committee

In 2013, the Audit Committee drew up a charter governing its workings, role and responsibilities. This charter was amended by the Board on December 13, 2017 to take into consideration the modifications ushered in by French ordinance 2016-315 of March 17, 2016 that transposes EU Directive 2014/56/EU of April 16, 2014.

The Audit Committee meets two to four times a year and as many times as necessary at the request of its Chairman or the Chairman of the Board to ensure that matters relating to the drafting and checking of periodic and annual accounting and financial information are monitored. In 2020, the Committee met four times with a 100% attendance rate.

The Audit Committee consists of at least three members appointed by the Board from among Directors who do not perform management roles. At least two thirds of the Committee members must be independent and possess specialist financial, accounting or auditing skills. The Board appoints the Committee Chairman who directs the Committee's work.

At the date of this Universal Registration Document, the Audit Committee had three members: Thierry Billot (Chairman), Unibel represented by Bruno Schoch and Fatine Layt. Two of the three members of the Audit Committee are independent, according to the criteria set out by the Middelnext Governance Code to which the Company refers. Thierry Billot, Bruno Schoch and Fatine Layt have special expertise in finance (for more information, see section 4.1.2 "Composition, terms of office and expertise of the Board of Directors and Senior Management").

The Audit Committee interviews the General Manager responsible for financial affairs, CSR and information systems, the Consolidation, Financial Control and Internal Control Director, the Treasury Director, the Legal and Risk Director, the Tax Director, the Information Systems Director, the Communication and CSR Director, and the Internal

Audit Director. The members of the Committee communicate with the Statutory Auditors without the Group's management being present.

The Audit Committee reports its duties to the Board of Directors, particularly for its duty to certify the accounts by the Auditors, and informs it immediately of all difficulties encountered.

Duties

In accordance with the provisions of Article L. 823-19 of the French Commercial Code, the Audit Committee is responsible for assisting the Board of Directors and more generally for (i) monitoring the process for preparing financial information (and making recommendations to guarantee its integrity as needed) and regular and provisional accounting information, and reviewing the annual accounts and consolidated accounts of the Company; (ii) monitoring the effectiveness of the internal control and risk management systems, as well as internal audit where appropriate, as regards the procedures for preparing and processing accounting and financial information, without harming the independence of internal audit; (iii) monitoring the statutory audit of the Company's annual accounts and consolidated accounts, taking into account the findings and conclusions of the French High Council for the Audit Profession (H3C) following the audit in application of Articles L. 821-9 et seq. of the Commercial Code, and (iv) supervising the selection of the Statutory Auditors and issuing a recommendation to the Board of Directors on the Auditors proposed for appointment or renewal by the Annual General Meeting.

As such, the Audit Committee:

- ensures the relevance and permanence of the accounting rules and methods used to establish the consolidated and parent company financial statements as well as the appropriate accounting treatment of significant transactions by the Bel Group;
- examines any questions of a financial or accounting nature submitted to it;
- reviews the development and dissemination process for communication and financials;
- examines the Group's annual internal audit plan and the Statutory Auditors' work plan and examines the Group's internal audit reports on a quarterly basis;
- ensures the relevance of the internal control procedures;
- ensures there is a process for identifying and analyzing financial and non-financial risks likely to have a material impact on the Company's accounting and financial information and particularly on the Company's assets, regardless of the time period. It also examines the financial situation of the Group and its debt and financing structure;
- ensures that any weaknesses identified in the internal control and risk management systems result in corrective actions;
- provides the Board with an opinion on the appointment or reappointment of the Statutory Auditors;
- examines the risks threatening the independence of the Statutory Auditors, with input from the latter.

The Committee ensures the respect of the conditions of independence by the Statutory Auditors and takes the necessary measures for the application of the provisions relating to the economic independence of the Statutory Auditors referred to in Article 4 (3) of Regulation (EU) 537/2014 and compliance with the conditions referred to in Article 6 of the same Regulation.

The Committee approves the provision of services other than the certification of accounts by the Statutory Auditors or the members of their networks, provided such services are not prohibited. The Audit Committee meets to approve each of these services. During these meetings, it examines the absence of a threat to independence and the eventual safeguard measures implemented by the relevant Statutory Auditors. By delegation of the Committee, its Chairman is also authorized to approve these services when the amount of said services is less than €20,000.

To perform its duties, it has access to all the documents and information it seeks to verify. To this end, it has the right to obtain any information it deems necessary to complete its assignment from any manager in the Company. The Audit Committee may also consult third parties that may be useful in its work and use external experts.

Work of the Committee since January 2020

Since January 2020, the Audit Committee has chiefly worked on the following points:

- examining the Group's half-yearly and annual consolidated financial statements with the Group's Finance Department and the Statutory Auditors in order to analyze the accounting and financial statements for the entire Group. Each time the consolidated financial statements are presented (half-yearly and annual), the Statutory Auditors present a summary of their work and their conclusions. At the meeting of March 10, 2020, Committee members met with the Statutory Auditors without the Group's management being present;
- reviewing half-yearly and annual draft press releases on the Group's financial results;
- monitoring cash positions, the foreign exchange and interest rate hedging policy and Group financing;
- examining non-financial reporting, especially in view of the so-called "Sapin II" law;
- examining the internal audit reports: the Committee examined the conclusions and specific check points from the internal control reported from various auditing tasks. It examined how the implementation of audit recommendations issued in prior reports was monitored. The Group's internal audit plan for 2021 was also presented in December 2020;
- monitoring risk management: as part of the Audit Committee's risk management tasks, the results of the updated Group risk map;
- monitoring of calls for tender relative to the forthcoming nomination of a new Statutory Auditor, following the end to Deloitte's mandate in 2021 for Unibet and 2022 for Bel;
- examining internal control procedures. The Committee reviewed certain procedures both as part of the Statutory Auditors' annual work and when receiving feedback from internal audit assignments.

Appointments and Compensation Committee

On the recommendation of the Committee, the Board adopted a charter at its meeting of March 21, 2013, defining its composition, areas of competence and workings. Before then, the Appointments and Compensation Committee had been governed by the Board's Internal Regulations. This charter was revised by the Board of Directors on July 26, 2018.

The Appointments and Compensation Committee meets at least four times a year and whenever necessary at the call of its chair or the request of the Chairman of the Board. In 2020, the Appointments and Compensation Committee met four times with an attendance rate of 100%.

The Appointments and Compensation Committee is made up of three members at least, whether they are Board members or not, with at least one member chosen among the independent Board members. The Chairman of the Committee is designated among the Company's Board members and cannot be one of the Company's Corporate Executive Officers. To conduct its work, the Appointments and Compensation Committee may seek the advice of external experts and consult the Group's internal specialists - especially the Human Resources Director - for any matters it deals with.

At the date of this Universal Registration Document, the Appointments and Compensation Committee had six members: Thierry Billot, Chairman of the Committee, qualified as independent according to the Middledenext Code, Antoine Fiévet, Joëlle Pacteau and Cécile Tandeau de Marsac and Ernst Pankert, non-Board members, as well as Philippe Perche, Board member representing the employees.

On December 11, 2018, the Board appointed Philippe Perche as a member of the Committee effective but only when it meets to consider compensation.

Ernst Pankert was appointed member of the Appointments and Compensation Committee on July 26, 2018. Joëlle Pacteau and Cécile Tandeau de Marsac were nominated non-director members of the Appointments and Compensation Committee, on the recommendation of the Appointments Committee, by the Board of Directors on July 29, 2020.

Duties

When acting as the Appointments Committee, the Committee's chief duties are to make proposals and recommendations on the selection and reappointment of Directors, the manner in which Senior Management operates, the appointment or dismissal of the Chairman of the Board, Chief Executive Officer and/or Deputy General Managers, the implementation of succession plans, and the workings and regular assessment of the Board. It also expresses an opinion on the appointment of members of the Executive Committee.

When acting as the Compensation Committee, the Committee makes recommendations on the setting and distribution of compensation allocated to the Directors (previously known as attendance fees) and on all aspects of executive compensation including retirement arrangements, variable compensation factors and compensation factors linked to share capital, with the setting of performance targets part of the setting of variable compensation. The Committee makes decisions on the Company's policy on stock option plans and the general policy on employee shareholding plans. Lastly, it advises Senior Management on the overall consistency of the compensation policy for key senior managers and members of the Executive Committee. It is kept informed of the Company's general compensation policy.

Work of the Appointments and Compensation Committee since January 2020

The Appointments and Compensation Committee mainly examined the following points:

- the position of Board member mandates due to expire in 2021;
- the determination of performance targets for executive compensation, and the conditions for meeting those targets;

- the consistency of the compensation policy for the Group's senior executives;
- the policy for awarding performance shares to Company and subsidiary employees and/or corporate officers and, as such, the recommendation for implementing a plan to allocate performance shares to employees;
- the assessment process for the workings of the Board of Directors.

Unibel Strategic Committee

The Management Committee of Unibel, active holding company of Bel, consults the Unibel Committee for its analyses and considerations. In addition to the three members of the Management Committee, the Unibel Committee currently includes Thierry Billot, Fatine Layt and Nathalie Roos, members of the Board of Directors and member of the Bel Executive Committee. This Committee met seven times in 2020 to discuss strategy, major investments, business prospects and Group organization. The Committee's composition may change to include at any given meeting participants who have specific expertise and sensitivity suited to the topics on its agenda.

4.2 REMUNERATION AND BENEFITS

We present hereafter, in accordance with the provisions of Articles L. 22-10-8 and L. 22-10-34 of the French Commercial Code:

- the compensation policy applicable to the Chairman and Chief Executive Officer and the directors of the Company;
- the information mentioned in paragraph I, Article L. 22-10-9 of the French Commercial Code on the Company's corporate officers;
- the fixed, variable and non-recurring elements of the total compensation and benefits of all types paid or granted to the Chairman and Chief Executive Officer for the fiscal period under review, in accordance with the principles and criteria approved by the Annual General

Meeting of Thursday, May 14, 2020, in its ninth ordinary resolution.

The Chairman and Chief Executive Officer, Antoine Fiévet, is the executive corporate officer. Antoine Fiévet is also a member of the Management Board of Unibel. Antoine Fiévet does not receive any compensation from the Company for his role as Chairman and Chief Executive Officer but is paid by Unibel, the Group's organizing holding company. Antoine Fiévet plays an essential role in this leadership. Unibel's leadership services are covered by a service agreement approved within the framework of regulated agreements.

The compensation policy of the executive corporate officer namely the Chairman and Chief Executive Officer of Bel presented below shall remain valid if there is a change in the term of office.

4.2.1 COMPENSATION POLICY APPLICABLE TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND THE DIRECTORS

The compensation policy for corporate officers as presented hereafter has been approved following consultation and on the recommendations of the Appointments and Compensation Committee in its role as compensation committee (hereinafter the Compensation Committee).

When issuing its recommendations, the Compensation Committee bases its analysis on a regular examination of the practices adopted by similar companies. The remuneration policy respects the interests of the Company and its shareholders in that it is based on the two founding pillars of the Company's sales strategy: the Company's financial performances on the one hand, and extra-financial targets on the other. These two pillars are at the heart of

the Company's responsible and profitable business model (see Chapter 1 "Presentation of activities").

The Compensation Committee also takes account of the compensation and employment conditions of the Company's employees on the basis of factors assessed relative to the fairness ratio, as shown in paragraph 4.2.2 below.

The Committee thus issues recommendations on all components of the compensation of the Chairman and Chief Executive Officer, including retirement provisions, variable compensation and equity-based compensation. It proposes the performance criteria, evaluation methods and targets based on which the variable compensation is calculated.

The Chairman of the Committee examines situations that may pose a conflict of interest and issues recommendations to the Board in cases where a conflict of interest is found to exist. He ensures that the other Directors inform the Board of any situation that may pose a conflict of interest, in accordance with the Board's internal regulations. The Chairman-Chief Executive Officer does not participate in the deliberations and voting of the Board in relation to these matters.

In the event of a change of governance, the compensation policy presented herein shall apply to the new corporate officers.

The duration of the terms of office of the Chairman and Chief Executive Officer and the Board members is set out in Chapter IV of the 2020 Universal Registration Document which is an integral part of the report on corporate governance.

Compensation policy applicable to the members of the Board of Directors

The Annual General Meeting of May 14, 2009 set the compensation of the members of the Board at an annual amount of €300,000. This amount of this budget was confirmed by the Annual General Meeting of May 14, 2020 and has not been changed since.

The Compensation Committee issues recommendations on the amount to be set and the breakdown of the compensation between the directors.

The Board decides on the criteria based on which the annual amount set by the Annual General Meeting is broken down between its members as follows:

This compensation includes a fixed component for each director and a variable component based on conditions of presence, which may be higher for committee chairs. The Lead Independent Director is also paid a higher fixed and variable component.

Additional exceptional compensation may be paid to the Lead Independent Director and/or the Directors in consideration of certain specific assignments.

A Director may hold an employment contract with the Company or another company in the Group, under the conditions set out in the regulations and, in this respect, may receive compensation. The Board of Directors includes one director representing the employees who also holds a permanent employment contract. The contract termination conditions are based on prevailing legal measures in terms of labor law and include a two-month notice period.

Compensation policy applicable to the Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer does not receive any compensation from the Company for his role as Chairman and Chief Executive Officer but is paid by Unibel, the Group's organizing holding company. Unibel's leadership services are covered by a service agreement approved within the framework of regulated agreements.

The compensation policy applicable to the Chairman and Chief Executive Officer is as follows:

- fixed monthly remuneration over 13 months;
- a target variable annual component set at 100% of the fixed annual component. The level of achievement of this component may vary from 0-150% based on actual performance. The criteria are reviewed regularly and may be changed temporarily. For 2021, the Unibel Supervisory Board, on the recommendations of the Compensation Committee, decided to set the performance conditions as follows:
 - Organic sales growth: target 20% and maximum 30% in the event of an exceptional overrun,
 - margin on variable costs: target 15% and maximum 22.5% in the event of an exceptional overrun,
 - free cash flow: target 15% and maximum 22.5% in the event of an exceptional overrun,
 - security in the workplace: target 10% and maximum 15% in the event of an exceptional overrun,
 - Strategic achievements: target 40% and maximum 60% in the event of an exceptional overrun. The qualitative criteria assessed are reviewed annually according to the Group's strategic priorities. For confidentiality reasons in terms of the Group's strategy, the breakdown of these qualitative targets can only be published in hindsight and after assessment by the Compensation Committee and the Supervisory Board.

The target variable annual compensation may not surpass 150% of the fixed component.

- a multi-year variable compensation paid in respect of a fiscal period, subject to performance conditions assessed over three years on the basis of quantifiable economic criteria and a criterion relating to environmental responsibility, in accordance with the objectives of the compensation policy mentioned above. This maximum variable multi-year compensation target is set at 100% of the fixed annual component and is indexed to changes in the Company's valuation. The criteria are reviewed regularly and may be changed temporarily. For 2020, the Unibel Supervisory Board, on the recommendations of the Compensation Committee, decided to set the performance conditions as follows:
 - Cash flow return on investment (CFROI): target 33.33% and maximum 50% in the event of an exceptional overrun,
 - the rate of innovation and profitability of innovations: target 33.34%,
 - The Group's carbon footprint: target 33.33% and maximum 50% in the event of an exceptional overrun.
- The maximum achievement rate is set at 100%.
- a company car.

Assisted by expert consultants, the Unibel Supervisory Board regularly compares these remuneration conditions against prevailing practices in the industry.

Quantified performance targets are pre-established but are not published for reasons of confidentiality. The level of achievement of the performance targets linked to the annual and multi-year variable compensation is approved each year by the Unibel Supervisory Board following examination by its Appointment and Compensation Committee.

The executive corporate officer was not awarded bonus shares or stock options or warrants and receives no compensation in respect of his role as director of the Company.

The Board may decide to grant an exceptional compensation to executive corporate officers in very specific circumstances, which may not surpass 50% of the annual fixed compensation of the corporate officer(s) concerned.

The compensation policy set out above will be submitted for the approval of the Annual General Meeting of May 11, 2021.

4.2.2 INFORMATION MENTIONED IN PARAGRAPH I, ARTICLE L.22-10-9 OF THE FRENCH COMMERCIAL CODE CONCERNING EACH OF THE COMPANY'S CORPORATE OFFICERS

The total compensation of each corporate officer must comply with the compensation policy approved by the Annual General Meeting of Thursday, May 14, 2020.

Information relating to the Chairman and Chief Executive Officer, Antoine Fiévet

Table 1

(in euros)	Financial year 2020	
	Amount awarded	Amount paid
Compensation awarded for the fiscal year (set out in table 2)*	1,698,874	1,503,207
Value of variable multi-year compensation awarded during the year ^(Note 1)	749,796	464,742
TOTAL	2,448,670	1,967,949

* The amount in this line is the total of the elements set out in table 2, excluding multi-year variable compensation.

Note 1: **Value of variable multi-year compensation awarded during the year - Financial year 2020, amount awarded:** a multi-year cash plan was awarded in 2020 for 2020, 2021 and 2022. If the performance conditions are achieved in full, the long-term compensation stands at 100% of the fixed compensation and the reference governance compensation when the plan matures (December 31, 2022). As an indication, this base stood at €749,796 on December 31, 2020.

Relative weight of each performance indicator (all quantitative)	Minimum	Targets	Maximum	Cash amount (euros) corresponding to the target**
Free cash flow performance	0%	33.33%	50%	249,907
Innovation rate	0%	33.34%	33.34%	249,982
Carbon footprint	0%	33.33%	50%	249,907
TOTAL	0%	100%	100%*	749,796

* The maximum achievement rate may not surpass 100% of the fixed compensation and the governance compensation.

** As an indication, on a base of €749,796 on December 31, 2020.

Table 2

(in euros)	Financial year 2020	
	Amount awarded	Amount paid
Fixed compensation ^(Note 1)	638,196	635,148
Governance compensation ^(Note 2)	111,600	219,800
Annual variable compensation ^(Note 3)	943,243	642,519
Multi-year variable compensation ^(Note 4)	564,971	464,742
Benefits (company car)	5,835	5,740
TOTAL	2,263,845	1,967,949

Note 1: **Fixed remuneration** - As of April 1, 2020, the monthly fixed compensation paid over 13 months was increased to €638,196. As compensation in January, February and March 2020 was paid on the basis of fixed compensation set in 2019, the amount paid was €635,148.

Note 2: **Governance Compensation** - While the amounts are awarded during the year, the payments may be made during the following years. The amount paid in 2020 corresponds to the amount awarded for 2020 (€111,600), as well as the amounts awarded for previous years but not yet paid (€108,200).

Note 3: **Annual variable compensation** - Financial year 2020, amount awarded: target variable annual component set at 85% of the fixed annual component and the reference governance compensation (or €637,327). The amount due for the financial year 2020 after applying performance conditions and noting a level of achievement of 148% is €943,243, which will be paid in 2021:

Relative weight of each performance indicator (quantitative and qualitative)	Minimum	Targets	Maximum	Rate of achievement	Cash amount (euros) corresponding to the achievement rate
Quantitative indicator: Organic sales growth	0%	30%	45%	45%	286,797
Quantitative indicator: Productivity in relation to the cost of goods sold	0%	15%	22.5%	22.5%	143,398
Quantitative indicator: Free cash flow	0%	30%	45%	45%	286,797
Quantitative indicator: Security (Bel Accident Frequency Rate)	0%	10%	15%	13%	82,852
Qualitative indicator: Strategic achievements	0%	15%	22.5%	22.5%	143,398
Overall achievement rate for 2020 targets				148%	943,243

Financial year 2020, amount paid: amount awarded for 2019 of €642,519, paid in 2020.

Note 4: **Multi-year variable compensation** - Financial year 2020, amount awarded: amount awarded at the end of 2020 for a multi-year cash plan allocated in 2018 for 2018, 2019 and 2020 of €564,971 to be paid in 2021. Performance criteria were all quantitative.

	Minimum	Targets	Maximum	Rate of achievement	Cash amount (euros) corresponding to the rate of achievement
ROCE and EBITDA	0%	85.00%	85.00%	77.63%	
Multiplier related to innovation and growth	94.12%	100.00%	117.65%	97.06%	
TOTAL	0%	85.00%	100.00%	75.35%	564,971

Financial year 2020, amount paid: amount paid for an LTI plan in 2018-2019 of €464,742, paid in 2020.

Information on the pay ratio between the level of compensation of the Chairman and Chief Executive Officer, Antoine Fiévet and the average and median compensation paid to employees of the Company

Information about the scope of the listed company

The fairness ratio is calculated on the basis of compensation paid during the year.

	2016	2017	2018	2019	2020
Change (%) in compensation paid to Antoine Fiévet, Chairman and Chief Executive Officer	39%	-7%	-1%	-16%	56%
Change (%) in average employee compensation	0%	0%	1%	0%	7%
Ratio in relation to the average employee compensation	23.25	21.60	21.24	17.91	26.09
Change (%) in ratio relative to the previous year	39%	-7%	-2%	-16%	46%
Ratio in relation to the median employee compensation	31.56	29.45	28.59	25.92	38.52
Change (%) in ratio relative to the previous year	40%	-7%	-3%	-9%	49%

Additional information on the wider scope

The fairness ratio was also calculated on the basis of compensation paid in the wider scope of employees other than the corporate officers of Bel SA, FBPF and Fromagerie Boursin, which represent 79% of headcount in the consolidated scope in France.

	2016	2017	2018	2019	2020
Change (%) in compensation paid to Antoine Fiévet, Chairman and Chief Executive Officer	39%	-7%	-1%	-16%	56%
Change (%) in average employee compensation	1%	2%	1%	0%	6%
Ratio in relation to the average employee compensation	35.84	32.61	31.99	26.99	39.88
Change (%) in ratio relative to the previous year	37%	-9%	-2%	-16%	48%
Ratio in relation to the median employee compensation	48.05	44.40	42.89	36.38	54.15
Change (%) in ratio relative to the previous year	39%	-8%	-3%	-15%	49%

The table below shows change in the Company's performances over the last five years:

Bel (in millions of euros)	2016	2017	2018	2019	2020
Sales	2,936	3,346	3,312	3,403	3,456
Change (%) relative to the previous year	-0.4%	14.0%	-1.0%	2.7%	1.5%
Recurring operating income	327	226	204	239	263
Change (%) relative to the previous year	11.6%	-30.9%	-9.7%	17.2%	11.0%
Net profit from consolidated entities	217	186	100	124	153
Change (%) relative to the previous year	15.4%	-14.3%	-46.2%	24.0%	18.4%

Information on non-executive corporate officers

Non-executive corporate officers	Amounts awarded during 2020	Amounts paid during 2020	Amounts paid during 2019	Amounts paid during 2018
Thierry Billot				
Compensation ^(b)	€108,000	€108,000	€95,000	€85,000
Other compensation (services to Unibel) ^(b)	€28,800	€28,800	€28,800	€6,000
Fatine Layt				
Compensation ^(b)	€29,800	€29,800	€28,800	€28,800
Other compensation (services to Unibel) ^(b)	€21,600	€21,600	€21,600	€6,000
Joëlle Pacteau				
Compensation ^(b)	€2,700	€2,700	-	-
Other compensation (Vice-Chairwoman of Unibel's Supervisory Board)				
Other compensation (Chairwoman of the Unibel Appointments and Compensation Committee) ^(b)				
Cécile Tandeau de Marsac				
Compensation ^(b)	€8,100	€8,100	-	-
Luc Luyten				
Compensation ^{(b) (d)}	€10,800	€10,800	€18,900	€13,500
Other compensation (Chairman of Unibel's Supervisory Board)(d)	€39,000	€39,000	€75,000	€75,000
Ernst Pankert				
Compensation ^(b) (excluding that paid by Unibel)	€21,600	€21,600	€16,200	€5,400
Philippe Perche				
Compensation ^(b)	€45,600	€45,600	€31,500	€16,400
Other compensation (employee of Fromageries Bel Production France)	€41,436	€41,436	€41,436	-
Nathalie Roos				
Compensation ^(b)	€22,000	€22,000	€14,000	€18,000
Florian Sauvin				
Compensation ^(b)	-€	-€	-€	
Other compensation (member of Unibel's Management Board) ^(c)	€54,403	€124,018	€193,896	€194,971
Bruno Schoch, permanent representative for Unibel				
Compensation ^(b)	-€	-€	-€	
Other compensation (Chairman of Unibel's Management Board) ^(c)	€596,065	€616,058	€870,426	€1,223,276
Unibel ^(a)				
Director's fees	-€	-€	-€	-€

(a) Unibel, no compensation as provided for in Article L. 225-45 of the French Commercial Code.

(b) Gross compensation as provided for in Article L. 225-45 of the French Commercial Code.

(c) Compensation in respect of the management of Unibel's governance bodies

(d) The functions of Luc Luyten as member of the Bel Appointments and Compensation Committee and Vice-Chairman of the Unibel Supervisory Board ended on July 29, 2020 and May 14, 2020, respectively.

Since the 2012 fiscal year, the fixed annual portion of compensation paid to Directors has been set at €10,000 and the variable portion at €2,000 per Board meeting, subject to actual attendance. The compensation awarded to the Lead Independent Director is set at €20,000 for the

fixed portion and €4,000 per meeting for the variable portion. Compensation for Board committee members is as follows: the committee chair receives €5,000 per meeting and the committee members receive €2,700 per meeting attended.

4.2.3 ELEMENTS OF TOTAL COMPENSATION AND BENEFITS OF ALL TYPES PAID DURING OR AWARDED IN RESPECT OF THE FISCAL YEAR UNDER REVIEW TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In accordance with the principles and criteria of compensation approved by the Combined General Meeting of May 14, 2020 in its ninth ordinary resolution, the elements comprising the compensation and benefits of all types paid during or awarded in respect of 2020 to the Chairman and Chief Executive Officer are set out below.

(in euros)	Financial year 2020	
	Amount awarded	Amount paid
Fixed compensation ^(Note 1)	638,196	635,148
Governance compensation ^(Note 2)	111,600	219,800
Annual variable compensation ^(Note 3)	943,243	642,519
Multi-year variable compensation ^(Note 4)	564,971	464,742
Benefits (company car)	5,835	5,740
TOTAL	2,263,845	1,967,949

Note 1: **Fixed compensation** - As of April 1, 2020, the monthly fixed compensation paid over 13 months was increased to €638,196. As compensation in January, February and March 2020 was paid on the basis of fixed compensation set in 2019, the amount paid was €635,148.

Note 2: **Governance compensation** - While the amounts are awarded during the year, the payments may be made during the following years. The amount paid in 2020 corresponds to the amount awarded for 2020 (€111,600), as well as the amounts awarded for previous years but not yet paid (€108,200).

Note 3: **Annual variable compensation** - Financial year 2020, amount awarded: target variable annual component set at 85% of the fixed annual component and the reference governance compensation (or €637,327). The amount due for the financial year 2020 after applying performance conditions and noting a level of achievement of 148% is €943,243, which will be paid in 2021:

Relative weight of each performance indicator (quantitative and qualitative)	Minimum	Targets	Maximum	Rate of achievement	Cash amount (euros) corresponding to the achievement rate
Quantitative indicator: Organic sales growth	0%	30%	45%	45%	286,797
Quantitative indicator: productivity in relation to the cost of goods sold	0%	15%	22.5%	22.5%	143,398
Quantitative indicator: Free cash flow	0%	30%	45%	45%	286,797
Quantitative indicator: Security (Bel Accident Frequency Rate)	0%	10%	15%	13%	82,852
Qualitative indicator: Strategic achievements	0%	15%	22.5%	22.5%	143,398
Overall achievement rate for 2020 targets				148%	943,243

Financial year 2020, amount paid: amount awarded for 2019 of €642,519, paid in 2020.

Note 4: **Multi-year variable compensation** - Financial year 2020, amount awarded: amount awarded at the end of 2020 for a multi-year cash plan allocated in 2018 for 2018, 2019 and 2020 of €564,971 to be paid in 2021. Performance criteria were all quantitative.

CORPORATE GOVERNANCE

Remuneration and benefits

	Minimum	Targets	Maximum	Rate of achievement	Cash amount (euros) corresponding to the rate of achievement
ROCE and EBITDA	0%	85.00%	85.00%	77.63%	
Multiplier related to innovation and growth	94.12%	100.00%	117.65%	97.06%	
TOTAL	0%	85.00%	100.00%	75.35%	564,951

Financial year 2020, new plan awarded: a cash multi-year plan was awarded in 2020 for 2020-2022. If the performance conditions are achieved in full, the long-term compensation stands at 100% of the fixed compensation and the reference governance compensation when the plan matures (December 31, 2022). As an indication, this base stood at €749,796 on December 31, 2020.

Relative weight of each performance indicator (all quantitative)	Minimum	Targets	Maximum	Cash amount (euros) corresponding to the target**
Free cash flow performance	0%	33.33%	50%	249,907
Innovation rate	0%	33.34%	33.34%	249,982
Carbon footprint	0%	33.33%	50%	249,907
TOTAL	0%	100%	100%*	749,796

* The maximum achievement rate may not surpass 100% of the fixed compensation and the governance compensation.

** As an indication, on a base of €749,796 on December 31, 2020.

Financial year 2020, amount paid: amount paid for an LTI plan in 2018-2019 of €464,742, paid in 2020.

4.2.4 PROVISIONS BOOKED FOR PAYING PENSIONS, RETIREMENT OR OTHER BENEFITS TO MEMBERS OF THE EXECUTIVE COMMITTEE

Executive corporate officers and members of the Executive Committee have access to the same retirement and health plans as the Group's senior managers. Apart from that stated in the previous section, there are no Company or Group obligations on their behalf with regard to paying pensions, retirements or other benefits. Executive

Committee members may receive the end-of-career allocation established by labor law, collective agreements and company agreements. These end-of-career payments are set aside under the conditions detailed in Note 4.11 to the consolidated financial statements, "Employee benefits", found in section 5.5.1, "Consolidated financial statements".

4.3 RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES

4.3.1 DEFINITIONS AND OBJECTIVES

Internal control is a set of resources, behaviors, procedures and actions adapted to the Company's specific characteristics which:

- must enable it to counteract the major risks that it may encounter, whether these are operational, financial or compliance-based;
- thereby promote efficient resource use and operations.

In accordance with the definition of the reference framework published by the AMF, the current internal control in the Bel Group aims specifically to ensure that:

- targets set by the Board of Directors are effectively reached;
- management and production actions in industrial and commercial operations comply with laws and regulations and with the internal rules applicable to the Group;

- the Group's material and intellectual property are protected;
- fraud and errors are prevented and detected;
- the financial and accounting information detailing the Group's activity and prospects is of the requisite quality and is produced in due time.

The internal control process currently operates within the entire Group comprising Bel and its French and foreign subsidiaries.

As is the case with any control system, the internal control process cannot offer an absolute guarantee that all risks of error or fraud are completely eliminated or fully controlled.

4.3.2 INTERNAL CONTROL ENVIRONMENT OF THE COMPANY

Board of Directors

The Board of Directors takes all decisions relating to the Company's major strategic, economic, labor-related, corporate, 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 affecting the conduct of the Company's business. At each Board meeting, the Chairman informs the Directors of the main facts and significant events relating to the Group that have occurred since the last Board meeting. Each Board meeting is also an opportunity to take stock of the Company's business and prospects.

Senior Management

Internal control is implemented within the Group under the impetus of the Chairman and Chief Executive Officer. They rely on an Executive Committee which is in charge of the operational coordination required for the correct running of the Group's strategy and policies.

Operating Departments and Support Functions

Everyone at the Group is involved in the internal control process. All managers and employees at their respective levels within the organization play a role in controlling activities. Line and staff managers ensure efficient mitigation of the risks associated with their areas.

Within the various business lines, a cross-departmental structure supports local industrial activities, purchasing, supply chain, research and innovation, product regulation, marketing, commercial strategy and cross-departmental networks. The support functions – namely Finance, IT, Human Resources and Organization, Communications, Legal and Risk, CSR (corporate social responsibility) – reinforce this structure.

Risk Management Department

The Risk Management Department reports to the Group's Secretary General and Legal Director. This Department is responsible for developing and deploying a global risk management strategy, identifying and assessing risks with Group and regional departments and following up on the action plans put in place to address them.

It provides a process and tools to develop and regularly update risk mapping at the Group, business and local levels. It coordinates action plans to mitigate Group risks with a network of risk owners and provides an overview of risk management to the Executive Committee and Audit Committee.

Moreover, it leads and coordinates the crisis management system for the Group, the aim of which is to prevent crises as far as possible, and to reduce their impact on people, reputation, the environment and assets. It ensures that operating entities are properly prepared for crisis management.

CORPORATE GOVERNANCE

Risk management and internal control procedures

Internal Control Department

A coordination unit for updating Group procedures, attached to the Group's Financial Control Department, ensures these procedures are appropriate for the internal control rules as and when changes occur in the corporate structures. All the Group's procedures, as well as a description of the main processes and user guides for information systems, are available in French and English on its intranet site. Respect of segregation of tasks and access to transactions in the systems are the object of specific monitoring. Moreover, each Group subsidiary carries out an annual diagnosis of its maturity in terms of internal control under the responsibility of its head of operations. This self-assessment is carried out based on an internally defined control protocol. All the work of the subsidiaries is formalized in a tool that centralizes and monitors the work carried out, in particular by internal auditors.

Internal Audit Department

The Internal Audit Department reports to the Chair of the Audit Committee. The purpose of the Internal Audit Department is to provide reasonable assurance on the level of controls for risks that would threaten:

- effective, efficient operations;
- asset protection;
- the reliability and integrity of financial and operational information;
- compliance with laws, regulations and contracts.

Internal audit is an independent, objective activity that provides advice to Senior Management and the Audit

Committee to improve and reinforce security and operational effectiveness and efficiency. It helps the organization meet its targets by assessing its risk, control and corporate governance processes, using a systematic, methodical approach.

The Internal Audit Department reports to the chair of the Audit Committee and the Group Finance Director. It works closely with Senior Management.

The Internal Audit Director reports regularly to the Audit Committee and Senior Management on the overall level of operational control and significant anomalies affecting the risk management, control and corporate governance processes of the organization and its subsidiaries and recommends improvements to these processes.

The scope of operation of the Internal Audit Department extends to the entire organization and its subsidiaries. It encompasses all administrative, accounting and financial, functional and operational areas and processes within the Group.

Limits and delegation of power

In its Internal Regulations, the Company's Board of Directors establishes internal limits on the powers of the Chief Executive Officer and Deputy General Manager (for further information, see section 4.1.4, "Board and Committee organization and workings"). Furthermore, the Company has implemented delegations of power (delegations of liability) adapted to its structure and to the level of responsibility of the employees for whom they are intended. The Legal and Risk Department monitors this in conjunction with the Human Resources Department.

4.3.3 MANAGING MAJOR RISKS

The Group regularly assesses the external and internal risks to which it is exposed, particularly those incurred by the production and marketing of food products.

Thanks to the overall risk management system and to the specific procedures accompanying it, the Company's supervisory bodies ensure that risks are properly dealt with and do not compromise the achievement of the Company's objectives.

Risks inherent to the Group's businesses are taken into account when drawing up the budgets and setting targets for the Bel Group and its subsidiaries.

Some internal control procedures implemented by the Company are based on the balance between the level of control and the Group's specific challenges and targets. For further information, see section 2.1 "General risk management policy".

4.3.4 PROCEDURES FOR PREPARING AND PROCESSING THE COMPANY'S ACCOUNTING AND FINANCIAL INFORMATION

Organization of Accounting, Finance, Legal, Information Systems and Risk Management Departments

The Group's Finance and IT Departments on the one hand and the Legal and Risk Department on the other, report respectively to the Vice-Chairman and the General Secretary - Legal Director.

They cover:

- the Financial Control Department;
- the Treasury and Insurance Department;
- the Tax Department;
- the Finance Departments for the markets, operations and growth strategies areas;
- the Information Systems Department;
- the Internal Audit Department;
- the Legal and Risk Department.

Finance Department

The Finance Department is responsible for the monthly production of all the Group's consolidated financial information, encompassing both statutory and management data.

It prepares and reports monthly to the Executive Committee on the Group's management performance indicators in an in-house format specifically designed for the Group's business.

It is also responsible for steering the Group budget process and the various estimates performed over the year.

It coordinates and updates financial procedures uploaded to the intranet and ensures that these procedures are consistent with the internal control rules. It is responsible for the various charts of accounts deployed in the Group's financial reporting tools (statutory and management).

It presents the main issues to be addressed in the consolidated financial information to the Audit Committee at least twice a year and coordinates operations with the external auditor's subsidiaries. It participates in organizing the reporting and consolidation process of non-financial performance indicators.

Treasury and Insurance Department

This Department is responsible for managing all liquidity and insurance operations carried out within the Bel Group.

It is specifically responsible for:

- setting up Group financing with banks and investors such as commercial paper, bank financing and debt financing;
- interest rate and foreign exchange hedging required to cover the exposure of Group entities. This activity is centralized within the Treasury Department;
- the Group's cash management. Cash management includes cash pooling (at the Bel level), netting (payment of inter-company invoices), and the payment factory (a centralized payment solution for all entities that share a common convertible currency). The payment factory pays suppliers, wages and taxes through secure payment systems;
- managing relationships with banks;
- taking out Group insurance.

The Treasury Department has the teams and tools necessary to manage its operations. It reports on its activities to the Finance Department on a monthly basis. It regularly reports on the status of exchange rate and interest rate hedging as well as the Group's liquidity status to the Audit Committee.

Tax Department

This Department is responsible for defining and applying the procedures linked to the regulations and fiscal strategies of the Bel Group.

Its scope of operation has as much to do with Group issues as successfully controlling fiscal procedures and potential risks in the various countries in which the Bel Group operates. Its activities are coordinated with those of Financial Directors of subsidiaries.

Information Systems Department

Information systems are centralized and managed for the Bel Group by the Information Systems Department reporting to the VP.

The Bel Group has implemented an integrated information system based for the most part on SAP tools. The Information Systems Department ensures system maintenance, updating and security.

Legal and Risk Department

This Department is responsible for the legal certainty of the transactions carried out by the Group. It is responsible for monitoring the legal certainty of all of the Group's obligations in France and abroad. It relies, where necessary, on the expertise of external consultants for specific legal issues or issues linked to local regulations. As part of its responsibilities, it acts upstream in an advisory capacity to Senior Management and the various departments of the Group's subsidiaries. It is responsible for managing any potential disputes. It also monitors the legal protection of the Group's brands and compliance with economic and financial regulations.

This Department also ensures, through its overall risk management system, that risks are correctly identified and

addressed and do not compromise the Company's objectives. It helps to control and reduce the exposure of tangible and intangible assets to guarantee a secure future for the Company.

Yearly and half-yearly Group consolidated financial statements

The Group approves half-yearly and annual consolidated financial statements on June 30 and December 31 every year.

The subsidiaries issue restated financial statements for consolidation purposes in accordance with the Group's accounting rules and following the instructions issued by the Finance Department.

The main options and significant accounting estimates are anticipated and presented to the Audit Committee. A precise documentation is kept of the options retained.

4.4 RELATED-PARTY TRANSACTIONS

4.4.1 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS

Annual General Meeting held to approve the financial statements for the year ended December 31, 2020

To the Annual General Meeting of Bel shareholders,

In our capacity as statutory auditors of your company (the "Company"), we hereby present our report on related party agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the principal terms and conditions of, and reasons for the Company's interest in, the agreements brought to our attention or of which we may have become aware during the course of our audit assignment. It is not our role to determine whether they are beneficial or appropriate or to ascertain whether any other such agreements exist. In accordance with Article R. 225-31 of the French Commercial Code (Code de commerce), you are responsible for assessing the merit of these agreements for the purpose of approving them.

Under Article R. 225-31 of the French Commercial Code, we are also responsible for informing you, where appropriate, of the agreements already approved by previous Annual General Meetings that were implemented over the course of the past year.

We performed the procedures that we deemed necessary in accordance with the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) applicable to this

assignment. These procedures entailed verifying that the information provided to us was consistent with the relevant source documents.

Agreements submitted for approval at the Annual General Meeting

Agreements authorized and entered into during the past financial year

We inform you that we have not been notified of any agreements authorized and entered into during the past financial year to be submitted for approval at the Annual General Meeting in accordance with Article L. 225-38 of the French Commercial Code.

Agreements authorized and entered into since year-end

We were informed of the following related party agreement authorized and entered into since year-end and previously authorized by your Board of Directors.

Unilateral purchase commitment made by SOFIL towards SICOPA

On March 18, 2021, Société Industrielle Commerciale et de Participation ("SICOPA"), in which the Company holds all the shares and voting rights, and Société pour le Financement de l'Industrie Laitière ("SOFIL") signed a unilateral purchase commitment made by SOFIL towards SICOPA (hereinafter the "Put Option Agreement") to exchange 1,591,472 shares issued by the Company (corresponding to 23.16% of its share capital) and owned by SOFIL for (i) the entire share capital of Royal Bel Leerdammer BV, Bel Italia, Bel Deutschland and Bel Shotska Ukraine and (ii) the "Leerdammer" brand and all rights attached to the brand (hereinafter the "Exchange Project").

SICOPA could exercise the Put Option Agreement once the process of informing-consulting the employee representative bodies of the companies concerned by the Exchange Project has been completed.

Should the Put Option Agreement be exercised, Bel, SICOPA and SOFIL would enter into a share exchange agreement (hereinafter the "Share Exchange Agreement").

SOFIL is a shareholder with more than 10% of voting rights in the Company, which would also indirectly benefit from the Put Option Agreement, the exercise of which would subsequently lead to the signature of the Share Exchange Agreement; consequently, at its meeting held on March 18, 2021, your Board of Directors previously authorized the signing of the Put Option Agreement in accordance with the procedure set forth in Articles L. 225-38 et seq of the French Commercial Code.

The Exchange Project would be the first of three stages of a planned operation to restructure the Company's share capital (hereinafter the "Operation").

During the authorization process, your Board of Directors particularly noted the following aspects that would be in the Company's interests if the Put Option Agreement were signed:

- the valuation of Bel shares used to calculate the exchange parity rates selected by the parties to the Exchange Project, based on the usual criteria for an independent expertise assignment, prices Bel shares at €440 each and reflects a premium of 16.4% above the closing price on March 17, 2021, of 21.8% above the volume-weighted average price over one month, and of 34.2% above the volume-weighted average price over six months;
- an appraisal by the Company's financial consultants of the financial aspects of the Exchange Project confirmed that the Company is attractively valued based on the exchange parity rates selected;
- the Exchange Project and the Operation more generally are fully consistent with Bel's strategy of repositioning itself in the fast-growing healthy snacking segment, in which the Group continues to innovate and expand;
- the Exchange Project is the first stage of the Operation and will enable the Group to steer its investments for the purposes of this strategy and in particular its growth in the plant-based category;
- the Lactalis group's significantly reduced role in the ownership structure will give the founding families more control and also make it easier to finance the company's growth;

- the Share Exchange Agreement, which will first be submitted to your Board of Directors for approval, will be definitively signed once the process of informing-consulting the employee representative bodies has been completed; and
- an independent expert was appointed on March 18, 2021 to certify that the parity rates selected for the purposes of the Exchange Project are fair.

The persons concerned are as follows:

- SOFIL (part of the Lactalis group), a shareholder in the Company with more than 10% of voting rights;
- Antoine Fiévet, Chairman and Chief Executive Officer of Bel and Chairman of SICOPA.

Agreements previously approved by Annual General Meetings

Agreements authorized in previous years and remaining in force during the past financial year

Pursuant to Article R. 225-30 of the French Commercial Code, we were informed that the following agreements already approved by Annual General Meetings in previous years remained in force in 2020.

Agreements with Unibel

The persons concerned are as follows:

- Unibel, a shareholder in the Company with more than 10% of voting rights;
- Antoine Fiévet, Chairman and Chief Executive Officer of Bel and a member of Unibel's Management Board;
- Florian Sauvin, a director of Bel and Chairman of Unibel's Supervisory Board;
- Bruno Schoch, a permanent representative of Unibel, a director of Bel and Chairman of Unibel's Management Board.

a) Cash management agreement

At its meeting on October 11, 2007, your Board of Directors authorized an agreement between the companies Bel and Unibel. Under this agreement, Unibel granted cash facilities to the Company up to a ceiling of €15,000,000.

In a rider authorized by the Board of Directors on May 14, 2008 and signed on the same day, this amount was increased to €25,000,000.

In a second rider authorized by your Board of Directors on December 17, 2008 and signed on December 18, 2008, the parties agreed to eliminate the ceiling on the cash facility granted by Unibel to Bel.

In a third rider authorized by your Board of Directors on August 26, 2009 and signed on August 28, 2009, the rate of interest, based on the EONIA daily rate, was changed. With retroactive effect from July 1, 2009, the rate was set at the EONIA rate plus 80 basis points, up from 20 basis points previously.

A fourth rider authorized by your Board of Directors on March 22, 2012 changed the rate of interest. With retroactive effect from January 1, 2012, the rate was set at the EONIA rate plus 120 basis points, up from 80 basis points previously.

On November 12, 2014 the Board of Directors decided to increase the interest rate applied to the cash facility granted, based on the EONIA daily rate, to 100 basis points, effective as of January 1, 2015, given the stabilizing effect on liquidity this represents for the Company. The other clauses of the original agreement between the parties remain unchanged.

On December 31, 2020, the amount of interest expense recognized for the period totaled €391,183.74, while the cash facility granted by Unibel totaled €63,755,090.44.

b) Service agreement with Unibel

At its meeting of December 12, 2001, your Board of Directors authorized a service provision agreement between your Company and Unibel.

In a rider authorized by your Board of Directors on November 13, 2012, the automatic renewal clause was amended to cover an indefinite period while the notes related to the nature of the services rendered and the nature of the costs incurred by Unibel were updated.

For the 2020 financial year, the amount invoiced by Unibel to your Company totaled €5,215,500 net of tax.

Neuilly-sur-Seine et Paris-La Défense, March 31, 2021

The Statutory Auditors

Grant Thornton

French member firm of Grant Thornton International

Virginie PALETHORPE

Deloitte & Associés

Jean-Pierre AGAZZI

4.4.2 RELATED PARTIES

Information covering related parties is presented in Note 8 to the consolidated financial statements presented in section 5.5.1, "Consolidated financial statements as of Thursday, December 31, 2020", of this Universal Registration Document.

Unibel, the Fiévet-Bel family company, owns more than two thirds of the share capital and voting rights of Bel. Unibel is the Group's coordinating holding company. It discusses and defines strategic guidelines for the Group as a whole; its management team draws up and develops economic, political and financial strategic scenarios; and it oversees their implementation. Unibel also renders specific services. These services, which are mainly composed of personnel expenses, are billed at cost to Bel, plus a fixed margin of 10%, in application of the contract dated December 14, 2001 and its amendment of November 13, 2012. The compensation of Unibel's corporate officers, who are also managers of Bel, is undertaken by Unibel alone.

As of December 31, 2020, the amount of related-party transactions included €5.4 million paid to Unibel (holding company), of which €5.0 million in personnel expenses billed back to Bel SA under the service agreement signed on December 14, 2001, and €8.3 million in operating expenses billed back to Bel SA by unconsolidated Group entities (Bel Proche et Moyen-Orient Beyrouth, Bel Middle East, and others).

Related parties' associated payables and current accounts mainly concerned Unibel (holding company) with a €63.8 million current account versus €78.5 million at December 31, 2018 (see Note 4.14 in the Appendix to the consolidated financial statements).

Unibel shares held by SOFICO were valued at €115.8 million based on the closing share price on December 31, 2020.

The Group had no significant off-balance sheet commitments with related parties.

In July 2020, Bel launched The Laughing Cow® Simply, a product accessible to families with lower purchasing power, in Algeria. This new recipe, which combines dairy and plant-based raw materials, was designed to meet consumers' nutritional needs and is enriched with calcium, vitamin A and vitamin D.



FINANCIAL AND ACCOUNTING INFORMATION

5.1	Historical financial information	144	5.7	Date of latest financial information	237
5.2	Pro forma financial information	144	5.8	Financial information for interim and other periods	237
5.3	Review of financial position and results	145	5.9	Dividend policy	237
5.4	Cash and cash equivalents and capital resources	146	5.10	Legal and arbitration proceedings	237
5.5	Financial statements	148	5.11	Significant change in the financial or trading position	238
5.6	Verification of annual financial information	235			

5.1 HISTORICAL FINANCIAL INFORMATION

In accordance with Article 19 of Regulation (EU) n° 2017/1129 of the European Parliament and of the Council of 14 June 2017, this Universal Registration Document incorporates the following information for reference:

- the consolidated financial statements for the fiscal year ended December 31, 2019 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the Statutory Auditors' report on the consolidated financial statements for the fiscal year ended December 31, 2019, on pages 133 and subsequent of the Universal Registration Document filed with the AMF on April 3, 2020, under filing number D.20-0244;
- the consolidated financial statements for the fiscal year ended December 31, 2018 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the Statutory Auditors' report on the consolidated financial statements for the fiscal year ended December 31, 2018, on

pages 127 and subsequent of the Universal Registration Document filed with the AMF on April 3, 2019, under filing number D.20-0257;

- the Company's annual financial statements for the fiscal year ended December 31, 2019, and the Statutory Auditors' report on the annual financial statements for the fiscal year ended December 31, 2019, on pages 182 and subsequent of the Universal Registration Document filed with the AMF on Friday, April 3, 2020, under number D. 20-0244;
- the Company's annual financial statements for the fiscal year ended December 31, 2018, and the Statutory Auditors' report on the annual financial statements for the fiscal year ended December 31, 2018, on pages 177 and subsequent of the Registration Document filed with the AMF on April 3, 2019, under number D.19-0257;

These two Registration Documents are available on the websites of the AMF (www.amf-france.org) and the Company (www.groupe-bel.com).

5.2 PRO FORMA FINANCIAL INFORMATION

This paragraph is not applicable.

5.3 REVIEW OF FINANCIAL POSITION AND RESULTS

5.3.1 FINANCIAL POSITION

As part of its active debt management, in 2020, the Group successfully undertook its first private bond issue in the form of a USPP under French law of \$150 million maturing in November 2035, with a view to diversifying its financing sources, extending the average maturity of its debt,

strengthening its dollar-denominated debt, which benefiting from attractive financial conditions.

At the same time, the Group redeemed early its depreciable term loan of \$95 million due to mature in 2023.

The change in the Group's financial position as of December 31, 2020 can be summarized as follows:

(in millions of euros)	2020	2019	2018
Total equity	1,858.7	1,810.1	1,739.6
Net financial debt	584.1	684.2	754.9
Net financial debt/total equity	0.31	0.38	0.43

* See detail of financial net debt in Note 4.14

On December 31, 2020, the Bel Group's balance sheet was healthy and solid. Total share capital stood at €1,858.7 million on December 31, 2020 vs. €1,810.1 million on December 31, 2019. Net financial debt, including right of use debt related to application of IFRS 16, totaled €584.2 million, showing a €684 million decrease relative to the year-earlier period.

Further information about the financial position of the Company and the Group is disclosed in section 5.4.2 and section 5.5 "Financial statements" of this Universal Registration Document.

5.3.2 REVENUE AND OPERATING INCOME

In a year affected by an unprecedented economic and health crisis, the Bel Group generated 2020 sales of €3,455.8 million, up 1.5% relative to the year-earlier period. Organic growth⁽¹⁾ continued to increase to reach 2.8%. Excluding the hyperinflationary environment in Iran, it stood at 3.2%. The forex effect included stood at -1.7% (€58.7 million).

Organic growth in full-year sales was driven by positive momentum in core brands, especially Boursin®, Kiri®, Leerdammer® et GoGo squeeZ® in all of the Group's markets. 2020 was affected by the return to growth at Bel France, Bel US, and the Laughing Cow® brand, as well as the return to a positive growth path for MOM. Finally, sales of

industrial and unbranded products were down 5% relative to the previous year, due to the decline in cream prices.

Operating profit rose 16.1% to €245 million, reflecting the improvement in gross margin, the high level of productivity throughout the year, excellent operating execution and cost-cutting efforts. Operating margin therefore widened by 90 basis points to 7.1%.

This increase was driven by the improvement in operating performance, in both Global Markets and New Territories ⁽²⁾.

The healthy sales performances and optimization of stock management prompted a sharp increase in operating cash flow⁽³⁾ to more than €386 million.

(1) Organic growth corresponds to reported sales growth, excluding impacts from foreign exchange fluctuations and changes in the scope of consolidation and inflation in Iran. Since Iran has been considered as a hyperinflationary economy since 2020, the inflation impacts (based on changes in the consumer price index - CPI) have been adjusted for in the calculation of organic sales growth.

(2) Including the MOM (Mont-Blanc, Materne) activities and the Sub-Saharan African, Latin American and Chinese markets.

(3) Operating cash flow corresponds to cash flow generated by operating activities.

5.4 CASH AND CASH EQUIVALENTS AND CAPITAL RESOURCES

5.4.1 INFORMATION ABOUT THE ISSUER'S EQUITY

Information pertaining to the Group's equity is disclosed in paragraph 5.5.1 of the present Universal Registration Document.

5.4.2 SOURCES AND AMOUNTS OF THE GROUP'S CONSOLIDATED CASH FLOW

Information relating to cash flow is disclosed in paragraph 5.5.1 of this Universal Registration Document. It can be summarized as follows:

(in millions of euros)	2020	2019	2018
Cash from operations before changes in WCR	399.6	336.0	309.2
Income taxes paid	(45.3)	(45.2)	(24.9)
Change in operating WCR	31.9	18.8	(33.6)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	386.2	309.6	250.7
Cash flows from (used in) operating activities	386.2	309.6	250.7
Cash flows from (used in) investing activities	(178.1)	(150.5)	(173.3)
Cash flows from (used in) financing activities	(21.5)	(77.2)	(212.2)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	186.6	81.9	(134.9)
Effect of foreign exchange rate fluctuations	(9.9)	(6.3)	(5.6)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	176.8	75.6	(140.4)
Net cash and cash equivalents at the beginning of the period	403.4	327.8	468.2
Net cash and cash equivalents at the end of the period	580.1	403.4	327.8
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	176.8	75.6	(140.4)
Gross financial debt	1,166.3	1,090.7	1,083.5
Current used banking facilities	10.2	2.3	9.4
Cash and cash equivalents	(590.3)	(405.7)	(337.2)
Other financial assets	(2.0)	(3.1)	(0.9)
NET FINANCIAL DEBT	584.1	684.2	754.9

Overall net financial debt includes, on December 31, 2020 and December 31, 2019, debt, debt for right of use for respectively €111.1 million and €102 million.

5.4.3 BORROWING TERMS AND CONDITIONS AND FUNDING STRUCTURE

Detailed information relating to the Group's financing activities is disclosed in Notes 4.14 and 4.15 to the consolidated financial statements.

5.4.4 RESTRICTIONS ON THE USE OF CAPITAL RESOURCES

At December 31, 2020, the Group possessed the financing capacity to meet its funding needs for internal or external growth. For certain financing lines (syndicated credit lines, EURO and US Private Placement, *Schuldschein* loan), Bel has pledged to respect a financial leverage ratio of less than 3.75 throughout the duration of its loans. The ratio's calculation method was changed in 2020 to reflect the integration of the IFRS 16 accounting standard. The financial leverage ratio now designates the amount of consolidated net debt⁽¹⁾, including lease liabilities divided by EBITDA on the basis of the Group's consolidated current operating income⁽²⁾, excluding depreciation and amortization and financial expenses relative to right of use. The ratio is tested at least once a year. Failure to meet the ratio could trigger the repayment of a significant part of the debt.

At December 31, 2020, the financial leverage ratio was 1.45 compared with 1.86 a year earlier with the proforma IFRS 16 (see Note 4.15 to the consolidated financial statements, as presented in paragraph 5.5.1).

On December 31, 2020, the Group had a considerable amount of cash and cash equivalents, of €580 million in consolidated terms, including €524 million at Bel SA.

Available cash in North African and Middle Eastern countries amounted to €34 million on December 31, 2020 and represented the majority of the non-centralizable cash available.

5.4.5 ANTICIPATED SOURCES OF FUNDS

Investments are financed, either by operating cash flows generated by the Group, or by use of bank financing, including factoring, NEU CP (New European Commercial

Paper) and NEU MTN (New European Medium Term Note) or private placements such as EURO and US Private Placement, *Schuldschein*, and public bond issues.

(1) Net financial debt is described in Note 4.14 to the consolidated financial statements. It consists of long- and short-term borrowings, long- and short-term liabilities related to assets held under finance lease, current used banking facilities, and cash and cash equivalents. Finance lease liabilities were excluded when calculating the covenant.

(2) EBITDA is defined as current operating income plus provisions and reversals of provisions and amortization, charged to current operating income.

5.5 FINANCIAL STATEMENTS

5.5.1 CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

INCOME STATEMENT

(in millions of euros)	Notes	December 31, 2020	December 31, 2019 ^(a)
SALES	3.1	3,455.8	3,403.2
Cost of goods and services sold	3.2	(2,448.2)	(2,433.7)
GROSS MARGIN		1,007.6	969.5
Sales and marketing expense	3.2	(432.3)	(438.0)
Research and development expense	3.2	(30.5)	(26.7)
Administrative and general overhead expense	3.2	(281.3)	(266.6)
Other operating income and expense	3.2	(0.4)	(1.2)
RECURRING OPERATING INCOME		263.1	236.9
Other non-recurring income and expense	3.3	(18.4)	(26.1)
OPERATING INCOME		244.7	210.8
Income from cash and cash equivalents	3.4	1.0	1.6
Cost of gross financial debt	3.4	(26.6)	(28.5)
NET COST OF FINANCIAL DEBT		(25.6)	(26.9)
Other financial income and expense	3.4	(1.7)	(1.3)
PRE-TAX PROFIT		217.4	182.6
Income tax expense	3.5	(64.5)	(58.4)
NET PROFIT FROM CONSOLIDATED ENTITIES		152.9	124.2
Non-controlling interests		(9.2)	(2.8)
CONSOLIDATED NET PROFIT - GROUP SHARE		143.8	121.4
Earnings per share	3.6	21.18	17.88
Diluted earnings per share	3.6	21.18	17.88

(a) Since 2020, severance costs for non-replaced employees as well as costs related to fixed asset retirements are presented in recurring operating income, if they do not stem from a reorganization decided by the Executive Committee. At end-2019, an expense of €1.9 million was reclassified from other non-recurring income and expense to the other recurring operating income and expense line item.

The notes to the financial statements form an integral part of the consolidated financial statements.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	Notes	2020	2019
Net profit/(loss) for the period		152.9	124.2
OTHER ITEMS OF COMPREHENSIVE INCOME			
Non-reclassifiable items			
Actuarial gains and losses arising from retirement obligations	4.11	(1.7)	(6.9)
Income tax impact		(0.4)	1.8
Actuarial gains and losses arising on financial assets	4.9.1	2.0	(30.5)
Income tax impact		(1.4)	7.6
Reclassifiable items			
Translation difference		(83.2)	12.4
Gains and losses on cash flow hedging	4.15		
Amounts recognized in equity		16.2	(2.3)
Income tax impact		(4.4)	(0.4)
TOTAL RECOGNIZED TO EQUITY		(72.9)	(18.2)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		80.0	106.0
Group share		76.6	101.7
Non-controlling interests		3.4	4.3

The notes to the financial statements form an integral part of the consolidated financial statements.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

Consolidated balance sheet

ASSETS

(in millions of euros)

	Notes	December 31, 2020	December 31, 2019
NON-CURRENT ASSETS			
Goodwill	4.1	848.2	786.3
Other intangible assets	4.2	627.7	649.4
Property, plant and equipment	4.3.1	949.4	992.2
Property, plant and equipment - right of use	4.3.2	105.3	99.8
Financial investments	4.4	128.4	123.6
Other financial assets	4.4	6.3	10.0
Loans & advances	4.4	12.8	11.8
Trade and other receivables	4.7	1.2	1.5
Deferred tax assets	4.8	15.7	20.9
TOTAL		2,694.9	2,695.3
CURRENT ASSETS			
Inventories and work-in-progress	4.6	371.2	372.6
Trade and other receivables	4.7	434.2	506.3
Other financial assets	4.4	21.5	5.8
Loans & advances	4.4	1.1	1.3
Current tax assets	4.4	39.6	34.4
Cash and cash equivalents	4.14	590.3	405.7
TOTAL		1,458.0	1,326.1
TOTAL ASSETS		4,152.9	4,021.4

The notes to the financial statements form an integral part of the consolidated financial statements.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

EQUITY AND LIABILITIES

(in millions of euros)	Notes	December 31, 2020	December 31, 2019
Share capital	4.9	10.3	10.3
Additional paid-in capital		22.0	22.0
Reserves		1,758.9	1,707.4
Treasury shares	4.9	(23.3)	(23.3)
EQUITY - GROUP SHARE		1,767.9	1,716.4
NON-CONTROLLING INTERESTS		90.8	93.7
EQUITY		1,858.7	1,810.1
NON-CURRENT LIABILITIES			
Provisions	4.10	6.1	6.5
Employee benefits	4.11	79.6	78.7
Deferred tax liabilities	4.8	275.9	257.3
Lease liabilities – over one year	4.14	87.9	83.1
Long term borrowings and financial liabilities	4.14	850.3	816.4
Other liabilities	4.12	63.1	61.0
TOTAL		1,362.9	1,303.1
CURRENT LIABILITIES			
Provisions	4.10	5.2	5.1
Employee benefits	4.11	6.0	6.3
Lease liabilities – less than one year	4.14	23.1	19.2
Short term borrowings and financial liabilities	4.14	204.9	172.0
Other financial liabilities	4.16	0.0	4.3
Trade payables and other liabilities	4.13	653.0	667.9
Tax payable liabilities		28.9	31.1
Current bank facilities and other borrowings	4.14	10.2	2.3
TOTAL		931.4	908.2
TOTAL EQUITY AND LIABILITIES		4,152.9	4,021.4

The notes to the financial statements form an integral part of the consolidated financial statements.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in millions of euros)	Note	Number of shares outstanding	Share capital	Additional paid-in capital	Translation differences	Treasury shares	Consolidated income	Reserves and accumulated consolidated profit (loss)	Equity - Group share	Non-controlling interests	Total consolidated equity
BALANCE AT DECEMBER 31, 2018		6,787,373	10.3	22.0	(132.7)	(23.4)	96.5	1,675.0	1,647.7	91.9	1,739.6
Appropriation of earnings from prior year							(96.5)	96.5	0.0		0.0
Dividends paid								(33.6)	(33.6)	(2.5)	(36.1)
Profit (loss) for the period							121.4		121.4	2.8	124.2
Other items of comprehensive income	4.9				10.9		0.0	(30.5)	(19.6)	1.5	(18.2)
Other changes in value directly recognized in equity								0.5	0.4		0.4
Purchase of treasury shares		(1,123)				(0.3)			(0.3)		(0.3)
Treasury shares distributed		2,085				0.4			0.4		0.4
BALANCE AT DECEMBER 31, 2019		6,788,335	10.3	22.0	(121.8)	(23.3)	121.4	1,707.8	1,716.4	93.7	1,810.1
Appropriation of earnings from prior year							(121.4)	121.4	0.0		0.0
Dividends paid								(23.8)	(23.8)	(2.5)	(26.3)
Profit (loss) for the period							143.8		143.8	9.2	152.9
Other items of comprehensive income	4.9				(77.5)			10.4	(67.1)	(5.8)	(72.9)
Other changes in value directly recognized in equity								(1.3)	(1.3)	(3.8)	(5.2)
Purchase of treasury shares		(453)				(0.1)			(0.1)		(0.1)
Treasury shares distributed		660				0.1			0.1		0.1
BALANCE AT DECEMBER 31, 2020		6,788,542	10.3	22.0	(199.3)	(23.3)	143.8	1,814.5	1,767.9	90.8	1,858.7

The notes to the financial statements form an integral part of the consolidated financial statements.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

CONSOLIDATED CASH FLOW STATEMENT

(in millions of euros)	Notes	2020	2019
Cash flow from (used in) operating activities			
Pre-tax profit		217.4	182.6
Adjustments for:			
Depreciation and write-downs		136.6	108.4
Depreciation and amortization - right of use		21.6	13.8
Capital gains (losses) on disposal		1.1	0.9
Reclassification of net financial income and expenses		21.4	25.3
Reclassification of net financial income and expenses - right of use		5.9	4.6
Other non-cash items on the income statement		(4.5)	0.4
Cash from operations before changes in WCR		399.6	336.0
(Increase) decrease in inventories, receivables and payables	5.1	32.8	14.5
(Increase) decrease in non-current receivables and payables		(0.9)	4.3
Income taxes paid		(45.3)	(45.2)
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES	(1)	386.2	309.6
Cash flow from (used in) investing activities			
Acquisitions of activities		(61.5)	(5.2)
Disposals of activities		0.0	0.0
Acquisitions of tangible and intangible assets	5.2	(120.6)	(153.0)
Disposals of tangible and intangible assets	5.2	0.9	0.9
Investment grant received		5.4	3.7
Acquisitions of financial assets		(6.1)	(7.6)
Disposals of financial assets		1.6	8.6
Dividends received		2.2	2.3
NET CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	(2)	(178.1)	(150.5)
Cash flow from (used in) financing activities			
Dividends paid		(26.3)	(36.1)
Interest paid		(19.7)	(22.3)
Financial interests - right of use		(5.9)	(4.6)
Change in debt resulting from lease contracts		(18.1)	(12.8)
(Increase) decrease in current accounts with entities outside the scope of consolidation	5.3.1	(12.8)	(12.9)
Purchase/(sale) of treasury shares		(0.1)	(0.3)
Borrowings and financial liabilities issued	5.3.2	293.2	242.6
Repayments of borrowings and financial liabilities	5.3.2	(231.6)	(230.8)
NET CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	(3)	(21.5)	(77.2)
NET (INCREASE) DECREASE IN CASH FLOW AND CASH EQUIVALENTS	(1)+(2)+(3)	186.6	81.9
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		403.4	327.8
Effect of foreign exchange rate fluctuations		(9.9)	(6.3)
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4.14	580.1	403.4
At the closing date net cash and cash equivalents comprised the following:			
Marketable securities and money market instruments	4.14	91.0	90.9
Cash on hand and balance with banks	4.14	499.3	314.7
Current used bank facilities including overdrafts and accrued interest	4.14	(10.2)	(2.3)
TOTAL		580.1	403.4

The notes to the financial statements form an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1	Accounting principles, rules and methods	154	NOTE 6	Financial commitments	187
NOTE 2	Changes in the scope of consolidation and changes in the ownership interest of consolidated entities	156	NOTE 7	Litigation and disputes	188
NOTE 3	Income statement	157	NOTE 8	Related parties	188
NOTE 4	Balance sheet	161	NOTE 9	Subsequent events	189
NOTE 5	Cash flows	185	NOTE 10	Consolidation scope	189
			NOTE 11	Statutory auditors' fees	191

NOTE 1 | Accounting principles, rules and methods**1.1 PRESENTATION OF THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS**

Pursuant to Regulation (EC) No. 297/2008 of March 11, 2008 amending Regulation (EC) No. 1606/2002 of July 19, 2002, Bel's consolidated financial statements for the 2020 financial year were prepared in accordance with IFRS as adopted by the European Union and published by the International Accounting Standards Board (IASB) at the date these financial statements were prepared. Closed on December 31, 2020, the financial statements were approved on March 18, 2021 by the Board of Directors.

International accounting standards comprise the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as well as the interpretations of those standards by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

Standards, amendments and interpretations effective and mandatory from January 1, 2020**Amendments to IAS 39, IFRS 7 and IFRS 9 under the framework of the interest rate benchmark reform.**

The effects of application, as of January 1, 2020, of the amendments to IAS 39, IFRS 7 and IFRS 9 under the

framework of the interest rate benchmark reform, were identified and assessed. They have no significant impact on the Group's consolidated financial statements.

Amendment to IFRS 3

The amendment clarifies the current definition of a "business", helping entities to determine whether an acquired set of activities and assets is a business or not. Applicable since January 1, 2020, this amendment had no effect on the Group's consolidated financial statements in 2020.

Other amendments and interpretations issued and applicable from January 1, 2020 had no impact on the Group's consolidated financial statements.

Standards, amendments and interpretations for which application is not mandatory from January 1, 2020 but may be applied early

The Group does not apply early any standard or interpretation that was not mandatory from January 1, 2020.

Standards, amendments and interpretations not yet adopted by the European Union on January 1, 2020

The Group has not applied any standard or amendment not yet adopted by the European Union.

1.2 VALUATION BASIS USED IN THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are prepared according to historical cost with the exception of certain categories of assets and liabilities in accordance with IFRS rules. These categories are mentioned in the following notes.

1.3 USE OF ESTIMATES

In preparing the consolidated financial statements, Group management and fully consolidated companies management may be required to make estimates and retain underlying assumptions that affect the value of assets and liabilities, expenses and income, as well as the information provided in the notes to the Group's financial statements.

These estimates and underlying assumptions are made on the basis of information and positions known at the balance sheet date and may vary significantly from actual values.

The assumptions notably concern the impairment testing of assets, obligations to employees, deferred tax assets, and provisions.

1.4 CONSOLIDATION METHODS

Subsidiaries controlled exclusively by the Group, whether directly or indirectly, are fully consolidated. This means that the Group has the power to guide the financial and operating strategies of these subsidiaries so that it may obtain the resulting benefits.

Participating interests in entities other than subsidiaries and associates are not consolidated. They are recorded at fair value under "Financial investments".

Newly acquired entities are consolidated at the date when control was effectively transferred to the Group in accordance with the acquisition method described in IFRS 3. Income and expenses from subsidiaries acquired or sold during the year are posted to the consolidated income statement from the date of acquisition or until the date of disposal.

The Group's consolidated financial statements are prepared on the basis of the financial statements of its consolidated entities prepared in accordance with the accounting rules in force in their respective countries and restated beforehand to bring them into compliance with international accounting standards.

All significant transactions between fully consolidated entities as well as gains and losses arising from internal operations within the Group are eliminated.

All Group entities close their financial statements on December 31. A list of consolidated entities as of December 31, 2020, is presented in Note 10.

1.5 OTHER SIGNIFICANT ACCOUNTING POLICIES AND RULES

Translation of financial statements of foreign companies

Subsidiaries outside the euro zone use the local currency as their functional currency and translate their financial statements into euros based on:

- the average rate for the year for income statement and cash flow items, unless there has been a strong fluctuation in the local currency. In this case, the average rate for the financial year is replaced by distinct average rates for each uniform currency period;
- the year-end closing exchange rate for balance sheet items.

The share of the resulting foreign exchange differences attributable to the Group is recorded in equity under "Translation differences" until the investments from which they arise are sold or disposed of. The translation gains or losses are then recognized in the income statement.

The share attributable to non-controlling interests is recorded under "Non-controlling interests".

Foreign currency transactions

Transactions denominated in foreign currency are converted into the subsidiary's functional currency at the exchange rate applicable at the transaction date.

At year-end, receivables, cash and debts denominated in foreign currency are translated at the closing exchange rate or hedging rate, as the case may be, and the resulting translation differences are recorded under one of the following items on the income statement:

- "Gross margin" for sales transactions;
- "Other financial income and expenses" for cash flow operations.

Assets and liabilities held for sale

Assets and liabilities immediately available for sale, and for which the sale is highly probable within a period of 12 months, are classified as assets and liabilities held for sale. When several assets are held for sale in a single transaction, the assets and all related liabilities are recognized as a whole.

A sale is considered highly probable when the appropriate level of management has committed to a plan to sell the asset or group of assets and an active program to find a buyer has been launched.

Assets and liabilities held for sale are classified, respectively, as "Assets held for sale" or "Liabilities held for sale" in the consolidated balance sheet. They are measured at the lower of their carrying amount or fair value less any disposal costs and are no longer depreciated or amortized once classified as assets or liabilities held for sale.

1.6 HYPERINFLATION IN IRAN

In 2020, a consensus was reached to estimate that the conditions were met to consider Iran as a hyperinflationary economy under the definition of IAS 29. These conditions notably include the cumulative inflation rate over three years, which exceeded the 100% threshold during the second half of 2020.

In 2020, Bel analyzed the impact of IAS 29 applied to its subsidiary in Iran. This concluded that the standard had a non-significant effect on the financial statements.

The financial statements from this country are converted as for the Group's other countries and as set out in Note 1.5 "Translation of financial statements of foreign companies".

1.7 MAIN EVENT: EFFECTS OF COVID-19

For several months, the international community has been faced with an unprecedented pandemic, the very uncertain progress and duration of which prevents the Bel Group from accurately assessing the impact of the crisis on its earnings.

Throughout 2020, Bel set itself the absolute priority of ensuring the safety and health of its employees, by implementing very strict preventive measures at all of its sites throughout the world.

Through its agile operating management and financial rigor, the Group managed to adapt rapidly to face the Covid-19 pandemic and ease its impacts. It especially took action to actively manage its stocks and raw materials in view of fluctuating consumer demand and to limit operating surcharges caused by management of the crisis.

For 2020 as a whole, the Group estimates the overall impact of the Covid-19 crisis on sales is non-significant, albeit with substantial regional disparities. In France, Benelux, the UK and in Gulf countries, local consumption, especially of products enabling home cooking, was particularly robust. In contrast, Morocco and to a lesser extent southern Europe, were negatively affected, whereas the estimated impact on North America was neutral.

On December 31, 2020, the effects of the pandemic were limited and generated no indicator of lost value. In 2020, the Group did not make use of state aid measures such as deferred payments, a state-backed loan, or reductions or delays in rents negotiated with its lessors.

NOTE 2 | Changes in the scope of consolidation and changes in the ownership interest of consolidated entities

ACQUISITION OF ALL IN FOODS

On June 18, 2020, the Group acquired 80% of the shares and voting rights of All In Foods. The management team that ensured the development of All In Foods, owns the rest. Analysis of the acquisition contract, in view of IFRS 3, prompted the Group to recognize a 100% interest.

All In Foods develops a wide range of plant-based cheese alternatives (slices and blocks, mold rinds, grated, spreadable) and plant-based sauces stemming from recognized expertise in this market.

The acquisition follows on from the Bel Group strategy implemented since 2015, aimed at extending activities beyond cheese products to become a major player in healthy snacking. Bel confirms its aim to diversify its product offer, to now expand in three complementary fields: dairy, fruit and plant-based.

All In Foods is located in France and operates a plant in Saint Nazaire. Since the impact of the acquisition on the Bel

Group's financial statements is lower than the threshold set by the AMF, no pro forma accounts were established.

Over the six month period between the acquisition date and December 31, 2020, All In Foods generated sales of €2.8 million, and recurring operating income of -€0.8 million (non-audited data). Over 2020, sales totaled €6.2 million and recurring operating income -€0.7 million.

Goodwill calculated according to the full goodwill method stood at €82.3 million.

Under the framework of this acquisition, the Group and the company's former owner concluded a purchase promise and a sale promise to be implemented by January 15, 2025 at the latest.

OTHER CHANGES IN SCOPE

Bel South Africa was consolidated by the full consolidation method for the first time in June 2020.

NOTE 3 | Income statement

3.1 BUSINESS SEGMENT INFORMATION AND SIGNIFICANT EVENTS OF THE YEAR

The Group's activities are managed through two segments: Global (mature) Markets on the one hand and New Territories on the other. New Territories include the MOM and All In Foods businesses and Sub-Saharan African countries, China, Latin America, India and the French overseas departments and territories.

Revenue and operating income by segment are the two key performance indicators used by Group General Management, the main operating decision-maker. Results are prepared by target market on a monthly basis to help monitor and offset the effects of raw material price and foreign exchange volatility on margins as soon as they occur across all production entities.

Conversely, cash flow and balance sheet items are not tracked by market. They are instead prepared and tracked on a Group-wide basis.

Accounting principles

Revenue from sales of goods, merchandise and other goods and services rendered in the course of the ordinary activities of consolidated Group entities is recorded net of discounts or commercial rewards and sales tax once the ownership is transferred to the customer or the service is rendered. These amounts are estimated at the time revenue is recognized, on the basis of agreements and commitments with the customers concerned. It is recognized in the income statement when the products are transferred.

Change in sales and operating income by segment was as follows:

(in millions of euros)	2020		2019	
	Sales	Operating income	Sales	Operating income
Global markets	2,864.5	166.9	2,871.3	163.1
New territories	591.3	77.8	531.9	47.6
TOTAL	3,455.8	244.7	3,403.2	210.8

Operating profit rose 16.1% to €245 million, reflecting the improvement in gross margin, the high level of productivity throughout the year, excellent operating execution and cost-cutting efforts. Operating margin therefore widened by 90 basis points to 7.1%.

This increase was driven by the improvement in operating performance, in both Global Markets and New Territories.

Global markets

Mature markets were resilient and were quite stable over the full-year 2020 (-0.2%). Excluding forex, organic growth

was positive at +1.1% with a health fourth quarter showing growth of 0.8% relative to Q4 2019).

New territories

In 2020, Bel Group's growth in new territories was strengthened further (+11.2% vs. 2019) underpinned by strong momentum at MOM, particularly in North America, where the company recorded double-digit sales growth.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

Breakdown of sales by region

Sales by destination in the main countries were as follows:

(in millions of euros)	2020	2019
France	807.2	765.8
United States	648.7	609.9
Germany	236.2	243.2
Morocco	232.2	234.7

The breakdown by geographic region is as follows:

(in millions of euros)	2020		2019	
	Sales by destination	Tangible and intangible assets by geographic region	Sales by destination	Tangible and intangible assets by geographic region
Europe	1,857.6	1,733.7	1,823.3	1,639.5
Middle East - Greater Africa	678.4	181.9	724.4	210.1
Americas - Asia Pacific	919.8	615.0	855.5	678.0
TOTAL	3,455.8	2,530.6	3,403.2	2,527.6

In Europe, sales e up 1.9% in 2020. Particularly positive momentum noted in France, the UK and Benelux made up for the difficult competitive and sales backdrop in Germany.

In a particularly volatile economic and geopolitical context, especially in Levant markets, the Group suffered a 3.1% decline in organic growth in the Middle-East, Greater Africa region as of December 31, 2020.

In North America, robust sales growth was underpinned by The Laughing Cow, especially for the relaunch of its portion

formats at the start of the year. Bel Canada also enjoyed beneficial momentum thanks especially to innovations at the Boursin® brand and the acceleration of sales in the Group's core brands. In this region, the second half was affected by the start-up of the new plant in Sorel.

In Asia, China continued its dynamic expansion of recent quarters, with double-digit organic growth in its Foodservice business.

3.2 OPERATING EXPENSES BY NATURE

Operating expenses by nature break down as follows:

(in millions of euros)	2020	2019 ^(a)
Personnel expense	(662.6)	(627.3)
Depreciation and amortization expense	(142.6)	(134.5)
Other operating expense	(2,387.5)	(2,402.5)
TOTAL OPERATING EXPENSES	(3,192.7)	(3,164.3)

(a) At end-2019, an expense of €-1.9 million was reclassified from other non-recurring income and expense to the other recurring operating income and expense line item.

Other operating expenses include manufacturing raw materials and consumables used to make products sold, as well as other costs of goods and services sold.

3.3 OTHER NON-RECURRING INCOME AND EXPENSE

Accounting principles

Other non-recurring income and expenses primarily include:

- allowances and reversals of provisions for contingencies and losses, including restructuring costs incurred when assets are sold or operations discontinued, and costs arising from commitments made to employees affected by lay-off plans;
- impairment of non-current assets;
- provisions arising from tests for impairment loss on intangible assets;
- amortization of intangible assets with definite useful life;
- any unusual, material gains or losses not linked to recurring operating performance.

Other non-recurring income and expenses break down as follows:

(in millions of euros)	2020	2019 ^(a)
Impairment and gain or loss from disposal of fixed assets	(14.5)	(20.8)
Restructuring costs	(3.8)	(6.6)
Other non-recurring income and expense	(0.1)	1.3
TOTAL OTHER NON-RECURRING INCOME AND EXPENSE	(18.4)	(26.1)

(a) At end-2019, an expense of €-1.9 million was reclassified from other non-recurring income and expense to the other recurring operating income and expense line item.

In 2020, impairment tests led to an impairment loss of €12.7 million on goodwill for Moroccan company Safilait, recorded in the "Impairment and gains or losses on disposal of fixed assets" line item. This goodwill was therefore fully depreciated as of December 31, 2020. This line item also includes depreciation for the brands acquired from MOM Group, with a defined useful life, for €2.1 million.

Restructuring costs stemmed mainly from the departure of personnel who were not replaced, decided by the Executive Committee.

In 2019, an impairment loss of €12.5 million was recorded for goodwill at Safilait in the "Impairment and gains or losses on disposal of fixed assets" line item.

3.4 FINANCIAL INCOME AND EXPENSES

Financial income and expenses break down as follows:

(in millions of euros)	2020	2019
Income from cash and cash equivalents	1.0	1.6
Cost of gross financial debt	(26.6)	(28.5)
Net cost of financial debt	(25.7)	(26.9)
Net cost from discounting	(1.1)	(1.2)
Foreign currency gains (losses) and other hedges	1.7	(2.1)
Other	(2.3)	2.1
Other financial income and expense	(1.7)	(1.3)
TOTAL NET FINANCIAL EXPENSE	(27.3)	(28.2)

The cost of gross financial debt for the Group included the financial expenses caused by the reimbursement of the right-of-use debt associated with application of IFRS 16 for €5.9 million in 2020 vs. €4.6 million in 2019.

Foreign currency gains (losses) and other hedges concerned mainly the change in market value of the fixed-rate receiver swaps for +€1.6 million. For this same line item, the impact of the revaluation of assets in euros for Syria (€1.7 million) was offset by the impact of the revaluation of liabilities in euros for Turkey (-€1.6 million).

In 2019, this was mainly due to the impact of the depreciation of currencies from the Group's Turkish (-€0.6 million) and Egyptian (€-1.9 million) subsidiaries.

The "other" line-item included dividends received in 2020 for €2.2 million from non-consolidated companies and an impairment charge for participations held for capital gains purposes and measured at fair value through Profit or Loss.

3.5 INCOME TAX EXPENSE

Accounting principles

Income tax expenses correspond to the income tax due by each tax-consolidated entity, adjusted for deferred income taxes.

In France, Bel heads a tax consolidation group that includes the following entities: SAS FR, Fromageries Picon, Fromageries Bel Production France, Fromageries Boursin, Société des Produits Latiers, SOFICO, SICOPA, SOPAIC, and ATAD.

France's 2010 budget law, approved in December 2009, introduced the CET (*contribution économique territoriale*), a local tax that supplanted the *taxe professionnelle* business tax. The Group qualifies the CET tax as an operating expense rather than an income tax. Accordingly, CET payable from 2010 falls under operating income.

Taxes payable for the period but not yet paid are recognized on the balance sheet under current payables. Overpaid income tax vs. income tax owed is recorded on the balance sheet under current receivables.

Income tax expenses break down as follows:

(in millions of euros)	2020	2019
Current tax, including withholding tax	(38.4)	(39.3)
Deferred tax	(26.1)	(19.1)
TOTAL INCOME TAX EXPENSE	(64.5)	(58.4)

In 2020, the applicable corporate tax rate in France was 31%, to which a social security tax of 3.3% is added, bringing the total rate to 32.02%.

In 2020, the Group's effective tax rate was 29.7%. The difference between the applicable and effective income tax rates is summarized below:

(in millions of euros and in %)	2020		2019	
Pre-tax profit	217.4		182.6	
Standard tax rate(including additional contributions)	(69.6)	32.02%	(62.9)	34.4%
Impact of the difference in the current tax rates of foreign subsidiaries	11.5	-5.3%	15.3	-8.4%
Impact of change in tax rate in foreign companies	(2.5)	1.2%	1.3	-0.7%
Impact of change in tax rate in foreign companies	(1.9)	0.9%	(5.2)	2.8%
Tax credits	5.2	-2.4%	2.0	-1.1%
Prior period carryforwards used during the year	0.4	-0.2%	2.1	-1.2%
Unused tax loss carryforwards from the period	(0.7)	0.3%	0.0	0.0%
Alternative minimum tax and non-creditable withholding tax	(4.2)	1.9%	(4.0)	2.2%
Permanent differences	(3.8)	1.8%	(13.5)	7.4%
Other items	1.2	-0.5%	6.4	-3.5%
EFFECTIVE INCOME TAX RATE	(64.5)	29.7%	(58.4)	32.0%

The share of earnings in countries with tax rates below French levels accounts for most of the "Impact of the difference in the current tax rates of foreign subsidiaries". The "Impact of change in tax rate in foreign companies" line stemmed primarily from the disadvantageous tax rate change in the United States.

The permanent differences in 2020 primarily concerned the effects related to non-deductible expenses, the effect of impairment charges for non-consolidated securities and for goodwill on Safilait.

3.6 EARNINGS PER SHARE

Accounting principles

Basic earnings per share before dilution is calculated by dividing net profit (Group share) by the weighted average number of ordinary shares outstanding during the year minus the weighted average number of treasury shares held by Group entities.

Diluted earnings per share is calculated by taking into account the effects of all outstanding potential dilutive instruments minus the weighted average number of

treasury shares. Net profit is adjusted to factor in the after-tax impact of dilutive instruments.

Earnings per share was calculated by dividing attributable net profit by the number of ordinary shares (6,872,335 at December 31, 2020) less the weighted average number of treasury shares (83,793 at December 31, 2020).

In 2019 and 2020, diluted earnings per share was identical to basic earnings per share as the bonus shares awarded during the period were not dilutive.

NOTE 4 | Balance sheet

4.1 GOODWILL

Accounting principles

Goodwill

Goodwill is the excess of the acquisition cost of shares over the Group's share of identifiable acquired assets and assumed liabilities measured at fair value after taking into account any deferred taxes at the acquisition date. If the acquisition costs exceed the fair value of the identifiable acquired assets and assumed liabilities, the excess is recognized in profit and loss for the year when the acquisition is made.

In accordance with IFRS 3 and IAS 36, goodwill is not amortized but is instead subject to annual impairment testing and more frequently in case of unfavorable change of certain indicators (see Note "Impairment of assets").

Goodwill relating to entities over which the Group exercises control is recorded as an asset under "Goodwill".

Impairment of assets

In accordance with IAS 36 "Impairment of Assets", goodwill and intangible assets are grouped into CGUs and are subject to impairment testing at least once a year, or more frequently if events or circumstances indicate a loss of value. Annual impairment testing is carried out in the fourth quarter of the year.

Other capitalized assets are also subject to impairment testing whenever events or changed circumstances indicate that carrying amounts might not be recoverable.

Impairment testing consists of comparing the net carrying amount of the asset to its recoverable amount, which is the higher of the asset's fair value or its value in use.

Value in use is obtained by adding the net present values of the future cash flows expected to be derived from the use of an asset, or group of assets, and terminal value of cash flows.

The after-tax cash flows used to determine value in use are derived from CGU business plans. Revenue and terminal cash flow projections are based on reasonable and supportable assumptions in line with market data available for each CGU.

Fair value is the amount obtainable from the sale of the asset or group of assets in an arm's length transaction between knowledgeable, willing parties.

Impairment losses are recognized when testing shows a loss of value to ensure that the net carrying amount of the assets does not exceed their recoverable value.

Impairment losses relating to goodwill may not be reversed.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

Changes in goodwill for 2020 break down as follows:

(in millions of euros)	2020	2019
GROSS VALUE AT OPENING	851.0	847.9
Change in consolidation scope	82.3	0.0
Translation differences	(9.8)	3.1
GROSS VALUE AT CLOSING	923.6	851.0
Accumulated amortization and impairment at opening	(64.7)	(51.8)
Amortization and impairment	(12.7)	(12.5)
Translation differences	1.9	(0.4)
Accumulated amortization and impairment at closing	(75.4)	(64.7)
NET CARRYING AMOUNT OF GOODWILL FROM CONTINUING OPERATIONS	848.2	786.3

For the purposes of goodwill impairment tests, on December 31, 2020, the Group was divided into 13 cash generating units (CGUs). Each CGU represents the smallest group of assets within which the Group follows goodwill for its internal management needs.

The main goodwill items recorded by the Group were those of the Boursin (€331 million net value) and MOM (€384 million net value) CGUs.

Following the acquisition of a majority stake in All In Foods on June 18, 2020 (see Note 2) gross goodwill of €82.3 million was recorded. This amount can be adjusted within 12 months following the acquisition as stipulated in amended IFRS 3. Similarly, the acquisition price allocation may be reviewed in 2021.

In 2020, impairment tests implemented on cash generating units led to an impairment charge of €12.7 million for goodwill at Moroccan company Safilait, with this goodwill now fully depreciated.

The following assumptions and parameters were used in the impairment testing of CGUs to determine their value in use:

- an explicit horizon for forecasts of 5-years;
- Weighted Average Cost of Capital: country risk rates established by Coface were used to revise the discount rates determined for each country to take into account the notions of risk and time according to each CGU's profile and country risk.

The following economic assumptions were therefore adopted after this review:

(in %)	Long-term growth rate		Discount rate	
	2020	2019	2020	2019
Europe	1-2%	1-2%	6.50%	6.50%
Americas, Asia-Pacific	0.5-2%	0.5-2%	8%	8%
Middle East and Greater Africa	2-2.5%	2-2.5%	11%	11%

The Group tested the sensitivity of its CGUs to the following two factors:

- a 1 point increase in the discount rate;
- a 0.5 point decline in the long-term growth rate.

A 1 point increase in the discount rate would result in the Group recognizing an additional impairment of €7.2 million.

A 0.5 point decline in the long-term growth rate would result in the Group recognizing additional impairment of around €1.1 million.

4.2 OTHER INTANGIBLE ASSETS

Accounting principles

Other intangible assets include:

- acquired patents;
- acquired, well-known and readily identifiable brands whose value growth can be verified;
- computer software.

Acquired patents and computer software were recognized on the balance sheet at acquisition cost and are amortized over their useful lives. Computer software is amortized over a period of one to eight years.

Brands that are not amortized, are subject to annual impairment testing (also see the "Impairment of assets" Note), and brands with definite useful lives are amortized on a straight-line basis over their estimated economic useful life.

All Research and Development costs are expensed in the year in which they are incurred. Development costs are not capitalized since the recognition criteria set by IAS 38 "Intangible Assets" are generally not fulfilled before the products are launched on the market.

Changes in other intangible assets during the year were as follows:

(in millions of euros)	2020	2019
Net carrying amount at January 1	649.4	647.2
Acquisitions	13.4	11.3
Disposals, assets disposed of	(0.0)	(0.2)
Translation differences	(19.9)	5.0
Depreciation and write-downs	(14.4)	(14.2)
Reclassifications	(0.7)	0.2
NET CARRYING AMOUNT AT DECEMBER 31	627.7	649.4

As in 2019, acquisitions of other intangible assets in 2020 were primarily related to the Group's IT projects.

Property, plant and equipment break down as follows:

(in millions of euros)	December 31, 2020			December 31, 2019
	Gross value	Accumulated amortization and impairment	Net carrying amount	Net carrying amount
Concessions and patents	34.6	(19.5)	15.2	16.0
Brands	587.5	(16.6)	570.9	592.1
Software	212.0	(170.5)	41.4	41.2
Other	1.3	(1.1)	0.2	0.2
TOTAL	835.4	(207.7)	627.7	649.4

The main Group brands recorded under intangible assets stem from the acquisitions of Leerdammer (€88 million), Boursin (€92 million) and MOM Group (€343 million).

4.3 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

4.3.1 Property, plant and equipment

Accounting principles

Property, plant and equipment is measured at acquisition cost (purchase price plus additional costs of bringing the assets to working condition) or production cost (excluding financial charges) except for fixed assets legally revalued before January 1, 2000, in accordance with the exception under IFRS 1, or reassessed at fair value at the date of control for business combinations.

The Group applies the component approach when certain parts of an acquired fixed asset have different useful lives, and the component parts are depreciated and recorded separately.

Replacement or renewal expenses of the component part of an asset are recognized as a distinct asset and the replaced asset is written off.

Interest on borrowings used to acquire fixed assets is treated as a financial expense and is not capitalized in the cost of the asset.

The Group decided against taking the residual values of property, plant and equipment into account because such assets are expected to be used throughout their useful lives and, as a general rule, are not to be sold.

Property, plant and equipment is subject to impairment testing as soon as indications of impairment arise.

When the recoverable amount of an asset or group of assets is less than its carrying amount, the impairment loss is recorded in profit or loss and first posted against goodwill.

Depreciation is calculated on a straight-line basis over the economic useful life of the property, plant or equipment:

Constructions:	
• industrial	30/40 years
• administrative and commercial	40 years
• property fittings and fixtures	10 years
Machinery and equipment	5 to 10 years – 15/20 years
Vehicles	4/10/15 years
Office furniture and equipment	4 to 15 years

Changes in property, plant and equipment during the year were as follows:

(in millions of euros)	2020	2019
Net carrying amount at January 1	992.2	959.7
Impact of change in consolidation scope	2.4	0.0
Acquisitions	111.1	140.2
Disposals, assets disposed of	(2.0)	(3.0)
Translation differences	(45.1)	7.3
Depreciation and write-downs	(108.4)	(109.8)
Reclassifications	(0.9)	(2.3)
NET CARRYING AMOUNT AT DECEMBER 31	949.4	992.2

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

A breakdown of property, plant and equipment by nature is presented in the following table:

(in millions of euros)	December 31, 2020			December 31, 2019
	Gross value	Accumulated amortization and impairment	Net carrying amount	Net carrying amount
Land	33.2	(7.5)	25.7	25.1
Constructions	501.1	(265.0)	236.1	239.8
Technical installations, fixtures, machinery and equipment	1,555.5	(967.4)	588.0	585.8
Other tangible assets	67.3	(48.6)	18.7	21.1
Assets under construction	82.0	(1.1)	80.8	120.4
TOTAL	2,239.1	(1,289.7)	949.4	992.2

The main acquisitions over the year concerned the improvement in the quality of products and safety at the Group's plants in France, and the increase in production capacities at the MOM Group companies.

Property, plant and equipment in progress include the assets of the Bel Canada plant as well as the increase in production capacities in the US.

4.3.2 Right-of-use assets

Accounting principles

IFRS 16 concerns both previous lease contracts and operating leases. A lease contract is a contract, or part of a contract, that provides the right-of-use of an asset for a set period of time and fixed payments agreed. Assets held under lease contracts are recorded under right-of-use assets when the contracts meet the criteria set out in the standard. The corresponding liability, net of interest expense, is recorded on the balance sheet. The Group applies the exemptions authorized by the standard, meaning that contracts with a duration shorter than 12 months and contracts of low value are excluded.

However, these must be recorded under off balance sheet commitments for an amount equal to the expenses for the years during which they will be incurred.

The durations retained to value the contracts are contractual durations with the assumption of only one renewal for each asset, with this assumption having been retained after analysis of the historical lifespan of the main contracts concluded by the Group.

The discount rate corresponds to the marginal debt rate of the subsidiary, considered as being equal to the sum of the risk-free rate for the currency of the lease, in reference to its duration, and of the Group's credit risk for this same currency and duration reference.

On the date the lease contract starts, the asset is recorded as a right-of-use asset in the balance sheet for an amount equal to the discounted amount of future payments for the lease.

Right-of-use assets are depreciated under the straight-line method over the duration of the contract. Any free amount or franchise included in the contract is also spread over the duration of the contract.

Right-of-use assets break down as follows:

(in millions of euros)	2020	2019
Net carrying amount at January 1	99.8	99.1
Change in consolidation scope	0.6	0.0
Acquisitions	35.6	5.7
Disposals, assets disposed of	(0.6)	(1.5)
Translation differences	(2.8)	0.9
Depreciation and write-downs	(27.2)	(13.8)
Other movements	(0.0)	9.4
NET CARRYING AMOUNT AT DECEMBER 31	105.3	99.8

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

Right-of-use assets correspond to all contracts recognized in view of application of IFRS 16. Lease assets owned by the Group to carry out its activities are primarily buildings used for offices, the largest of which is the head office in Suresnes. Other contracts concern industrial assets such as refrigerated storage equipment, plant cleaning machines, lifting trucks, and fleets of vehicles for sales staff and refrigerated trucks used to deliver the Group's products.

The Group leases IT equipment under the framework of rental contracts. These are short-duration operating leases and/or concerning goods of low value. The Group has chosen not to record right of use assets or lease liabilities for these contracts

(in millions of euros)	December 31, 2020			December 31, 2019
	Gross value	Accumulated depreciation	Net carrying amount	Net carrying amount
Land	0.3	(0.2)	0.1	0.1
Constructions	118.0	(39.4)	78.6	78.7
Technical installations, fixtures, machinery and equipment	1.0	(0.5)	0.6	0.2
Shipping	42.8	(17.4)	25.3	20.6
Other tangible assets	1.0	(0.3)	0.7	0.2
TOTAL	163.0	(57.7)	105.3	99.8

The most significant contracts concern office buildings leased for around €78.6 million in 2020 vs. €78.7 million in 2019.

4.4 FINANCIAL ASSETS AND LIABILITIES

Accounting principles: financial assets and liabilities

Financial assets

In accordance with IFRS 9, the Group distinguishes between several types of financial assets the classification of which depends on the management model and the contractual characteristics of the asset at the time of the acquisition. These criteria determine the accounting treatment applied to these instruments.

Financial assets measured at amortized cost

These are assets for which the Group expects to collect contractual cash flows and for which cash flows are made up solely of the principle and interest. This type of asset includes loans and receivables.

Bills for collection are recorded in "Trade and other receivables".

Since losses on unrecoverable receivables historically shouldered by the Group are virtually zero in value, the depreciation model recommended by IFRS 9 prompts the Group not to depreciate these receivables.

Financial assets measured at fair value through other comprehensive income (non-recyclable)

These are financial assets not held for trading purposes. This category includes non-consolidated equity investments. These assets are valued at fair value on the closing date and changes in fair value of these assets are recorded in "unrealized gains and losses on financial assets" under other comprehensive income (non-recyclable). As prescribed by

the standard, only dividends received from those equity investments are booked to the income statement, gains and losses from disposal of these assets cannot be recognized in the income statement when the instrument is derecognized. No impairment is recognized for these equity investments.

For listed shares, fair value is deemed to be the market price of the shares at the designated closing date.

Financial assets recorded at fair value through the income statement

These assets, held for trading purposes, are expected to be sold in the near term. This category includes marketable securities and derivative instruments other than hedging instruments. Financial assets that meet none of the criteria in the other two types described above are also treated by default in this category (measured at amortized cost or at fair value through non-recyclable other comprehensive income).

These assets are valued at fair value and changes in fair value are recorded in the income statement. Underlying gains and losses recognized in OCI on December 31, 2020 are to be transferred to the income statement when they are derecognized.

Financial liabilities

In accordance with IFRS 9, the Group distinguishes two categories of financial liabilities, each of which is subject to a specific accounting treatment:

Financial liabilities valued and measured at fair value

These are primarily derivative instruments. In accordance with IFRS 9, derivative instruments are recognized in the balance sheet at their market value on the closing date. Changes in the value of these instruments, for the effective part, are recorded as follows:

- for hedging instruments documented as hedging of future flows;
 - as cost of sales for hedging of receivables and debts in the balance sheet on the closing date,
 - as equity, for hedging of future cash flows, this amount is transferred to the cost of sales when the receivables and debts covered by the hedge are recognized;

- for hedging instruments documented as hedging of fair value, in equity;
- for financial hedging instruments, in financial income or loss.

The ineffective part is recorded in financial income or loss.

If there is no hedging relation, changes in market value of derivatives instruments are recognized under financial income or loss.

Financial liabilities measured at amortized cost

These are mainly borrowings and financial debt and trade payables.

The standard establishes a third category for financial liabilities measured and classified at fair value in the income statement on option. At the end of 2020, the Group did not apply this option.

Financial assets break down as follows:

(in millions of euros)	December 31, 2020				December 31, 2019
	Amortized costs	Fair value through OCI	Fair value through P&L	Balance sheet amount	Balance sheet amount
Assets					
Financial investments	0.3	116.3	11.8	128.4	123.6
Other non-current financial assets		6.3		6.3	10.0
Non-current loans and advances	12.8			12.8	11.8
Non-current trade and other receivables	1.2			1.2	1.5
Current trade and other receivables	434.2			434.2	506.3
Other current financial assets	21.5			21.5	5.8
Current loans and advances	1.1			1.1	1.3
Current tax assets	39.6			39.6	34.4
Cash and cash equivalents	91.0		499.3	590.3	405.7

Financial liabilities recognizable under IFRS 7 are recorded in full at amortized cost with the exception of financial instrument liabilities, which are measured at fair value. They are detailed in Note 4.15.

Financial investments include various receivables, Unibel shares owned by SOFICO as well as non-consolidated securities valued at their fair value according to the share price for the Unibel shares and to available financial statement, for the others.

4.5 FINANCIAL INVESTMENTS

Financial investments (excluding deferred taxes) were as follows:

(in millions of euros)	December 31, 2020	December 31, 2019
Financial investments at beginning of period	123.6	153.3
Change in fair value recognized in OCI	2.0	(30.4)
Other movements	2.8	0.8
FINANCIAL INVESTMENTS AT END OF PERIOD	128.4	123.6

Financial investments included 196,350 Unibel shares held by SOFICO and acquired at an average price of €14.25 per share. As of December 31, 2020, these shares were valued at €115.8 million based on the December 31, 2020 closing price.

On December 31, 2019, these shares were valued at €113.9 million based on the December 31, 2019 closing price.

4.6 INVENTORIES AND WORK-IN-PROGRESS

Accounting principles

Inventories are valued at the lower of their cost price and their net realizable value. Cost price is calculated using the "weighted average cost" or the "first-in, first-out" method.

The cost of materials and supplies is stated at purchase price plus incidental expenses such as transport, commissions and transit.

Manufactured goods are valued at production cost including the cost of materials consumed, the depreciation of production assets, and direct or indirect production costs, excluding financial expense.

An impairment charge for inventories is recognized when:

- The gross amount, as determined above, exceeds market value or net realizable value;
- goods have deteriorated.

Inventories and work-in-progress break down as follows:

(in millions of euros)	2020	2019
Raw materials and other supplies	152.5	149.4
Work-in-progress, goods and services	1.3	1.3
Merchandise, finished goods and intermediate goods	224.3	229.1
GROSS VALUE	378.1	379.8
Inventory write-downs	(6.9)	(7.2)
NET CARRYING AMOUNT	371.2	372.6

The change in net inventories for the years presented breaks down as follows:

	2020			2019
(in millions of euros)	Gross amount	Write-downs	Net amounts	Net amounts
At January 1	379.8	(7.2)	372.6	365.0
Change in gross inventory	18.9		18.9	3.1
Change in write-downs			0.0	(0.1)
Reclassifications			0.0	(0.0)
Impact of change in consolidation scope	0.7		0.7	0.0
Translation differences	(21.3)	0.4	(21.0)	4.6
AT DECEMBER 31	378.1	(6.9)	371.2	372.6

4.7 TRADE AND OTHER RECEIVABLES

Trade and other receivables break down as follows:

(in millions of euros)	2020	2019
Trade and other receivables	441.5	512.1
Write-downs	(7.2)	(5.7)
NET CARRYING AMOUNT	434.2	506.3

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

The change in trade and other receivables for the years presented breaks down as follows:

(in millions of euros)	2020			2019
	Gross amount	Write-downs	Net amounts	Net amounts
At January 1	512.1	(5.7)	506.3	488.1
Changes in WCR	(52.8)		(52.8)	12.5
Impact of change in consolidation scope	0.9	(0.0)	0.8	(0.0)
Change in write-downs		(1.9)	(1.9)	(0.5)
Reclassifications			0.0	(0.2)
Translation differences	(18.7)	0.4	(18.3)	6.5
AT DECEMBER 31	441.5	(7.2)	434.2	506.3

At December 31, 2020, net current trade receivables represented 87.5% of total trade and other receivables, with trade receivables under 60 days due accounting for 11.6% and trade receivables over 60 days due accounting for 0.8%. Receivables older than 120 days and not covered by credit insurance are fully impaired.

At December 31, 2020, trade receivables of €48.2 million were sold non-recourse to third parties with a transfer of risks in line with the criteria set out in IFRS 9 and hence were de-consolidated.

4.8 NET DEFERRED TAXES AND TAX LIABILITIES

Accounting principles

In accordance with IAS 12, deferred taxes and liabilities are recorded on the temporary differences between the tax and carrying amounts of the assets and liabilities. Based on the balance sheet liability method, they are measured at the tax rates that are expected to apply in the period when the assets are realized or the liabilities settled and are classified as non-current assets and liabilities. Changes in the tax rate from year to year are recorded in the profit or loss for the year in which the change was recognized.

Deferred tax assets resulting from deductible temporary differences, unused tax losses and unused tax credits are limited to the estimated amount of recoverable tax. The latter is assessed at the balance sheet date based on the earnings forecasts of the related tax entities. Deferred tax assets and liabilities are not discounted.

Deferred taxes are recognized as income or expenses in the income statement except when they are associated with items directly credited or charged to equity. In this case, deferred taxes are also recognized in equity.

Net deferred tax liabilities as of December 31, 2020 and changes in the net deferred tax position for the last two financial years were recorded as follows:

(in millions of euros)	2020	2019
At January 1	(236.4)	(223.9)
Impact of change in consolidation scope	0.0	0.0
Changes recognized in equity	(6.6)	9.0
Changes recognized in the P&L	(26.1)	(19.1)
Translation differences	8.8	(2.1)
Reclassifications	(0.0)	(0.2)
AT DECEMBER 31	(260.2)	(236.4)

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

Basis for deferred tax assets and liabilities

(in millions of euros)	December 31, 2020	December 31, 2019
Goodwill from business	(33.3)	(32.9)
Fixed assets	(105.4)	(98.9)
Brands and concessions	(143.6)	(143.6)
Derivative financial instruments	(0.9)	4.1
Valuation of Unibel shares	(29.2)	(27.8)
Pensions and similar employee benefits	18.7	19.8
Tax loss carryforwards	13.0	21.6
Other	20.4	21.4
NET DEFERRED TAXES	(260.2)	(236.4)
of which :		
Deferred tax assets	15.7	26.8
Deferred tax liabilities	(275.9)	(250.7)

The "Other" line mainly concerns temporary items that are not tax-deductible.

Tax loss carryforwards

The Group has tax loss carryforwards that offer potential tax savings.

A deferred tax asset is recognized when the recovery of tax loss carryforwards is more likely than not to arise for either of the following reasons:

- either the deferred tax assets can be offset against tax liabilities set to mature during the period in which they are "deductible"; or

- taxable profits are expected during the recovery period.

Income tax assets related to tax loss carryforwards mainly concern MOM Group, amounting to €6.7 million, and the Fromageries Bel España subsidiary, amounting to €4.6 million.

Deferred tax assets that were unrecognized owing to uncertainties about the probability of recovering the corresponding tax loss carryforwards were as follows:

(in millions of euros)	2020		2019	
	Tax loss basis	Unrecognized deferred tax assets	Tax loss basis	Unrecognized deferred tax assets
Expires in				
Less than one year	7.0	0.8	0.0	0.0
One to five years	(0.0)	(0.0)	3.1	0.6
5 years	0.0	0.0	0.0	0.0
May be carried forward indefinitely	32.6	10.0	39.7	11.6
TOTAL	39.5	10.8	42.8	12.2

Of the total unrecognized deferred tax assets at December 31, 2020, €1.3 million concerned the Grupo Fromageries Bel España subsidiary.

Changes in Spain's tax policy in 2014, 2016 and 2017 capped the deductibility of tax losses from previous years, and instead offered the possibility of carrying forward tax losses indefinitely.

Provisions for tax risk

The entities making up the Group are periodically subject to tax audits in the countries where they are based:

- tax arrears and penalties were booked for accepted tax adjustments and provisioned if the amounts in question were not definitively known;
- contested tax adjustments were carefully reviewed and generally provisioned unless it was clear that the entity would be able to assert the validity of its position in the event of litigation.

4.9 SHARE CAPITAL INFORMATION

Purchase commitments with minority shareholders

The Group has obligations to purchase interests held by the minority shareholders of some consolidated subsidiaries. For the Group, these purchase obligations are optional, relating to put options.

In accordance with IAS 32 - Financial Instruments: Disclosure and Presentation, firm or conditional obligations to buy non-controlling interests are recognized as liabilities in amounts equal to their purchase price.

Any differences in the purchase price of a non-controlling interest and the share of the net equity acquired are recognized in equity without reassessing the value of the acquired assets and liabilities. Subsequent variations in the value of the liability are offset in equity.

4.9.1 Non-recyclable elements

Application of IFRS 9 on January 1, 2018 led the Group to assess the management models of the equity interests it holds.

The main equity investments owned by the Group concern Unibel, for a value of €115.8 million on December 31, 2020 and are owned by the SOFICO subsidiary. These shares are measured at fair value on the closing date and the Group deems that these shares, which are not held for trading purposes, would be marked to market through other comprehensive income. As such, and in application of the standard, all changes in fair value for these shares are recognized in non-recyclable reserves in the Group's equity.

4.9.2 Capital

The number of shares in Bel's capital amounted to 6,872,335.

In 2020, the Group's equity changed primarily due to income from the fiscal year and due to the dividend paid in May for the previous fiscal year and the impact from elements posted in the statement of comprehensive income.

Items recognized in comprehensive income are presented in the following table:

(in millions of euros)		At December 31, 2020			At December 31, 2019
		Group Share	Minority interest share	Total	Total
Cash flow hedging	Gross amount	16.2		16.2	(2.3)
	Income tax impact	(4.4)		(4.4)	(0.4)
Mark-to-market of financial assets	Gross amount	2.0		2.0	(30.5)
	Income tax impact	(1.4)		(1.4)	7.6
Actuarial gains and losses arising on retirement obligations	Gross amount	(1.5)	(0.1)	(1.7)	(6.9)
	Income tax impact	(0.4)	0.0	(0.4)	1.8
Translation differences		(77.5)	(5.7)	(83.2)	12.4
TOTAL		(67.1)	(5.8)	(72.9)	(18)

The revaluation of the main hedging positions contracted by the Group's subsidiaries is described in Note 4.15.3. The revaluation of assets available for sales primarily concerns the Unibel shares owned by SOFICO (see Note 4.5). Actuarial gains and losses recorded for the year are set out in Note 4.11.2.

Depending on its financial positions and changing needs, the Group may adjust its share capital by issuing new shares, for example, or by purchasing and canceling existing shares.

The Group is not subject to equity covenants imposed by third parties.

Treasury shares

Accounting principles

Bel shares repurchased by the consolidating company in accordance with law 98-546 of July 2, 1998 are posted directly against consolidated shareholders' equity in an amount corresponding to their acquisition costs, including direct costs linked to the acquisition, net of corresponding tax savings.

In 2020, 453 treasury shares were bought back. The number of treasury shares owned on December 31, 2020 was 83,793.

Bonus shares

Accounting principles

Stock option plans are equity-settled share-based payment systems under IFRS 2. The grant component is measured on the basis of the Bel share price at the grant date and, taking into account the non-payment of dividends during the vesting period, the stock options are recorded as personnel expenses with a corresponding increase in equity. The expense is recognized over the length of the vesting period.

In accordance with IFRS 2, personnel expenses arising from bonus share awards were recognized incrementally over the vesting period with counterpart entries in equity.

A breakdown of bonus share plans is presented in the following table:

BONUS SHARE PLANS

(in thousands of euros)	Plan 2017/ 2020	Plan 2018/ 2021	Plan 2019/ 2022	Plan 2020/ 2023	Total
Number of shares granted at the award date	8,241	8,809	11,511	14,748	
Number of shares awarded at December 31, 2020	674	3,416	7,098	13,574	
Fair value of share awarded (in €)	589	472	300	256	
Award criteria: percentage provisioned	16%	82%	110%	100%	
Vesting period	3 years	3 years	3 years	3 years	
Amount expensed at December 31, 2020	465	30	(642)	(922)	(1,070)

4.10 PROVISIONS

Accounting principles

A provision is booked when the Group has a legal or implicit obligation to a third party that can be reliably estimated and is likely to result in the outflow of resources. If the amount or settlement date cannot be reliably estimated, the obligation is deemed to be a contingent liability and recognized as an off-balance sheet item.

Restructuring provisions are booked only after the announcement and establishment of a detailed restructuring plan or if the start of a restructuring undertaking gave rise to a constructive obligation.

Changes in provisions for the years presented break down as follows:

(in millions of euros)	2020	2019
Provisions at January 1	11.5	46.4
Impact of change in consolidation scope	0.0	0.0
Increase (charged during the period)	2.3	3.5
Reversals – offset against expenses	(1.5)	(23.1)
Reversals – canceled provisions	(0.6)	(1.1)
Reclassifications	0.0	(14.3)
Translation differences	(0.4)	0.1
PROVISIONS AT DECEMBER 31	11.3	11.5
<i>Of which less than a year</i>	5.2	5.1

(in millions of euros)	December 31, 2020	December 31, 2019
Provisions for disputes and litigation	4.5	4.1
Restructuring provisions	0.4	0.6
Provisions for other expenses	(0.5)	0.0
Provisions for other contingencies	6.9	6.8
PROVISIONS	11.3	11.5

In 2020, no significant provision was recorded.

4.11 EMPLOYEE BENEFITS

Accounting principles

Independent actuaries assess the main employee benefit obligations.

For defined benefit plans, obligations are measured on a discounted basis using the "projected unit credit" method and taking into account assumptions about salary growth, turnover rates, retirement age and mortality rates. The economic conditions specific to each country are factored into the assumptions used.

The fair value of plan assets, if applicable, is deducted from the calculated obligations. Estimated provisions are recognized on the balance sheet.

Actuarial gains and losses arise from changes in actuarial assumptions in the valuation of obligations and funds from year to year and what actually occurs in terms of market conditions and real data.

For post-employment benefits, actuarial gains and losses are recognized in equity under "Other Comprehensive Income" in accordance with IAS 19. Actuarial gains and losses on other long-term benefits are expensed for the year.

Expected proceeds from plan assets that give rise to an expense are calculated using the discount rate.

Costs related to administrative management of funds are also recorded as expenses.

For basic and other defined contribution plans, the obligation is charged to income as determined by the amounts to be contributed for the period.

The Group contributes to various pension plans, post-employment benefits and other long-term benefits in accordance with the laws and practices of the countries where it is present.

These plans are either defined contribution plans or defined benefit plans. For defined contribution plans, the expense is recorded in the year the contributions are due and, the Group's obligation being limited to said contributions, no additional retirement provisions are accounted for. For defined benefit plans, the obligations are measured using the projected unit credit method.

4.11.1 Summary of various employee benefits (defined contribution plans)

Employees benefit from defined contribution plans in some of the Group's entities. These plans mainly provide employees with benefits that complement State pension plans. For these plans, the expense is recorded in the year the contributions are due and, the Group's obligation being limited to said contributions, no additional retirement provisions are accounted for.

At end 2018, Bel Brands USA signed an agreement with the multi-employer fund to which certain employees at the subsidiary contributed. The exit cost was estimated at \$4.9 million to be paid in 20 annuities of \$373,000. At December 31, 2020, the liability for residual payments stood at €3.9 million.

4.11.2 Summary of different types of employee benefits (defined benefit plans)

These plans mainly consist of additional retirement benefits, post-employment benefits and long-service awards.

Employee benefits concern primarily European countries, with France, Germany and the Netherlands together accounting for €117 million, or 97% of a total €120 million in employee benefits.

Actuarial gains and losses on post-employment benefits are recognized in "Other items of comprehensive income" in the period during which they arise.

The following table provides a summary of the financial position of defined benefit plans:

(in millions of euros)	Netherlands	France	Germany	Rest of the world	Total 2020	Total 2019
Gross defined benefit obligation	54.0	46.8	20.9	6.5	128.2	126.5
Fair value of plan assets	(42.6)	0.0	0.0	0.0	(42.6)	(41.5)
NET EMPLOYEE BENEFIT OBLIGATION RECORDED ON THE BALANCE SHEET	11.4	46.8	20.9	6.5	85.6	85.1

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

Changes in gross employee benefit obligations for defined benefit plans are presented in the following table:

(in millions of euros)	Netherlands	France	Germany	Rest of the world	Total 2020	Total 2019
Gross defined benefit obligation at January 1	52.9	46.0	21.4	6.2	126.5	118.2
Change in gross defined benefit obligations recorded in profit and loss	0.6	2.3	0.5	1.1	4.4	2.6
Actuarial gains and losses recorded to other comprehensive income	0.7	0.9	(0.0)	0.2	1.7	9.9
Translation differences	0.0	0.0	0.0	(0.4)	(0.4)	0.1
Benefits paid during the year	(0.2)	(2.5)	(0.9)	(0.6)	(4.2)	(4.3)
GROSS OBLIGATION AT DECEMBER 31	54.0	46.8	20.9	6.5	128.2	126.5

Changes in the fair value of benefit plan assets are presented in the table below:

(in millions of euros)	Netherlands	France	Germany	Rest of the world	Total 2020	Total 2019
Fair value of plan assets at January 1	(41.5)	0.0	0.0	0.0	(41.5)	(36.3)
Interest income (expense) on plan assets	(0.4)				(0.4)	(0.6)
Return on plan assets above the discount rate	(0.1)				(0.1)	(3.0)
Costs borne by bodies responsible for managing plan assets	0.1				0.1	0.1
Benefits paid by funds to recipients during the year	0.2			0.2	0.4	0.3
Contributions paid to funds	(0.9)			(0.2)	(1.1)	(1.9)
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31	(42.6)	0.0	0.0	0.0	(42.6)	(41.5)

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

In 2020, the net amount expensed to the income statement totaled €4.1 million and broke down as follows:

(in millions of euros)	Netherlands	France	Germany	Rest of the world	Total 2020	Total 2019
Service cost for the period	0.1	3.0	0.3	0.8	4.2	3.6
Cost of past services	0.0	(1.1)	0.0	(0.0)	(1.1)	(3.4)
Interest income from the present value of the obligations	0.5	0.5	0.2	0.1	1.3	1.3
Past service cost following a plan change	0.0	0.0	0.0	0.0	0.0	0.2
Costs borne by bodies responsible for managing plan assets	0.1	0.0	0.0	0.0	0.1	0.1
Actuarial gains and losses on other long-term benefits during employment recognized during the year	(0.0)	(0.1)	(0.0)	0.1	0.0	0.8
Change in gross defined benefit obligations recorded in profit and loss	0.7	2.3	0.5	1.1	4.5	2.7
Interest income (expense) on plan assets	(0.4)	0.0	0.0	0.0	(0.4)	(0.6)
TOTAL NET EXPENSES RECOGNIZED ON THE INCOME STATEMENT	0.2	2.3	0.5	1.1	4.1	2.0

In the Netherlands, collective bargaining with dairy industry trade unions over retirement benefits resulted in the signature of an agreement in 2014 at the end of which the defined benefit plans were replaced by a defined

contribution plan on January 1, 2015. The rights acquired by employees at December 31, 2014 were frozen and defined benefit plans are now closed to new employees.

Actuarial gains and losses recorded in the statement of comprehensive income can be broken down as follows:

(in millions of euros)	Netherlands	France	Germany	Rest of the world	Total 2020	Total 2019
Actuarial gains and losses on the present value of obligations recognized during the year and arising from experience adjustments	(1.5)	(0.3)	(1.0)	0.0	(2.7)	(2.7)
Actuarial gains and losses of obligations recognized during the year and arising from changes to demographic assumptions	(1.2)	0.0	0.0	0.0	(1.1)	(0.4)
Actuarial gains and losses on the present value of obligations recognized during the year and arising from changes to financial assumptions	3.3	1.2	0.9	0.1	5.5	13.1
Actuarial gains and losses recorded to other comprehensive income	0.7	0.9	(0.0)	0.2	1.7	10.0
Return on plan assets above the discount rate	(0.1)	0.0	0.0	0.0	(0.1)	(3.0)
TOTAL NET GAINS RECORDED IN THE STATEMENT OF COMPREHENSIVE INCOME	0.6	0.9	(0.0)	0.2	1.7	6.9

For defined benefit plans, obligations were measured according to actuarial techniques taking long-term assumptions into account. The main assumptions used by independent actuaries included the discount rate, the rate of salary increases, the turnover rate, and mortality rates.

In Europe, probable future benefits were written down to their present value using discount rates appropriate to each country. The discount rates were determined by using as a benchmark the yield on AA-rated corporate bonds with the same maturities as the commitments.

Assumptions weighted by obligation	December 31, 2020	December 31, 2019
Discount rate (weighted)	0.77%	1.08%
Rate of salary increases (weighted)	2.56%	2.56%
Duration (weighted)	17.1	17.3

The main financial assumption used to measure obligations in respect of defined benefit plans is the discount rate, which can have a significant impact on the outcome. A 100-point variation in the discount rate versus the main assumption used at December 31, 2020 would have the following effects:

(in %)	Decrease of 100 basis points	Increase of 100 basis points
Impact on obligation at December 31, 2020	18%	-19%

4.11.3 Description of main defined benefit plans

France

The various French entities of the Group depend on the Milk Industry collective agreement, with the exception of MBMA and Materne employees, which depend on the Transformed Food Products Industry collective agreement. Both agreements provide for the payment of pensions to employees still present in the firm at the time of their retirement, with the retirement age being the same as that at which citizens are eligible for their State pension. This allowance is calculated as a percentage of the last salary earned, with the percentage determined according to the number of years of service at the time of retirement. These benefits are also subject to payroll on-costs which vary according to occupational category. This plan is not externally managed.

Germany

Germany had an additional defined benefit plan that has been closed to new entrants since March 2003, with new entrants benefiting from a defined contribution plan. The defined benefit plan pays a life annuity (with a 60% annuity granted to the retiree's surviving spouse and disability coverage) based on a percentage of the employee's last earned salary (based on the number of years in service capped at 35 years). The annuities are by law revised for inflation every three years.

The Netherlands

The Netherlands has two additional defined benefit retirement plans, one of which was established by a collective bargaining agreement with the dairy industry. The plans pay a life annuity at the date of retirement, with the retirement age set at 67. The annuity corresponds to the benefits acquired over the employee's length of service and is revised up annually to the beneficiary's date of retirement. The plans also pay an annuity to the employee's spouse or children in the event of death and provide disability coverage as well. The plans do not guarantee that the annuities for current retirees will be revalued in the future. They also do not guarantee the future evaluation of all the rights acquired by former employees who have acquired deferred benefits. Indexations are conditional on the financial health of the fund.

Both plans are financed via a shared multi-employer fund managed by Interpolis, an insurance firm. Interpolis determines the share of the fund owned by the two plans based on the value of the obligations calculated in accordance with statutory assumptions, which generally differ from standard assumptions. At end 2020, the fair value of plan assets in the Netherlands totaled €42.6 million, versus €41.5 million at end 2019.

4.12 OTHER NON-CURRENT LIABILITIES

Accounting principles

Investment grants received by the Group are recorded on the balance sheet under "Other liabilities" (current/non-current) and apportioned to the income statement in keeping with the depreciation schedule of the assets they financed.

Other non-current liabilities broke down as follows:

(in millions of euros)	December 31, 2020	December 31, 2019
Investment grants	24.8	23.0
Amounts payable to personnel	27.4	27.2
Other	10.9	10.9
TOTAL	63.1	61.0

Amounts payable to personnel were primarily made up of CETs (*Compte Épargne Temps*) – Time Savings Accounts of French companies (allowances for paid leave in France) – and debt provisions relating to employee profit-sharing plans at French entities.

Other non-current debts included the recognition of the debt to the multi-employer US pension fund (see Note 4.11 Employee benefits) for an amount of €4.0 million.

4.13 TRADE PAYABLES AND OTHER LIABILITIES

Changes in trade payables and other liabilities are presented in the following table:

(in millions of euros)	2020	2019
At January 1	667.9	626.9
Impact of change in consolidation scope	2.9	0.0
Changes in WCR	1.9	23.3
Reclassifications	(1.6)	12.1
Translation differences	(18.2)	5.7
AT DECEMBER 31	653.0	667.9

4.14 NET FINANCIAL DEBT

Accounting principles

Net cash and cash equivalents

Cash and cash equivalents include current bank account cash balances, term deposits that may be sold or used at very short notice (under three months) with no significant risk of losing value should interest rates change, and marketable securities. These are made up of money-market fund units that are highly liquid and carry a very low risk of change in value.

The Group's net cash consists of marketable securities and money market instruments, cash and cash equivalents, net of current bank facilities, including overdrafts, and of any corresponding interest recorded in current financial Net financial debt is presented in the following table:

liabilities. Changes in the Group's net cash are presented in the cash flow statement.

Financial debt excluding leases

Financial debt is recorded at amortized cost, namely at face value net of issue premiums and fees that are recorded gradually under financial items until maturity.

In the event of hedging of the risk of change in the future interest expense, the financial debt for which flows are hedged remains recognized under amortized cost, since the change in value of the effective part of the hedging instrument is recorded in equity.

(in millions of euros)	December 31, 2020	December 31, 2019
Bonds	745.2	623.0
NEU MTN ^(a)	40.0	50.0
Bank borrowings	33.4	112.0
Employee profit-sharing	4.3	5.8
Minority shareholders' put options	27.5	25.5
Deposits and guarantee deposits	0.0	0.2
Borrowings and financial liabilities	850.3	816.4
TOTAL LONG-TERM LIABILITIES	850.3	816.4
Bonds	5.9	5.7
Bank borrowings	8.1	46.6
Employee profit-sharing	2.6	2.6
NEU CP ^(b)	70.0	30.0
Minority shareholders' put options	24.5	0.0
Sundry loans and financial liabilities	28.2	7.6
Current account liabilities	65.6	79.5
Borrowings and financial liabilities	204.9	172.0
TOTAL SHORT-TERM DEBT	204.9	172.0
GROSS FINANCIAL DEBT - EXCLUDING FINANCE LEASE	1,055.2	988.4
Lease liability - Long term	87.9	83.1
Lease liability - Short-term	23.1	19.2
LEASE LIABILITIES	111.1	102.3
GROSS FINANCIAL DEBT	1,166.3	1,090.7
Current used bank facilities including overdrafts and accrued interest	10.2	2.3
Cash and cash equivalents	(590.3)	(405.7)
NET CASH AND CASH EQUIVALENTS	(580.1)	(403.4)
Current account assets	(2.0)	(3.1)
TOTAL NET DEBT	584.1	684.2

(a) Negotiable European Medium Term.

(b) Negotiable European Commercial Paper.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

The main financing transactions for 2020 are explained in Note 4.15.2.

Put options belonging to minority shareholders in the Moroccan company Safilait are included in short-term debts whereas put options belonging to minority shareholders in the recently acquired All In Foods are included in long-term debt. These two put options have been offset against equity.

Lease liabilities correspond to the right-of-use liability recognized in application of IFRS 16 as of 2018.

The repayment schedule for lease debts is set out below:

(in millions of euros)	Total	2021	2022	2023	2024	2025	2026 and beyond
Lease liability – Short-term	23.1	23.1					
Lease liability – Long term	87.9		19.9	16.0	13.7	12.0	26.3
TOTAL LEASE LIABILITY	111.1	23.1	19.9	16.0	13.7	12.0	26.3

Current account liabilities mainly concern the parent company Unibel for an amount of €63.8 million on December 31, 2020 compared with €78.5 million on December 31, 2019 (see Note 8.2).

The repayment schedule for long-term debt excluding leases is set out in Note 4.15.4 “Interest rate risk management”.

4.15 FINANCIAL INSTRUMENTS

4.15.1 Market risk management

The Treasury department, which is attached to the Group Finance Department, has the requisite skills and tools to manage market risk. The department reports to Management on a monthly basis and makes regular presentations to the Audit Committee.

4.15.2 Financial and liquidity risk management

The Group's net debt position on December 31, 2020 stood at €584 million, including lease debt in application of IFRS 16 and €473 million excluding leases.

The Group implemented policies aimed at limiting liquidity risk. In line with those policies, a significant share of the Group's financial resources is medium-term. The Group has confirmed credit lines and medium-term financing from its banks and from investors.

During 2020, in order to strengthen its dollar-denominated debt in view of progress in its US operations, the Group undertook its first private bond issue in the form of a US Private Placement under French law of \$150 million, maturing in November 2035. At the same time, the Group redeemed early its depreciable term loan of \$95 million due to mature in 2023.

At December 31, 2020, the Group had significant liquidity, including

- two confirmed syndicated credit lines of €300 million and €520 million, maturing in 2023 and 2024 respectively. These lines have not been drawn;
- a €500 million commercial paper program, of which €70 million has been used;

- a NEU MTN program of €200 million, of which €60 million has been used;
- a Euro PP bond loan of €125 million maturing in 2027 and 2029, contracted with private investors;
- a €500 million bond issue maturing April 2024;
- financing on the *Schuldschein* market including €20 million maturing in 2023.

On December 31, 2020, the Group also had a considerable amount of cash and cash equivalents, of €580 million, including €524 million at Bel.

In its syndicated credit lines, its private placements (Euro PP and US PP) and the *Schuldschein*, Bel SA has committed to keeping its financial leverage ratio below 3.75 over the entire life of the medium- and long-term financing mentioned above. The ratio's calculation method was changed in 2020 to reflect the integration of the IFRS 16 accounting standard. The financial leverage ratio now designates the amount of consolidated net debt, including lease liabilities divided by EBITDA on the basis of current operating income, including depreciation and amortization and financial reclassification for the Group's consolidated right of use. Failure to meet the ratio could trigger the repayment of a significant part of the debt. On December 31, 2020, the ratio stood at 1.45 versus 1.86 on December 31, 2019 (pro forma IFRS 16).

The Group implemented a policy of pooling liquidity at the Bel level for all countries where the local currency is freely convertible and where there are no legal or fiscal limits on pooling local surpluses or liquidity needs. Internal current accounts and intragroup compensation payment systems are managed by the Group Treasury Department.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

In countries where the pooling of surpluses and liquidity needs is not allowed, subsidiaries invest their surpluses in money-market funds denominated in their local currency and, if needed, finance themselves primarily in local currency. The policy of systematic dividend payment also aims to limit recurring surpluses at the subsidiaries level.

Available cash in North African and Middle Eastern countries amounted to €34 million on December 31, 2020 and represented the majority of the non-centralizable cash available.

However, some subsidiaries may have no alternatives to local currency financing. In this case, if the local currency is devalued, the subsidiaries recognize the related financial loss.

Surplus liquidity is invested in money-market mutual funds, term deposit accounts or short-term certificates of deposit.

4.15.3 Foreign exchange risk management

The Group is subject to foreign exchange rate fluctuations as a result of its international operations and presence.

Group entities are exposed to foreign exchange risk on sales recognized on the balance sheet as well as foreign exchange risk on highly probable future transactions when such business is transacted in currencies other than their functional currency, e.g. imports, exports and financial transactions.

Hedging policy for foreign exchange exposure

The management policy is to hedge risk on transactions denominated in foreign currency through the use of derivative financial instruments.

The Group implements a central exchange rate policy that aims to hedge the annual budgetary risk on currency purchases and sales for deliverable currencies. The Group Treasury Department provides these entities with the necessary currency hedges. Hedging is not intended to generate profit.

The Group also hedges exchange rate exposure arising from the payment of intragroup dividends denominated in foreign currency.

In contrast, the Group does not hedge its exposure to translation differences arising from consolidating its foreign subsidiaries.

For subsidiaries in countries where there are no financial hedging instruments, the policy is to maximize natural hedging as much as possible, for example through billing currencies. However, local currency devaluations can have a significant impact on the profitability of the concerned entity.

When the budget is prepared, budgeted currency prices are set according to market conditions for use as benchmarks to set up hedges. The management period for budgeted hedges does not exceed 18 months. On December 31, 2020, the maturity of the derivatives portfolio did not go beyond January 31, 2022. Cash flow from the budgeted 2020 and 2021 hedges is expected in 2021 and will thus impact income in 2021.

Hedging of foreign exchange rate fluctuations on imports, exports and financial transactions

Group entities recalculate their net foreign exchange exposures periodically during each budgetary review. To manage its exposure, the Group mainly uses forward contracts, currency options and cross-currency swaps.

Hedging positions for foreign exchange, interest rate and raw materials risks versus the previous year

The valuations below are compliant with the IFRS 9 accounting standard:

Type of operation (in millions of euros)	At December 31, 2020				At December 31, 2019			
	Equity	Operating income	Financial income	Market value	Equity	Operating income	Financial income	Market value
Portfolio related to foreign exchange risk								
Forward on operational transactions	4.9	1.6		6.4	0.1	(0.9)		(0.9)
Options on operational transactions	8.7	0.5		9.3	(0.0)	(0.1)		(0.1)
Forward on dividends and investments	0.4			0.4	(0.5)			(0.5)
Transactions on financing			(0.5)	(0.5)			(0.3)	(0.3)
Other operations			(0.1)	(0.1)			0.0	0.0
Total portfolio related to foreign exchange	14.0	2.1	(0.6)	15.5	(0.5)	(1.0)	(0.3)	(1.8)
Total portfolio related to interest rates	(0.5)	0.0	1.3	0.8	(0.9)	0.0	(1.7)	(2.5)
Total portfolio of Bel SA	13.5	2.1	0.7	16.3	(1.3)	(1.0)	(1.9)	(4.3)
Portfolio related to risk of change in US raw materials prices	2.3	(0.0)		2.3	1.9	0.6	0.1	2.6
TOTAL BEL GROUP				18.5				(1.7)

The valuation of hedges contracted by the Group is recorded under the "Other financial assets" and "Other financial liabilities" line items.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

On December 31, 2020, the Group had secured the following hedges:

		At December 31, 2020					At December 31, 2019				
		Commit -ment	Equity	Operating income	Financial income	Market value	Commit -ment	Equity	Operating income	Financial income	Market value
Type of operation (in millions of euros)	Cross										
Portfolio related to foreign exchange risk											
1 - PORTFOLIO OF CURRENCY FORWARD CONTRACTS BACKED BY TRADE RECEIVABLES, TRADE PAYABLES OR FUTURES TRANSACTIONS											
Forward purchase	EUR GBP	25.8	0.1			0.1	19.7	(0.2)	(0.1)		(0.3)
Forward sale	EUR PLN	22.7	(0.3)			(0.3)	27.5	0.6			0.6
Forward purchase	EUR PLN	2.4	0.1			0.1					0.0
Forward purchase	EUR USD	80.5	5.8	1.3		7.1	83.0	(0.3)	(0.7)		(1.0)
Forward sale	EUR USD	9.2	(0.7)			(0.7)					0.0
Forward purchase	Other	61.8	(0.1)	0.3		0.1	48.8	(0.1)	(0.1)		(0.2)
Forward sale	Other	0.5		(0.0)		(0.0)	2.0	0.0			0.0
Forward on operational transactions			4.9	1.6	0.0	6.4		0.1	(0.9)	0.0	(0.9)
2- CURRENCY OPTIONS BACKED BY TRADE RECEIVABLES, TRADE PAYABLES OR FUTURES TRANSACTIONS											
Call purchase	EUR GBP	66.2	0.7			0.7	58.0	0.2			0.2
Put sale	EUR GBP	36.0	(0.2)			(0.2)	30.0	(0.6)	(0.1)		(0.7)
Put purchase	EUR PLN	32.0	0.2			0.2	37.0	0.7			0.7
Call sale	EUR PLN	11.2	(0.2)			(0.2)	14.4	(0.0)			(0.0)
Call purchase	EUR USD	119.3	7.5	0.5		8.0	153.9	0.6			0.6
Put sale	EUR USD	61.8	(0.1)			(0.1)	105.3	(0.8)			(0.8)
Call purchase	Other	43.4	1.0			1.0	49.0	0.3			0.3
Put sale	Other	17.1	(0.1)			(0.1)	21.4	(0.3)			(0.3)
Options on operational transactions			8.7	0.5	0.0	9.3		(0.0)	(0.1)	0.0	(0.1)
3- CURRENCY FORWARD TO HEDGE FUTURE DIVIDEND OR SHARE TRANSACTION FLOWS											
Forward purchase	EUR GBP	2.0	(0.0)			(0.0)	1.0	(0.1)			(0.1)
Forward purchase	EUR USD	5.3	0.4			0.4	15.1	(0.3)			(0.3)
Forward purchase	Other	1.1	0.0			0.0	3.9	(0.2)			(0.2)
Forward on dividends and investments			0.4	0.0	0.0	0.4		(0.5)	0.0	0.0	(0.5)
4- TRANSACTIONS TO HEDGE FINANCING FLOWS											
Swap sale	EUR GBP	20.0			0.1	0.1	12.9				0.0
Swap sale	EUR PLN	6.5			(0.1)	(0.1)	4.2				0.0
Swap sale	EUR USD	73.6			(0.5)	(0.5)	47.2			(0.3)	(0.3)
Swap sale	Other	11.2			(0.0)	(0.0)	6.4				0.0
Swap purchase	Other	10.1			0.0	0.0	15.3				0.0
Transactions to hedge financing flows			0.0	0.0	(0.5)	(0.5)	0.5	0.0	0.0	(0.3)	(0.3)
5 - OTHER TRANSACTIONS OUTSIDE THE HEDGING TRANSACTIONS CATEGORY											
Call purchase	EUR GBP				(0.0)	(0.0)	8.1				0.0
Call sale	EUR GBP	4.5			(0.0)	(0.0)	7.0				(0.0)
Call sale	EUR USD	5.9			(0.1)	(0.1)					0.0
Call sale	Other	0.1			(0.0)	(0.0)	0.5				0.0
Other operations			0.0	0.0	(0.1)	(0.1)		0.0	0.0	0.0	0.0
TOTAL PORTFOLIO RELATED TO FOREIGN EXCHANGE			14.0	2.1	(0.6)	15.5		(0.5)	(1.0)	(0.3)	(1.8)

The transactions are expressed according to the direction of the cross-currency: Examples:

- forward purchase EUR USD means the Group is buying EUR and selling USD;

- call purchase EUR GBP means the Group is buying a EUR call/GBP put option;

- swap on futures sales EUR GBP means that the Group borrows EUR so is selling futures on EUR, lends GBP so if purchasing futures on GBP.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

At December 31, 2020, the market value of derivatives hedging highly probable future transactions and recognized in equity was positive at €14 million, compared to a negative €0.5 million at December 31, 2019.

The Group's main currency exposure is the US dollar, the Pound Sterling and the Polish Zloty. The valuations shown exclude the impact of deferred taxes.

A 1% increase in the EUR/USD rate, before hedging, would negatively impact operating income by €1.8 million on an annual basis.

A 1% increase in the EUR/GBP rate, before hedging, would negatively impact operating income by €1 million on an annual basis.

A 1% decrease in the EUR/PLN rate, before hedging, would negatively impact operating income by €0.5 million on an annual basis.

On December 31, 2020, 2021 budget net exposure (realized and future) relative to the main currencies was hedged at a

ratio between 75% and 93%, depending on the currency managed. Currency fluctuation gains and losses arising from the recognition of sales and purchasing transactions of Group entities can thus be offset up to the hedge amount by gains and losses from the hedges.

Hedge measurements comply with market practices in terms of data for yield curves, foreign exchange rates and volatility curves, as well as valuation models. The Treasury department has the requisite in-house means for calculating the valuations. However, the Bel Group uses an external provider to determine the valuations.

4.15.4 Interest rate risk management

Most of the Group's financing is arranged by Bel, which also handles interest rate risk management centrally. The policy governing interest rate derivatives is designed to protect against an unfavorable rise in interest rates while partially taking advantage of any interest rate declines.

At December 31, 2020, the Group hedged interest rate risk through interest rate swaps:

Type of operation (in millions of euros)	Currency	At December 31, 2020					At December 31, 2019				
		Commit- ment	Equity	Operating income	Financial income	Market value	Commit- ment	Equity	Operating income	Financial income	Market value
Portfolio related to interest rate											
Fixed-rate borrower swaps	EUR	42.5	(0.5)			(0.5)	47.5	(0.6)			(0.6)
Fixed-rate receiver swaps	EUR	72.5			1.5	1.5	72.5			(1.1)	(1.1)
Fixed-rate receiver swaps	USD	48.9			(1.0)	(1.0)					
Fixed-rate borrower swaps	USD						84.6	(0.3)			(0.3)
Fixed-rate borrower cross currency swaps	EUR/CAD	19.2			0.8	0.8	20.6			(0.5)	(0.5)
TOTAL PORTFOLIO RELATED TO INTEREST RATES		(0.5)0.01.30.8					(0.9)0.0(1.7)(2.5)				

On an annualized basis, a 1% rise across the entire rates curve would have:

- a positive impact of €0.4 million on the Group's equity;
- a negative impact of €11 million on the Group's financial result.

The following hedging balance corresponds to hedges of Group's loans.

On an annualized basis, a 1% fall across the entire rates curve would have:

- no impact on the Group's financial result;
- a positive impact of €12.8 million on the Group's financial result.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

CHANGE IN INTEREST RATE HEDGING PORTFOLIO ON DECEMBER 31, 2020

(in millions of euros)		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Interest-rate swaps	EUR	115.0	107.5	97.5	62.5	62.5	62.5	62.5	31.3	31.3	0.0	0.0
Interest-rate swaps	USD	60	60	60	60	60	60	60	60	60	60	60
Currency swaps	EUR/ CAD	30.0	7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS OF GROSS FINANCIAL DEBT (EXCLUDING LEASING), BY NATURE, MATURITY AND TYPE OF RATE

At December 31 (in millions of euros)	Gross financial debt			Impact of derivative instruments			Financial debt after impact of derivative instruments		
	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Maturity									
2021	(39.1)	(165.8)	(204.9)	(21.9)	21.9	0.0	(61.0)	(143.9)	(204.9)
2022	(1.9)	(21.3)	(23.2)	(14.8)	14.8	0.0	(16.7)	(6.5)	(23.2)
2023	(32.2)	(10.8)	(43.0)	(15.0)	15.0	0.0	(47.2)	4.2	(43.0)
2024	(529.0)	(0.8)	(529.8)	0.0	0.0	0.0	(529.0)	(0.8)	(529.8)
2025	(2.3)	(1.3)	(3.6)	0.0	0.0	0.0	(2.3)	(1.3)	(3.6)
>=2026	(250.7)	0.0	(250.7)	111.4	(111.4)	0.0	(139.3)	(111.4)	(250.7)
TOTAL	(855.1)	(200.1)	(1,055.2)	59.7	(59.7)	0.0	(795.4)	(259.8)	(1,055.2)

Treasury notes are issued at a fixed rate but are treated as floating rate instruments in the table owing to short maturities and expected renewals.

4.15.5 Counterparty risk management

All short-term cash investments and financial instruments are arranged with major counterparties in accordance with both safety and liquidity rules. "Major counterparties" are mainly French banks from the banking pool. Money-market mutual funds offering daily liquidity or certificates of deposit account for most of the short-term cash investments.

The DVA (Debt Value Adjustments) and CVA (Credit Value Adjustments) of the Group's foreign exchange and interest rate hedges were immaterial at Thursday, December 31, 2020.

4.15.6 Raw materials risk management

The Group is exposed to price increases of raw materials, particularly for milk, cheese, milk powder and butter. So far, the Group has not been able to implement a global systematic policy to hedge raw materials prices. The US units have a raw materials hedging policy using forward markets in Chicago.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

On December 31, 2020, Bel and Bel Brands had the following positions:

Category of transactions	At December 31, 2020		At December 31, 2019	
	Number of contracts	Market value (in millions of euros)	Number of contracts	Market value (in millions of euros)
CME Class III Milk				
Forward purchase	716	0.8	751	1.0
Call purchase	636	1.0	794	0.9
Put sale	318	(0.1)	397	0.0
TOTAL CME CLASS III MILK		1.7		1.9
CME Cash Settled Cheese				
Forward purchase	311	0.2	282	0.3
Call purchase	252	0.4	268	0.4
Put sale	126	(0.1)	140	0.0
TOTAL CME CASH SETTLED CHEESE		0.5		0.7
TOTAL US		2.3		2.6
TOTAL BEL GROUP		2.3		2.6

On December 31, 2020, the market value of derivatives allocated to hedge highly probable future transactions and recognized in equity is a positive €2.3 million, compared with a positive amount of €2.6 million on December 31, 2019.

4.15.7 Fair value hierarchy disclosures based on IFRS 7

IFRS 7 classification (in millions of euros)	At December 31, 2020				At December 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Foreign exchange derivatives		15.5		15.5		(1.8)		(1.8)
Interest rate derivatives		0.8		0.8		(2.5)		(2.5)
Raw materials derivatives	2.3			2.3	2.6			2.6
TOTAL	2.3	16.3	0.0	18.5	2.6	(4.3)	0.0	(1.7)
Marketable securities and money market instruments	91.0			91.0	90.9			90.9
TOTAL	93.3	16.3	0.0	109.6	93.5	(4.3)	0.0	89.2

4.16 OTHER CURRENT FINANCIAL ASSETS AND LIABILITIES

Other current financial assets and liabilities recorded in the balance sheet break down as follows:

(in millions of euros)	December 31, 2020	December 31, 2019
Other current financial assets	21.5	5.8
Current accounts – assets	2.1	3.2
Derivative instruments – assets	18.5	2.6
Other financial assets	0.8	0.1
Other current financial liabilities	0.0	4.3
Derivative instruments – liabilities	0.0	4.3

The breakdown of derivative instruments recorded under assets and liabilities, analyzed in Note 4.15 is as follows:

Detailed positions of derivatives (in millions of euros)	At December 31, 2020	At December 31, 2019
Hedge on foreign exchange	15.5	(1.8)
Hedge on interest rates	0.8	(2.5)
Hedge on raw material France	0.0	0.0
Hedge on raw material USA	2.3	2.6
TOTAL	18.5	(1.7)
Net positions in the assets	18.5	2.6
Net positions in the liabilities	0.0	(4.3)

NOTE 5 | Cash flows

5.1 CASH FLOW FROM (USED IN) OPERATING ACTIVITIES

“(Increase) decrease in inventories, receivables and payables” broke down as follows:

(in millions of euros)	2020	2019
Change in inventories and write-downs	(18.9)	(3.1)
Change in trade and other receivables	51.1	(12.0)
Change in trade payables and other liabilities	0.6	29.5
INCREASE (DECREASE) IN INVENTORIES, CURRENT RECEIVABLES AND PAYABLES	32.8	14.5

5.2 CASH FLOW FROM (USED IN) INVESTING ACTIVITIES

Acquisitions of tangible and intangible fixed assets primarily concerned the improvement in the quality of products and safety at the Group's plants in France, and the increase in production capacities at the MOM Group companies. (see Notes 4.2 and 4.3).

5.3 CASH FLOW FROM (USED IN) FINANCING ACTIVITIES

5.3.1 (Increase) decrease in current accounts with entities outside the scope of consolidation

The “Increase (decrease) in current accounts with entities outside the scope of consolidation” breaks down as follows:

(in millions of euros)	2020	2019
(Increase) decrease in current accounts with		
Unibel	(14.8)	(10.0)
Other non-consolidated companies	1.9	(3.0)
TOTAL	(12.8)	(12.9)

5.3.2 Increase (decrease) in cash and cash equivalents

(in millions of euros)	Issues	Repayments	Change in the scope of consolidation	
Gross debt end of December 31, 2019 (see Note 4.14)				1,090.7
Of which :				
Bonds	127.7	(5.2)		
NEU MTN ^(a)	10.0	0.0		
Bank borrowings	4.7	(120.4)	0.4	
NEU CP ^(b)	140.0	(100.0)		
Employee profit-sharing	10.0	(11.6)		
Sundry loans and financial liabilities	0.7	(0.9)		
Gross debt variation for the period	293.2	(238.2)	0.4	55.4
Other financing variations				24.9
Amounts related to assets held under finance lease				11.9
Current account liabilities				(13.9)
Minority shareholders' put options				26.9
Translation differences				(4.8)
GROSS DEBT END OF DECEMBER 31, 2020 (SEE NOTE 4.14)				1,166.3

(a) Negotiable European Medium Term Notes.

(b) Negotiable European Commercial Paper.

Issues and repayments of debt are described in Note 4.15.2.

NOTE 6 | Financial commitments

6.1 TABLE OF OFF-BALANCE SHEET COMMITMENTS

(in millions of euros)	2020	2019
Commitments given	85.5	87.5
Off-balance sheet commitments given, related to Company financing	10.6	14.2
Financial guarantees given	3.4	6.5
Other	7.1	7.7
Commitments received, related to the issuer's operating activities	74.9	73.3
Asset orders placed	27.3	35.9
Operating leases	16.7	16.9
• less than one year	7.8	5.8
• one to five years	8.9	11.1
• more than five years	0.0	0.0
Power purchase	4.2	4.8
Subcontracting	14.3	9.2
Other	12.4	6.4
(in millions of euros)	2020	2019
Commitments received	836.8	837.8
Off-balance sheet commitments given, related to Company financing	820.0	820.0
Credit lines received and unused	820.0	820.0
Commitments received, related to the issuer's operating activities	16.8	17.8
Financial guarantees received	15.5	16.1
Other	1.4	1.7

Financial guarantees given partly correspond to two guarantees totaling €3.3 million and granted by Bel to cover a Credit Facility Agreement for the consolidated Ukrainian subsidiary.

In 2020, Bel renewed the agreement with APBO (Association des producteurs de lait Bel Ouest), initially signed in December 2017, which stipulates:

- a guaranteed average annual reference price for all of 2021 for milk purchased from APBO producers, fixed at €350 per 1,000 liters, but which can be adjusted according to changes in the market price. A monthly threshold price that ensures a floor price of €335 per 1,000 liters, and a ceiling price of €360 per 1,000 liters;
- the deployment by all APBO producers of practices that set these producers apart, including a GMO-free diet for dairy herds and access to field grazing for cows;

- compensation for implementing these practices in the form of monthly premiums for a total of €21 per 1,000 liters produced.

In addition to these fulfilled and renewed commitments, two new development focuses have been added for 2021:

- pursuing commitments in animal welfare by rolling out the Boviwell (2.0) reference system at the APBO farms;
- an ambitious road-map on reducing the environmental footprint, with a pioneering collaborative approach. As such, by the end of 2021, 80% of APBO operations will be CAP'2ER audited, with a target of 100% by 2022.

As part of the acquisition of the MOM Group and of All In Foods, the Group received a sale agreement from the managers of each company for all of the shares they own, exercisable at Bel's request up to April 30, 2022 for the MOM Group and January 15, 2025 for All In Foods.

NOTE 7 | Litigation and disputes

The Group is engaged in a certain number of lawsuits and disputes in the normal course of its business. Provisions were booked for any probable and measurable costs that might arise from these lawsuits and disputes. Management knows of no dispute carrying significant risk that could adversely impact the Group's earnings or financial position that was not provisioned for at December 31, 2020.

NOTE 8 | Related parties**8.1 MANAGEMENT BENEFITS**

(in millions of euros)	2020	2019
Remuneration and benefits in kind	2.2	3.6
Director's fees	0.2	0.2
TOTAL SHORT-TERM BENEFITS	2.4	3.7
Bonus shares	0.0	0.2
TOTAL LONG-TERM BENEFITS	0.0	0.2

Management in this note refers to members of the Board of Directors and the Management Committee.

8.2 OPERATIONS WITH RELATED PARTIES

(in millions of euros)	2020	2019
Amount of transactions	14.0	18.0
of which Unibel	5.4	6.4
of which other non-consolidated companies	8.6	11.6
Associated receivables	0.1	1.9
Associated payable and current accounts	66.4	84.2
of which Unibel	63.8	79.7
of which other non-consolidated companies	2.5	4.4
Unibel shares	115.8	113.9

At December 31, 2020, the amount of related-party transactions included €5.4 million paid to Unibel (holding company), of which €5.0 million in personnel expenses billed back to Bel under a service agreement dated December 14, 2001, and €8.3 million in operating expenses billed back to Bel by non-consolidated Group entities (Bel Proche et Moyen-Orient Beyrouth, Bel Middle East etc.).

Related parties' associated payables and current accounts mainly concerned Unibel (holding company), with a

€63.8 million current account versus €78.5 million on December 31, 2019 (see Note 4.14).

Unibel shares held by SOFICO were valued at €115.8 million, based on the closing share price on December 31, 2020 (see Note 4.5).

The Group had no significant off-balance sheet commitments with related parties.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

NOTE 9 | Subsequent events

On March 19, 2021, the Bel Group and the Lactalis group announced they had entered exclusive negotiations following the signing of a unilateral purchase agreement concerning the disposal of a scope of activities including Royal Bel Leerdammer NL, Bel Italia, Bel Deutschland, the Leerdammer brand and all rights attached, as well as Bel Shostka Ukraine, to Lactalis. This group of activities is to be transferred to Lactalis through SICOPA, a subsidiary 100% owned by Bel, in exchange for 1,591,472 Bel shares (representing 23.16% of the capital) owned by Lactalis. Following this exchange, Lactalis would own 0.90% of Bel's capital.

This disposal continues on from the Bel Group's strategy started in 2015, aimed at extending its businesses beyond cheese products to become a major player in health snacking.

The terms of this disposal also ensure that the positions established by Bel in Germany, Italy and Ukraine are

preserved by adapting its distribution model in the countries, through exclusive trade agreements set up with Lactalis to ensure the effective distribution of other Bel brands.

On December 31, 2020, sales from the Leerdammer brand and Bel Shostka Ukraine totaled around €500 million, including €350 million in branded products, with operating income of around €25 million.

The entities sold off, Royal Bel Leerdammer NL, Bel Italia, Bel Deutschland, and Bel Shostka Ukraine, contribute as follows to the Bel Group's balance sheet on December 31, 2020:

- non-current assets of €207.8m;
- current assets of €170.6m;
- non-current liabilities of €55.4m;
- current liabilities of €90.6m.

NOTE 10 | Consolidation scope

Companies	Country	2020		2019	
		Percentage of legal control	Percentage of interest	Percentage of legal control	Percentage of interest
By full consolidation					
Bel SA	France	Parent company	Parent company	Parent company	Parent company
Fromageries Picon	France	99.99	99.99	99.99	99.99
Fromageries Bel Production France	France	100.00	100.00	100.00	100.00
SAS FR	France	100.00	100.00	100.00	100.00
SICOPA	France	100.00	100.00	100.00	100.00
SOFICO	France	100.00	100.00	100.00	100.00
SOPAIC	France	100.00	100.00	100.00	100.00
Fromagerie Boursin SAS	France	100.00	100.00	100.00	100.00
Société des Produits Laitiers	France	100.00	100.00	100.00	100.00
Newton Holding	France	68.02	76.03	67.60	74.42
MBMA Holding SAS	France	68.02	76.03	67.60	74.42
MBMA SAS	France	68.02	76.03	67.60	74.42
Mont Blanc SAS	France	68.02	76.03	67.60	74.42
Materne SAS	France	68.02	76.03	67.60	74.42
All In Foods S.A.R.L	France	100.00	100.00	-	-
Bel South Africa	South Africa	100.00	100.00	100.00	100.00
Fromagerie Bel Algérie	Algeria	100.00	100.00	100.00	100.00
Bel Deutschland	Germany	100.00	100.00	100.00	100.00
Bel Belgium	Belgium	100.00	100.00	100.00	100.00
Fromageries Bel Canada	Canada	100.00	100.00	100.00	100.00
Materne Canada	Canada	68.02	76.03	67.60	74.42
Bei Lao Zi (Shanghai) Food Trading Co Ltd	China	100.00	100.00	100.00	100.00
Bel Cheese Korea	Korea	100.00	100.00	100.00	100.00

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

Companies	Country	2020		2019	
		Percentage of legal control	Percentage of interest	Percentage of legal control	Percentage of interest
Fromageries Bel Côte d'Ivoire	Ivory Coast	100.00	100.00	100.00	100.00
Bel Egypt Distribution	Egypt	100.00	100.00	100.00	100.00
Bel Egypt Expansion For Cheese Production	Egypt	100.00	100.00	100.00	100.00
Grupo Fromageries Bel España	Spain	100.00	100.00	100.00	100.00
Bel Brands USA	United States	100.00	100.00	100.00	100.00
Bel USA	United States	100.00	100.00	100.00	100.00
Materne North America Corp.	United States	68.02	76.03	67.60	74.42
Bel UK	Great Britain	100.00	100.00	100.00	100.00
Fromageries Bel Hellas	Greece	100.00	100.00	100.00	100.00
Bel-Rouzaneh Dairy Products company	Iran	100.00	100.00	100.00	100.00
Bel Italia Spa	Italy	100.00	100.00	100.00	100.00
Bel Japon	Japan	100.00	100.00	100.00	100.00
Fromageries Bel Maroc	Morocco	67.99	67.99	67.99	67.99
S.I.E.P.F.	Morocco	100.00	100.00	100.00	100.00
Bel Africa	Morocco	100.00	100.00	100.00	100.00
Safilait	Morocco	70.48	60.88	70.48	60.88
Bel Nederland	The Netherlands	100.00	100.00	100.00	100.00
Royal Bel Leerdammer	The Netherlands	100.00	100.00	100.00	100.00
Bel Polska	Poland	100.00	100.00	100.00	100.00
Fromageries Bel Portugal	Portugal	100.00	100.00	100.00	100.00
Syraren Bel Slovensko AS	Slovakia	99.88	99.88	99.88	99.88
Bel Nordic A.B.	Sweden	100.00	100.00	100.00	100.00
Bel Suisse	Switzerland	100.00	100.00	100.00	100.00
Bel Syrie	Syria	100.00	100.00	100.00	100.00
Bel Syry Cesko	Czech Republic	100.00	100.00	100.00	100.00
Bel Karper Gida Sanayi	Turkey	100.00	100.00	100.00	100.00
Bel Shostka Ukraine	Ukraine	100.00	100.00	100.00	100.00
Bel Cheese Mexico	Mexico	100.00	100.00	100.00	100.00
Quesos Bel Mexico	Mexico	100.00	100.00	100.00	100.00
Bel Vietnam	Vietnam	100.00	100.00	100.00	100.00

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Consolidated financial statements

NOTE 11 | Statutory auditors' fees

(in thousands of euros)	Deloitte & Associés				Grant Thornton			
	Amounts		%		Amounts		%	
	2020	2019	2020	2019	2020	2019	2020	2019
Certification and limited half-year review for individual and consolidated financial statements								
Issuer	226	284	59%	64%	219	229	51%	50%
Fully consolidated companies	124	123	32%	27%	179	178	41%	39%
SUB-TOTAL	350	407	92%	91%	399	407	92%	89%
Services other than book certification								
Issuer	31	41	8%	9%	23	31	5%	7%
Fully consolidated companies	0	-	0%	0%	12	20	3%	4%
SUB-TOTAL	31	41	8%	9%	35	51	8%	11%
TOTAL	381	448	100%	100%	433	458	100%	100%

These are fees paid to the Company's Statutory auditors for certification of the accounts of the consolidating entity and its consolidated subsidiaries.

Services other than certification of the accounts mainly encompass attestations on covenants and investment grants, as well as the mission of third-party bodies concerning the non-financial performance report.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

To the Annual General Meeting of Bel shareholders,

Opinion

In accordance with the assignment entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of the company Bel for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and financial position of the Group comprising the persons and entities within its consolidation scope, as at December 31, 2020, and of the results of its operations for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' responsibilities for the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit assignment in compliance with the independence rules set out in the French Code of Commerce and the French Code of Ethics for Statutory Auditors (*Code de déontologie des commissaires aux*

comptes), for the period from January 1, 2020, to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) n° 537/2014.

Justification of assessments – key audit matters

The global crisis surrounding the COVID-19 pandemic has created unusual circumstances for preparing and auditing financial statements for the 2020 financial year. The crisis and exceptional measures taken under the public health state of emergency have had many repercussions for companies, especially for their activity and financing, and have led to increased uncertainty about their future prospects. Some of these measures, such as restrictions on travel and work-from-home arrangements, have also impacted on companies' internal organizational procedures and on the processes applied to perform audits.

It is in such complex and changing circumstances that, in accordance with the requirements set out under Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following key audit matters relating to the risks of material misstatement which, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the period under review, as well as the responses we provided in relation to these risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the consolidated financial statements.

Evaluation of goodwill**Note 4.1 "Goodwill"****Identified risk**

Goodwill amounted to €848.2 million at December 31, 2020.

The goodwill impairment tests performed by management for each of the Group's Cash Generating Units (CGU) are largely based on judgments and assumptions, such as for:

- future cash flows;
- discount rates (WACC) and long-term growth rates used to project these future cash flows.

As a result, any variation in these assumptions could change the recoverable amount of this goodwill.

We therefore considered goodwill impairment testing to be a key audit matter.

Our response

We took note of the processes and procedures involved in the impairment testing performed by the Group.

We carried out the following procedures on the impairment tests performed for each of the CGUs:

- we reconciled cash flow forecasts with the latest business plans approved by management;
- we analyzed the consistency of the assumptions used with the performance history of the Group and/or CGUs concerned;
- we assessed the reasonableness of the key business assumptions (notably future growth prospects) and long-term growth rate with the local financial controllers, particularly with regard to changes in (i) the consumption environment in the main markets in which the Group operates, (ii) the relevant factors used to determine the prices of primary components used in production (milk, fat, apples) and (iii) the conditions for negotiating selling prices with the main distribution networks;
- with the support of our valuation specialists, we assessed the valuation model and discount rates used against market benchmarks;
- we reviewed the sensitivity analyses performed by management against our own sensitivity calculations.

Specific verifications

In accordance with professional standards applicable in France, we also performed the specific verifications required under laws and regulations on the information related to the Group included in the Group's Management Report.

We have no observations to make on their fair presentation or their consistency with the consolidated financial statements.

We confirm that, pursuant to Article L. 225-102-1 of the French Commercial Code, the consolidated statement of non-financial performance is included in the management report, it being specified that, pursuant to Article L. 823-10 of said code, we did not verify that the information contained in this report gives a fair presentation of, or is consistent with, the consolidated financial statements. As such, it must be addressed in a separate report drafted by an independent third party.

Other verifications and information in accordance with legal and regulatory requirements**Format for presenting consolidated financial statements to be included in the Annual Financial Report**

In accordance with the professional standard on the due diligence of statutory auditors in relation to the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, we have also verified compliance with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018, in the presentation of the consolidated financial statements intended for inclusion in the annual financial report referred to in I of Article L. 451-1-2 of the French Monetary and Financial Code (Code monétaire et financier), which have been prepared under the responsibility of the Chairman and Chief Executive Officer. The procedures we apply when auditing consolidated financial statements include verifying that these statements are tagged in accordance with the format defined by said regulation.

Based on our work, we concluded that the presentation of the consolidated financial statements to be included in the Annual Financial Report does indeed adhere to the European Single Electronic Format in all material respects.

It is not our responsibility to verify that the consolidated financial statements actually included by your Company in the Annual Financial Report filed with the AMF correspond to those on which we based our audit assignment.

Appointment of Statutory Auditors

We were appointed as statutory auditors of the company Bel by your General Meetings of June 25, 1998 for Deloitte & Associés and of May 12, 2010 for Grant Thornton.

As at December 31, 2020, Deloitte & Associés was in the 29th consecutive year of its mandate, taking into account acquisitions or mergers of firms that took place before that date, and Grant Thornton was in the 11th year consecutive of its mandate.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management deems necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern; disclosing in these statements, as applicable, matters related to going concern; and using the going concern basis of accounting, unless it is expected to liquidate the Company or cease its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, with respect to the accounting and financial reporting procedures applied.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the consolidated financial statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but not a guarantee, that an audit conducted in accordance with professional standards will

always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, whether taken individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users of these financial statements based thereon.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit assignment does not consist in providing assurance of the viability of the Company or of the quality of management of the affairs of the Company.

In accordance with the professional standards applicable in France, the statutory auditor exercises its professional judgment throughout the audit assignment. Furthermore, the auditor:

- identifies and assesses the risks of material misstatement in the consolidated financial statements, whether due to fraud or error; designs and performs audit procedures responsive to those risks; and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, determines whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of their audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, it draws the attention of the readers of its report to the disclosures about said uncertainty made in the consolidated financial statements or, if such disclosures are not provided or are not relevant, they issue a qualified or adverse opinion;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient and appropriate audit evidence regarding the financial information of the persons or entities within the consolidation scope to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for managing, supervising and performing the audit of the consolidated financial statements and for the opinion expressed on these statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant internal control deficiencies that we have identified regarding the accounting and financial reporting procedures applied.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements for the period under review and that, as such, constitute the key audit matters we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as set out in particular in Articles L. 822-10 to L. 822-144 of the French Commercial Code and in the French Code of Ethics for statutory auditors (*Code de déontologie des commissaires aux comptes*). Where appropriate, we discuss with the Audit Committee any risks that may reasonably be thought to bear on our independence, and the safeguards in place.

Neuilly-sur-Seine et Paris-La Défense, March 31, 2021

The Statutory Auditors

Grant Thornton

French Member of Grant Thornton International

Virginie PALETHORPE

Deloitte & Associés

Jean-Pierre AGAZZI

5.5.2 COMPANY FINANCIAL STATEMENTS AT DECEMBER 31, 2020

Annual financial statements at December 31, 2020

(in thousands of euros)	Notes	2020	2019
OPERATING INCOME			
Sales of merchandise (goods purchased for resale)		106,984	97,751
Production sold:			
• sales – goods		1,170,132	1,176,379
• sales – construction works			
• sales – services			
• revenues from ancillary operations		46,340	42,938
TOTAL PRODUCTION SOLD		1,216,472	1,219,317
REVENUE FROM SALES (INCLUDING EXPORTS OF 686,633.	3	1,323,456	1,317,068
Change in finished goods and in-progress inventories:			
• work-in-progress goods			
• work-in-progress services		1,014	986
• finished goods		1,753	(3,732)
TOTAL CHANGE IN FINISHED GOODS AND IN-PROGRESS INVENTORIES		2,767	(2,746)
Self-constructed fixed assets		7,761	4,126
Government grants – operations		22	122
Reversals of provisions, write-downs, depreciation and amortization		2,021	1,844
Expense transfers	4	20,787	48,938
Other revenue		76,298	64,409
TOTAL I		1,433,112	1,433,761
OPERATING EXPENSES			
Cost of merchandise (goods purchased for resale) sold during the year:			
• purchase of merchandise (goods purchased for resale)		73,630	69,998
• change in inventories of merchandise (goods purchased for resale)		(1,499)	(356)
Total purchase costs of goods resold		72,131	69,642
Operating costs incurred through third parties and consumed during the period:			
• Purchases of inventoried raw ingredients and supplies			
<i>raw materials</i>			
<i>other production supplies</i>		758	1,565
• Increase (decrease) in raw material and supply inventories		289	143
• purchases from subcontractors		778,017	766,372
• purchases of non-inventoried materials and supplies		10,319	8,100
• outside services			
<i>outside personnel</i>	5	8,080	10,746
<i>lease payments</i>			
<i>others</i>		396,174	405,263
TOTAL OPERATING COSTS INCURRED THROUGH THIRD PARTIES		1,193,637	1,192,189

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Annual financial statements

(in thousands of euros)	Notes	2020	2019
Taxes other than income tax			
• on compensation		4,117	3,444
• others		8,818	8,584
TOTAL TAXES OTHER THAN INCOME TAX		12,935	12,028
Personnel expense			
• wages and salaries		85,968	95,935
• payroll on-costs		36,939	36,008
TOTAL PERSONNEL EXPENSES	5	122,907	131,943
Depreciation, amortization and provisions for the year			
• depreciation of fixed assets		9,340	9,660
• provisions for fixed assets			
• provision for current assets		150	393
• Provision for contingencies and losses		2,706	2,572
TOTAL DEPRECIATION AND PROVISIONS FOR THE YEAR		12,196	12,625
Sundry expenses		15,751	13,679
TOTAL II		1,429,557	1,432,106
1 - PROFIT FROM OPERATIONS (I-II)		3,555	1,655
NET PROFIT/(LOSS) FROM JOINT VENTURES			
PROFIT OR LOSS TRANSFERRED III			
LOSS OR PROFIT TRANSFERRED IV			
FINANCIAL INCOME			
From participating interests		115,610	111,573
From other long-term marketable securities and receivables			
Other interest and similar income		2,692	2,487
Reversal of provisions and transfers of financial expenses		1,233	2,689
Foreign exchange gains		62,732	43,776
Net profits from sales of marketable securities		142	86
TOTAL V		182,409	160,611
FINANCIAL EXPENSES			
Depreciation, amortization and provisions for the year		3,100	1,711
Interest and similar expenses		24,258	26,387
Foreign exchange losses		55,194	47,528
Net losses from sales of marketable securities		8	19
TOTAL VI		82,560	75,645
2 - NET FINANCIAL RESULT (V-VI)	6	99,849	84,966
3 - PRE-TAX PROFIT (LOSS) ON ORDINARY ACTIVITIES (I-II+III-IV+V-VI)		103,404	86,621

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Annual financial statements

(in thousands of euros)	Notes	2020	2019
EXTRAORDINARY INCOME			
From operations		74	124
From capital transactions			
• proceeds from disposal of fixed assets		152	3,882
• investment grants transferred to income		37	39
• others			2
TOTAL FROM CAPITAL TRANSACTIONS		189	3,923
Reversal of provisions and transfers of extraordinary expenses		3,182	35,060
TOTAL VII		3,445	39,107
EXTRAORDINARY EXPENSE			
From operations		2,901	28,233
From capital transactions			
• carrying amount of capitalized assets and financial assets sold		554	5,122
• others		88	275
TOTAL FROM CAPITAL TRANSACTIONS		642	5,397
Depreciation, amortization and provisions for the year			
• regulated provisions		9,623	2,291
• depreciation and other provisions for the year		315	130
TOTAL DEPRECIATION AND PROVISIONS FOR THE YEAR		9,938	2,421
TOTAL VIII		13,481	36,052
4 - EXTRAORDINARY PROFIT (LOSS) (VII-VIII)	7	(10,036)	3,055
Employee profit-sharing (IX)		3,475	3,675
Income tax (X)	8	(1,772)	(7,085)
TOTAL INCOME (I+III+V+VII) XI		1,618,966	1,633,479
TOTAL EXPENSES (II+IV+VI+VIII+IX+X) XII		1,527,301	1,540,393
5 - NET PROFIT (LOSS)		91,665	93,086

Comparative balance sheets at December 31, 2020

ASSETS

		2020			2019
(in thousands of euros)	Notes	Gross amounts	Depreciation and write-downs	Net amounts	Net amounts
CAPITAL ASSETS					
Intangible assets					
Concessions, patents, licenses, brands, processes, software, rights and similar assets		97,068	81,304	15,764	15,178
Business goodwill ^(a)		221,533		221,533	221,533
Other					
Intangible assets in progress		12,004		12,004	10,260
Advances and down-payments on intangible assets		78		78	
		330,683	81,304	249,379	246,971
Property, plant and equipment					
Land		1,007	577	430	220
Suspense account					
Constructions		26,118	14,791	11,327	12,662
Technical installations, fixtures, machinery and equipment		47,804	37,843	9,961	11,239
Other		8,091	5,648	2,443	2,603
Assets in the course of construction		941		941	1,414
Advances and down-payments					17
		83,961	58,859	25,102	28,155
Financial assets ^(b)					
Participating interests		1,262,318	17,748	1,244,570	1,182,438
Loans to and receivables from participating interests		673,028	796	672,232	678,977
Other long-term financial assets		7,948	343	7,605	3,676
Loans		6,792	1	6,791	6,448
Other		24,868		24,868	24,283
		1,974,954	18,888	1,956,066	1,895,822
TOTAL I	9	2,389,598	159,051	2,230,547	2,170,948
CURRENT ASSETS					
Inventories and work-in-progress					
Raw materials and other supplies		663	111	552	770
Work-in-progress (goods and services)		3,252		3,252	2,238
Finished and intermediate goods		17,697	35	17,662	15,364
Merchandise (goods purchased for resale)		3,031	11	3,020	2,002
		24,643	157	24,486	20,374

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Annual financial statements

(in thousands of euros)	Notes	2020			2019
		Gross amounts	Depreciation and write-downs	Net amounts	Net amounts
Advances and down-payments made to suppliers		546		546	386
Receivables from operations^(c)					
Trade and other receivables		168,244	844	167,400	163,251
Other	10	37,716		37,716	31,229
		205,960	844	205,116	194,480
Sundry receivables^(c)	11	130,666		130,666	121,547
Subscribed capital called and unpaid					
Marketable securities and money market instruments	12	91,039		91,039	90,922
Short-term financial instruments	13	22,014		22,014	8,015
Cash on hand and balance with banks		434,586		434,586	254,369
Prepaid expenses and suspense account ^(c)	14	4,563		4,563	7,452
TOTAL II		914,017	1,001	913,016	697,545
Expenses amortized over several years III					
Bond discounts to be amortized IV		1,346		1,346	1,755
Unrealized losses on foreign exchange V	15	9,532		9,532	1,075
TOTAL ASSETS (I+II+III+IV+V)		3,314,493	160,052	3,154,441	2,871,322
(a) Of which leasehold right.					
(b) Of which less than a year (gross).				674,448	680,549
(c) Of which more than a year (gross).				958	348

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Annual financial statements

LIABILITIES

(in thousands of euros)

	Notes	2020	2019
EQUITY			
Share capital (of which paid: 10,308)	17	10,308	10,308
Paid-in capital		22,106	22,106
Revaluation adjustments		51	51
Reserves			
• Legal reserve		1,099	1,099
• Regulated reserves		168	168
• Other		487,657	487,657
Retained earnings		590,272	520,946
Profit for the year		91,665	93,086
Investment grants		267	284
Regulated provisions	18	36,396	29,784
TOTAL I	19	1,239,989	1,165,488
PROVISIONS FOR CONTINGENCIES AND LOSSES			
Provisions for contingencies		6,320	5,081
Provisions for losses		4,714	3,528
TOTAL II	20	11,034	8,609
Debt^(a)			
Financial debt			
• Convertible bonds			
• Other bonds	21	753,253	630,680
• Bank borrowings ^(b)	22	21,334	129,114
• Sundry borrowings and financial liabilities	23	266,801	215,145
		1,041,388	974,939
ADVANCES AND DOWN PAYMENTS RECEIVED		46	66
Payables from operations			
• Trade and other payables		224,500	193,528
• Taxes payable and payroll and on-cost amounts payable		55,232	52,314
• Other	24	32,721	28,378
		312,453	274,220
Other liabilities			
• Amounts payable to fixed asset suppliers and related accounts		6,171	3,851
• Income tax payable			
• Other	25	517,511	429,153
		523,682	433,004
SHORT-TERM FINANCIAL INSTRUMENTS	13	2,154	6,484
DEFERRED INCOME AND SUSPENSE ACCOUNT	26	16,279	1,949
TOTAL III		1,896,002	1,690,661
Unrealized gains on foreign exchange transactions IV	15	7,416	6,564
TOTAL LIABILITIES (I+II+III+IV+V)		3,154,441	2,871,321
(a) Of which more than a year		1,071,242	767,302
Of which current/less than a year		822,606	916,876
(b) Of which current used bank facilities and cash in bank		1,009	1,754

APPENDIX TO ANNUAL FINANCIAL STATEMENTS

NOTE 1	Accounting rules and methods	202	NOTE 19	Changes in equity	215
NOTE 2	Main events	205	NOTE 20	Provisions for contingencies and losses	215
NOTE 3	Revenue	206	NOTE 21	Other bonds	216
NOTE 4	Expense transfers	206	NOTE 22	Bank borrowings	216
NOTE 5	Compensation and headcount	206	NOTE 23	Sundry borrowings and financial liabilities	216
NOTE 6	Financial income (expense)	207	NOTE 24	Other debts from operations	216
NOTE 7	Exceptional profit (loss)	207	NOTE 25	Other sundry payables	216
NOTE 8	Income tax	207	NOTE 26	Deferred income and unrealized gains on financial instruments	216
NOTE 9	Capital assets	209	NOTE 27	Effect of tax exemption assessments	217
NOTE 10	Other receivables from operations	210	NOTE 28	Deferred income, accrued expenses, payables and receivables represented by bills of exchange	217
NOTE 11	Sundry receivables	210	NOTE 29	Financial commitments	218
NOTE 12	Marketable securities	211	NOTE 30	Parent company consolidating the group's financial statements	224
NOTE 13	Financial instruments	211	NOTE 31	Subsequent events	224
NOTE 14	Prepaid expenses	211	NOTE 32	Statement of maturities and debts	225
NOTE 15	Translation differences	212			
NOTE 16	Provisions for impairment	213			
NOTE 17	Capital	214			
NOTE 18	Regulated provisions	214			

NOTE 1 | Accounting rules and methods

To give a true and fair view of the operating results of the past year and the financial position, assets and liabilities of the Company at the end of the year, the annual financial statements were prepared in accordance with French GAAP (generally accepted accounting principles) and the rules and regulations of France's accounting standards authority, the Autorité des Normes Comptables (ANC).

The recommended rules and methods were applied with respect to the general principles listed in the French Commercial Code, in particular those pertaining to a going concern, the independence of financial years, the recognition of items in the financial statements on a historical cost basis, prudence, and the permanence of accounting methods from year to year.

The various items recorded in the financial statements were measured using historical cost, except for property, plant and equipment, and financial assets adjusted under legal revaluations.

The principal methods used are as follows:

1.1 INTANGIBLE ASSETS

These include:

- computer software, amortized over a period of five years, except for the PACE project to implement SAP, amortized over an eight-year period;
- goodwill from businesses acquired or received as consideration by Group entities is not amortized but is subject to annual impairment testing and is recorded under assets at acquisition cost;
- goodwill.

Impairment testing consists of comparing the net carrying amount of the asset to its recoverable amount, which is the higher of the asset's fair value or its value in use.

Value in use is obtained by adding the net present values of the future cash flows expected to be derived from the use of an asset or asset group and from the ultimate disposal of the asset.

The cash flows used to determine value in use are derived over five years from the business plans of entities using the brands. Revenue and future cash flow projections are based on reasonable and supportable assumptions in line with market data available for each user entity.

All Research and Development costs are expensed in the year in which they are incurred.

Start-up costs are also expensed in the year in which they are incurred.

1.2 TANGIBLE ASSETS (PROPERTY, PLANT AND EQUIPMENT)

Property, plant and equipment are measured at acquisition cost (purchase price plus additional costs of bringing the assets to working condition), or production cost (excluding financial expense).

In accordance with the components approach (Article 214-9 of the French general chart of accounts), each item of property, plant or equipment is accounted for separately and assigned a specific depreciation schedule.

Assets are straight-line depreciated over the period they are actually used, as follows:

- administrative and commercial: 40 years;
- property fittings and fixtures: 10 years;
- machinery and equipment: 5 to 20 years;
- vehicles: 4 to 15 years;
- office furniture and equipment: 4 to 15 years.

In accordance with paragraph 111 of Official Tax Bulletin 4 A-13-05, when the first original component's normal useful life exceeds the asset's useful life, the said component may be depreciated over the asset's useful life rather than over its normal useful life.

As such, the difference between tax depreciation (calculated according to terms allowed by French tax authorities, e.g. accelerated depreciation, extraordinary depreciation) and depreciation is posted under "Excess tax depreciation" in regulated provisions.

When subjected to impairment losses, all items, depreciable or not, are marked down to current value.

1.3 FINANCIAL ASSETS

Participating interests and other long-term investments are recognized on the balance sheet at their acquisition cost, less write-downs for impairment losses deemed necessary or prudent.

From January 2007, the Company decided to integrate the transfer duties, fees and commissions arising from such acquisitions into the acquisition cost in accordance with Opinion 2007-C of the CNC (French accounting Board), thereby qualifying them for a tax deduction in the form of excess tax depreciation over five years.

The value of such investments at the closing date reflects their value-in-use based on cash flow projections derived from five-year budgetary data.

Value in use is obtained by adding the net present values of the future cash flows expected to be derived from the use of an asset or asset group and from the ultimate disposal of the asset.

The cash flows used to determine value in use are derived from the subsidiaries' business plans.

Bel SA shares purchased under authorizations granted by the Annual General Meeting are included under this heading at their acquisition cost. If necessary, write-downs for impairment losses based on the weighted average listed share price of the last month of the financial year are recorded.

1.4 INVENTORIES AND WORK-IN-PROGRESS

Inventories are valued at the lower of their cost price and their net realizable value. Cost price is calculated using the "weighted average cost" or the "first-in, first-out" method.

The cost of materials and supplies is stated at purchase price plus incidental expenses such as transport, commissions and transit.

Manufactured goods are valued at production cost including the cost of materials consumed, the depreciation of production assets, and direct or indirect production costs, excluding financial expense.

An impairment charge for inventories is recognized when:

- the gross amount, as determined above, exceeds market value or net realizable value;
- goods have deteriorated.

The parent company primarily owns finished goods inventories acquired from its French production company, Fromageries Bel Production France, with the aim of selling those inventories, as well as work-in-progress inventories (internally developed IT projects), which will be billed back to its subsidiaries.

1.5 RECEIVABLES AND PAYABLES

Receivables and payables are recognized at nominal value.

Impairment losses are recognized based on the degree of non-recoverability of the receivables.

Bills for collection are recorded under "Trade and other receivables" once issued or received.

1.6 MARKETABLE SECURITIES

Marketable securities are recorded at their purchase price, excluding incidental expenses, and are written down to market value at the closing date when closing value is less than their carrying amount.

1.7 FOREIGN CURRENCY TRANSACTIONS

Income and expenses denominated in foreign currency are recorded in euros based on the exchange rate in effect at the transaction date.

Receivables, cash and debts denominated in foreign currency are translated into euros at the closing exchange rate at year-end.

The resulting translation differences are posted to:

- the income statement for cash and cash equivalents;
- the balance sheet under "translation differences" for receivables and debts.

Unrealized gains on foreign exchange transactions are not recognized in the income statement.

Conversely, contingency provisions are booked for unrealized losses on foreign exchange transactions that are not offset.

1.8 PROVISIONS FOR CONTINGENCIES AND LOSSES

Provisions for contingencies and losses are booked when the Company has an obligation to a third party at the balance sheet date in cases where the nature of the obligation is precisely known but there are uncertainties about the amount or timing of related outflows and are no expectations for at least an equivalent, offsetting obligation from the same third party.

Provisions for contingencies and losses are assessed using the most probable assumptions for future events.

1.9 OBLIGATIONS ARISING FROM PENSIONS, RETIREMENT AND SIMILAR EMPLOYEE BENEFITS

Retirement obligations exclusively concern the allocation of post-employment benefits established by a collective bargaining agreement with the French dairy industry.

Post-employment benefits allocated to employees are not provisioned for but are recorded under off-balance sheet commitments.

Conversely, obligations arising from long-service awards due to Bel SA employees are fully provisioned for, based on an actuarial valuation realized under the same conditions as post-employment benefits.

1.10 FINANCIAL INSTRUMENTS

Bel SA is exposed to foreign exchange risks as a result of its international business and presence.

Since 2002, the Company has implemented a central exchange rate policy that aims to hedge the budgetary risk on currency purchases and sales for all French, European and North American entities.

The Company hedges all exposure to exchange risks inherent to transactions denominated in foreign currency by using prime counterparty, market-listed derivative instruments, such as purchases and sales of foreign currency futures and options, thus limiting counterparty risk. The management period for the hedges does not exceed 18 months.

Conversely, exchange risk on net investment in foreign subsidiaries is not hedged, except for the amount of dividends receivable.

While receivables and debts denominated in foreign currency are recorded on the balance sheet in euros at year-end, unrealized net hedging results on transactions already realized have no impact on earnings unless they are losses (in which case a provision is set aside) or gains offsetting unrealized losses on hedging instruments marked to market at the balance sheet date (in which case a provision is not set aside).

Unrealized gains and losses arising from hedging transactions yet to be settled are deferred until the day the transactions are actually realized.

Pursuant to ANC 2015-05 for forward financial instruments and hedging, applicable to commercial and industrial companies for fiscal years beginning on or after January 1, 2017, foreign exchange gains and losses related to trade receivables/payables are recognized in operating income.

Since the majority of the Group's financing is arranged by Bel SA, management of interest rate risk is also centralized at this unit.

All Bel SA financing is issued at floating rates.

To protect against an unfavorable rise in interest rates, while partially taking advantage of any interest rate declines, Bel SA hedged interest rate risk through interest rate swaps or collars which combine simultaneous cap purchases and floor sales.

1.11 INCOME TAX

In France, Bel SA heads a tax consolidation group that includes the following entities: Fromageries Bel Production France, SASFR, Fromageries Picon, Société des Produits Latiers, SOFICO, SICOPA, SOPAIC, ATAD, and Fromagerie Boursin.

As the lead company, Bel SA is designated as the sole entity liable for corporate income taxes due by the tax consolidation group comprising it and the entities included in the tax consolidation scope.

Income tax that would be payable in the absence of tax consolidation is recorded in the accounts of the consolidated subsidiaries. Tax savings or expenses related to tax losses or arising from adjustments are now integrated by the parent company and restored to the subsidiaries when they become profitable.

1.12 INVESTMENT GRANTS

Investment grants are recorded under equity.

They are released to income, reported as extraordinary income and apportioned over the same schedule as the depreciation schedule of the assets they financed.

1.13 REVENUE

Revenue from sales of goods, merchandise, raw materials and other goods and services rendered in the course of ordinary activities is recorded as soon as the transfer of ownership takes place or the service was rendered.

Revenue from sales is presented net of any discounts or allowances.

Charges arising from trade cooperation agreements with distribution channels are disclosed in "Other outside services" and presented in operating expenses.

1.14 ADVERTISING EXPENSES

Also included in "Other outside services" are advertising, promotional and public relations costs which are expensed in the year in which they are incurred.

1.15 DISTINCTION BETWEEN INCOME FROM ORDINARY ACTIVITIES AND EXTRAORDINARY PROFIT (LOSS)

Income from ordinary activities represents the sum of operating income and net financial income. It therefore includes all income and expense directly related to the Company's ordinary activities.

Extraordinary income and expenses are comprised of material items that cannot be considered inherent to the Company's ordinary activities because of their nature or unusual character.

1.16 USE OF ESTIMATES

In preparing its financial statements, the Company sometimes uses estimates and assumptions to determine the value of assets and liabilities, notably for provisions, participating interests and intangible assets.

These estimates and assumptions are made on the basis of information and positions known at the balance sheet date and may vary significantly from actual values.

NOTE 2 | Main events

Financial year 2020

For several months, the international community has been faced with an unprecedented pandemic situation whose very uncertain evolution and duration prevent the Bel Group from assessing the precise impact of the crisis on its earnings.

Throughout 2020, Bel set itself the absolute priority of ensuring the safety and health of its employees, by implementing very strict preventive measures at all of its sites throughout the world.

Through its agile operating management and financial rigor, the Group managed to adapt rapidly to face the Covid-19 pandemic and ease its impacts. It especially took action to actively manage its stocks and raw materials in view of fluctuating consumer demand and to limit operating surcharges caused by management of the crisis.

For 2020 as a whole, the Group estimates the overall impact of the Covid-19 crisis on sales is non-significant, albeit with substantial regional disparities. In France, Benelux, the UK and in Gulf countries, local consumption, especially of products enabling home cooking, was particularly robust. In contrast, Morocco and to a lesser extent southern Europe, were negatively affected, whereas the estimated impact on North America was neutral.

On December 31, 2020, the effects of the pandemic were limited and generated no indicator of lost value. In 2020, the Group did not make use of state aid measures such as deferred payments, a state-backed loan, or reductions or delays in rents negotiated with its lessors.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Annual financial statements

NOTE 3 | Revenue

The revenue presented takes into account the specific characteristics of the Group's sector in accordance with the professional accounting guide for the French dairy industry.

REVENUE BY REGION

(in thousands of euros)	2020	2019
France	636,823	586,609
Other European countries	333,472	338,550
Rest of the world	353,161	391,908
TOTAL	1,323,456	1,317,068

Revenue was up by 0.49% compared with the previous financial year (up 0.22% in 2019).

At constant exchange rates, using the average exchange rate for the past financial year, revenue was up by 0.70% (after falling by 0.72% in 2019).

NOTE 4 | Expense transfers

Transfer of expenses for a total amount of €20,787 thousand, included €10,986 thousand in advertising and distribution expenses, €3,383 thousand in personnel

and expatriate expenses, and €4,843 thousand in other general management expenses.

NOTE 5 | Compensation and headcount

MANAGEMENT COMPENSATION

(in thousands of euros)	2020	2019
Directors' fees paid to members of the Board of Directors (included in "Other operating expenses")	205	169

Bel executives are paid by Unibel and the expense, which totaled €3,767 thousand in 2020, is billed back to the Company.

AVERAGE HEADCOUNT

	Personnel employed		Personnel supplied to the Company	
	2020	2019	2020	2019
Executives and managers	691	658	1	1
Non executive technicians and supervisors	272	275	2	6
Staff employees	70	67	2	1
Workers	0	0	0	0
TOTAL	1,033	1,000	5	8

NOTE 6 | Financial income (expense)

Financial income (expense) concerns:

(in thousands of euros)	2020	2019
Dividends	78,459	74,561
Income from receivables related to equity interests ^(a)	37,151	37,011
Other revenue		
Gains from sales of marketable securities	134	67
Write-downs (and reversals) on exchange rate risks	(1,184)	277
Write-downs (and reversals) on participating interests	(273)	1,109
Interest income (expense)	(21,976)	(24,308)
Foreign exchange gains (losses)	7,538	(3,752)
TOTAL	99,849	84,965

(a) Revenue from receivables related to equity interests at the MOM Group (€36,588 thousand in 2020 vs. €36,392 thousand in 2019).

NOTE 7 | Exceptional profit (loss)

Exceptional profit (loss) consisted primarily of:

(in thousands of euros)	2020	2019
Regulated provisions	(6,612)	7,879
Provisions for disputes and litigation and other extraordinary expenses	(2,591)	17,301
Net profit (loss) from disposals of fixed assets	(402)	(1,240)
Severance costs	(454)	(20,764)
Other extraordinary income	74	115
Loss on repurchase of shares awarded to employees	(88)	(275)
Share of investment grants transferred to income	36	39
TOTAL	(10,036)	3,055

NOTE 8 | Income tax

Income tax breaks down as follows:

(in thousands of euros)	current	extraordinary	2020
Income tax payable for the year concerning	103,404	(10,036)	93,368
Reintegration	17,872	(1,322)	16,550
Deductions	(92,731)		(92,731)
Tax basis before tax group combination	28,545	(11,358)	17,187
Impact from tax group combination			5,399
Tax credit			(7,171)
TOTAL INCOME TAX			(1,772)

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Annual financial statements

EFFECT OF PROSPECTIVE INCREASES AND DECREASES

Tax base	Balance 12/31/2020	Changes in 2020	Balance 12/31/2019
TAX-BASE INCREASE			
Excess tax depreciation	36,072	7,997	28,075
Revaluation	1,775	0	1,775
Financial instruments	1,544	780	764
Other temporary differences	1,350	478	872
TOTAL 1	40,741	9,255	31,486
TAX-BASE DECREASE			
Employee benefits	16,914	802	16,112
Discounting of deposits and guarantee deposits	2,041	(88)	2,129
Inventory valuation difference	1,167	394	773
Provisions for risks and liabilities	36	0	36
Non tax-deductible expenses	2,117	202	1,915
Employee profit-sharing	3,836	66	3,770
Provision for asset write-downs	1,637	(114)	1,751
Lease	1,396	434	962
Other temporary differences	4,014	(753)	4,767
TOTAL 2	33,158	943	32,215
TOTAL A: NET INCREASE IN BASE	7,583	8,312	(729)
PROSPECTIVE INCREASE/DECREASE IN INCOME TAX	270	785	(515)

2019 effective tax rate = 32.02%.

2020 effective tax rate = 28.41%.

In 2020, the applicable corporate tax rate in France was 31.00% to which was added 3.3% for a total rate of 32.02%. However, under the framework of the gradual reduction in the corporate tax rate, a rate of 28% was applied to income up to €500,000.

NOTE 9 | Capital assets

FINANCIAL YEAR 2020

STATEMENT OF FIXED ASSETS

(in thousands of euros)	Gross amount at 1/1/2020	Increases	Decreases	Transfers	Gross amount at 12/31/2020
INTANGIBLE ASSETS					
Concessions, patents, licenses, brands, processes, software, rights and similar assets	96,257	1,092	4,988	4,707	97,068
Business goodwill	221,533				221,533
Other					
Intangible assets in progress	10,260	9,020	2,596	(4,679)	12,004
Advances and down-payments		78			78
TANGIBLE ASSETS					
Real property	26,791	289	17	62	27,125
Technical installations, fixtures, machinery and equipment equipment	49,668	246	3,019	908	47,804
Other	7,848	401	256	98	8,091
Assets in the course of construction	1,414	624		(1,097)	941
ADVANCES AND DOWN-PAYMENTS	17		17		
Financial assets					
Participating interests	1,200,187	62,131			1,262,318
Other	714,251	71,272	72,887		712,636
TOTAL	2,328,226	145,152	83,780		2,389,598

STATEMENT OF DEPRECIATION AND AMORTIZATION

(in thousands of euros)	At January 1, 2020	Increases	Decreases	At December 31, 2020
INTANGIBLE ASSETS	79,442^(a)	5,213	4,988	79,667
TANGIBLE ASSETS				
Real property	13,910	1,468	9	15,369
Technical installations, fixtures, machinery and equipment equipment	38,298	2,000	2,472	37,826
Other	5,244	659	256	5,647
TOTAL	136,894	9,340	7,725	138,509

(a) Amount changed relative to 2019 URD

INTANGIBLE ASSETS

The goodwill arising from the acquisition of Boursin totaled €220,039 thousand.

The increase in intangible assets stemmed primarily from internally developed IT projects totaling €5799 thousand.

TANGIBLE ASSETS

The €1,777 thousand decrease in this item mainly concerned the removal of assets related to the dismantling of the Ligne 3 but also the the disposal to Bel VIETNAM of the GAZ-L machine.

FINANCIAL ASSETS

The gross value of participating interests increased by €62,131 thousand in 2020 (see table of subsidiaries and interests).

This stemmed from:

- The acquisition of NEWTON HOLDING shares for €5,752 thousand.
- The acquisition of ALL IN FOODS shares for €56,379 thousand.

Bel Syrie (Syria) shares are written down by 100%, or €15,660 thousand and as are Bel Tunisie (Tunisia) shares, or €2,053 thousand.

Loans and receivables relating to equity interests include loans granted to the following subsidiaries:

• Bel Karper	2,079
• Bel Tunisie Distribution	796
• Bel Rouzane Company	32
• Newton Holding	468,650
• M.B.M.A.	82,500
• Materne North America	69,566
• Bel Canada	19,190
• Bel Brand USA	28,523

The Bel Tunisie Distribution loan has been written down 100% since 2009. Bel Tunisie Distribution is in court-ordered liquidation.

The Company held 83,793 treasury shares valued at €23,296 thousand, compared with 84,000 treasury shares valued at €23,276 thousand at December 31, 2019.

NOTE 10 | Other receivables from operations

This line item includes:

(in thousands of euros)	2020	2019
Trade and other payables	19,069	13,509
VAT	17,633	16,142
Of which the reimbursements claimed for VAT credits	1,340	2,442
Other	1,014	1,578
TOTAL	37,716	31,229

NOTE 11 | Sundry receivables

This line item includes:

(in thousands of euros)	2020	2019
Income tax receivables	12,504	15,951
Current accounts	111,708	100,621
Tax consolidation accounts	1,693	10
Other	4,760	4,964
TOTAL	130,665	121,546

On December 31, 2020, the gross value of outstanding cash advances to subsidiaries came to:

(in thousands of euros)	2020	2019
Fromageries Bel Production France	34,825	42,747
Bel Australia		95
Bel Syry Cesko	4	
Bel Canada	8,463	4,031
Bel Tunisie mktg	5	5
Bel Italia	3,562	5,233
Bel Côte d'Ivoire	5,235	3,842
Bel Japon		9,658
MBMA	38,924	17,421
Mont Blanc	14,967	14,139
Materne		127
Materne Canada	2,013	1,519
SICOPA		20
Bel Beyrouth		1,782
All In Foods	3,708	
Other outstanding cash advances (less than €1,000)	2	2
TOTAL	111,708	100,621

Additionally, the balance of income tax payable due by entities in the tax consolidation scope totaled €1,693 thousand versus €10 thousand in 2019.

NOTE 12 | Marketable securities

Cash on hand, consisting mainly of marketable securities measured at the last known closing price or net asset liquidation value, totaled €91,038 thousand versus €90,922 thousand in 2019.

NOTE 13 | Financial instruments

Other short-term financial instruments include premiums paid (assets) and received (liabilities) on currency options and interest rate hedges marked to market at the balance sheet date.

Because these are for hedging purposes, the corresponding adjustments are posted to the following balance-sheet line items:

- prepaid expenses and unrealized losses on financial instruments;
- deferred income and suspense account for unrealized gains on financial instruments.

They are treated according to the symmetry principle.

NOTE 14 | Prepaid expenses

Prepaid expenses relating to operational activities totaled €3,678 thousand (€2,776 thousand in 2019) and those relating to Financial activities amounted to €885 thousand (€4,676 thousand in 2019).

NOTE 15 | Foreign exchange differences

FINANCIAL YEAR 2020

(in thousands of euros)	Amounts	Differences offset	Provisions for foreign exchange losses ^(a)
UNREALIZED LOSSES ON FOREIGN EXCHANGE TRANSACTIONS			
• from long term investments	7,848	6,108	
• from trade receivables	1,616	1,600	16
• from financial liabilities			
• from debts	68	44	24
TOTAL	9,532	7,752	40
UNREALIZED GAINS ON FOREIGN EXCHANGE TRANSACTIONS			
• from long term investments			
• from trade receivables	168	56	
• from short term financial instruments			
• from financial liabilities	6,108	6,108	
• from debts	1,140	49	
TOTAL	7,416	6,213	

(a) From translation differences only.

FINANCIAL YEAR 2019

(in thousands of euros)	Amounts	Differences offset	Provisions for foreign exchange losses ^(a)
UNREALIZED LOSSES ON FOREIGN EXCHANGE TRANSACTIONS			
• from long term investments	92	92	
• from trade receivables	850	26	824
• from cash instruments			
• from financial liabilities	18	18	
• from debts	114	66	48
TOTAL	1,074	202	872
UNREALIZED GAINS ON FOREIGN EXCHANGE TRANSACTIONS			
• from long term investments	695	110	
• from trade receivables	368	68	
• from cash instruments			
• from financial liabilities	4,969		
• from debts	532	495	
TOTAL	6,564	673	

(a) From translation differences only.

NOTE 16 | Provisions for impairment

FINANCIAL YEAR 2020

(in thousands of euros)	Amount at the beginning of the year	Increase (charged during the period)	Decrease (reversals)	Amount at year end
Intangible assets	1,637			1,637
Property, plant and equipment	131		115	16
Financial assets	18,615	273		18,888
Inventories and work-in-progress	292	150	286	157
Trade receivables	857		12	844
Sundry receivables				
Marketable securities				
TOTAL	21,532	423	413	21,542
Of which charges and reversals				
<i>posted to operating income/expenses</i>		150	298	
<i>posted to financial income/expenses</i>		273		
<i>posted to extraordinary income/expenses</i>			115	

The provision write-back for financial assets primarily concerned the impairment reversal of CAPAGRO shares (€273 thousand).

FINANCIAL YEAR 2019

(in thousands of euros)	Amount at the beginning of the year	Increase (charged during the period)	Decrease (reversals)	Amount at year end
Intangible assets	1,637			1,637
Property, plant and equipment	32	107	8	131
Financial assets	19,725	70	1,180	18,615
Inventories and work-in-progress	229	284	221	292
Trade receivables	968	2	113	857
Sundry receivables	66		66	
Marketable securities and money market instruments				
TOTAL	22,657	463	1,588	21,532
Of which charges and reversals				
<i>posted to operating income/expenses</i>		393	334	
<i>posted to financial income/expenses</i>		70	1,180	
<i>posted to extraordinary income/expenses</i>			74	

The provision write-back for financial assets primarily concerned the impairment reversal of CAPAGRO shares (€1,180 thousand).

NOTE 17 | Capital

The share capital is made up of 6,872,335 shares with a par value of €1.50, of which 83,793 were held by the Company on December 31, 2020 carrying 13,399,806 voting rights exercisable at Annual General Meetings.

Double voting rights are attributed to any fully paid-up registered shares held for at least four years by the same shareholder. At December 31, 2020 a total of 6,610,811 double voting rights were available for exercise at general meetings.

NOTE 18 | Regulated provisions

Provision charges and reversals corresponding to regulated provisions are recorded under extraordinary income.

FINANCIAL YEAR 2020

(in thousands of euros)	Amount at the beginning of the year	Increase (charged during the period)	Decrease (reversals)	Amount at year end
Provision for investment				
Provisions for price increases				
Excess tax depreciation	28,076	9,623	3,011	34,688
Special revaluation provisions ^(a)	1			1
Reinvested capital gains	1,707			1,707
TOTAL	29,784	9,623	3,011	36,396

(a) Only concerns the constructions line item.

The decrease in excess tax depreciation was primarily related to intangible assets, in particular internally produced software.

FINANCIAL YEAR 2019

(in thousands of euros)	Amount at the beginning of the year	Increase (charged during the period)	Decrease (reversals)	Amount at year end
Provision for investment				
Provisions for price increases				
Excess tax depreciation	35,954	2,291	10,169	28,076
Special revaluation provisions ^(a)	1			1
Reinvested capital gains	1,707			1,707
TOTAL	37,662	2,291	10,169	29,784

(a) Only concerns the constructions line item.

NOTE 19 | Changes in equity

(in thousands of euros)

Equity at December 31, 2018	1,113,910
Revaluation adjustments	(2)
Dividends (Combined AGM of May, 22, 2019)	(34,018)
Additional paid-in capital	
Cancellation of dividends on treasury shares	423
Free reserves	
Investment grants	(32)
Regulated provisions	(7,879)
Profit for the year	93,086
Equity at December 31, 2019	1,165,488
Revaluation adjustments	
Dividends (Combined AGM of May, 14, 2020)	(24,053)
Additional paid-in capital	
Cancellation of dividends on treasury shares	294
Free reserves	
Investment grants	(17)
Regulated provisions	6,612
Profit for the year	91,665
EQUITY AT DECEMBER 31, 2020	1,239,989

NOTE 20 | Provisions for contingencies and losses

(in thousands of euros)	Amount at the beginning of the year	Increase (charged during the period)	Reversals – offset against expenses	Canceled provisions	Amount at year end
Disputes and litigation	2,185	315	56		2,444
Foreign exchange losses	1,233	2,417	1,233		2,417
Restructuring					
Withholding tax	1,662	1,287	1,491		1,459
Stock option plan	2,857	1,368	191		4,034
Other	672	50	23	19	680
TOTAL	8,609	5,438	2,994	19	11,034
Of which charges and reversals					
<i>posted to operating income/ expenses</i>		2,706	1,705	19	
<i>posted to financial income/ expenses</i>		2,417	1,233		
<i>posted to extraordinary income/ expenses</i>		315	56		

The unused provision reversal for the year concerns provisions for work achievement awards.

NOTE 21 | Other bonds

Three bond loans make up this item:

- a first loan of €500,000 thousand contracted in April 2017 with a coupon of 1.50% on maturity on April 18, 2024, excluding accrued interest not yet due of €5,301 thousand;
- a second loan of €125,000 thousand contracted in October 2019 maturing in 2027 and 2029 and index to performances in terms of social and environmental

responsibility, excluding accrued interest not yet due of €395 thousand.

- A third loan of \$150,000 thousand (€122,240 thousand) contracted in November 2020, maturing in 2035, excluding accrued interest not yet due of \$390 thousand (€318 thousand).

All three bonds, which were fully subscribed at the issue date, were issued at par.

NOTE 22 | Bank borrowings

This line item mainly consists of a Schuldschein financing transaction. The operation includes a tranche of €20,000 thousand at a fixed rate maturing in 2023.

Also in 2020, the Group redeemed the \$95,000 thousand term loan early.

Accrued interest not yet due on the bonds stands at €325 thousand.

NOTE 23 | Sundry borrowings and financial liabilities

This item primarily concerns liabilities relating to participating interests in Grupo Fromageries Bel España for €132,099 thousand - accrued interest included (€129,665 thousand in 2019), and with Bel Egypt Expansion for Cheese for €1,013 thousand - accrued interest included

(€1,112 thousand in 2019), as well as other NEU CP loans of €70,000 thousand (€30,000 thousand in 2019) and the employee profit-sharing scheme of €3,207 thousand - accrued interest included (€3,889 thousand in 2019).

NOTE 24 | Other debts from operations

This line item was entirely made up of trade and related receivables amounting to €32,721 thousand versus €28,378 thousand in 2019.

NOTE 25 | Other sundry payables

(in thousands of euros)	2020	2019
Interest-bearing advances from Group entities, excluding accrued interest	512,032	422,832
Excess payment of income tax of entities included in the tax combination	430	1,331
Accrued social debt for employee profit-sharing plan	3,836	3,772
Other	1,213	1,218
TOTAL	517,511	429,153

NOTE 26 | Deferred income and suspense account

Deferred income relating to operational activities totaled €11 thousand (€25 thousand in 2019) and those relating to Financial activities amounted to €16,267 thousand (€1,924 thousand in 2019).

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Annual financial statements

NOTE 27 | Effect of tax exemption assessments

(in thousands of euros)	2020	2019
Net profit for the year	91,665	93,086
Income tax	(1,772)	(7,085)
Pre-tax profit	89,893	86,001
Change in regulated provisions	6,612	(7,878)
PRE-TAX PROFIT EXCLUDING ASSESSED TAX EXEMPTIONS	96,505	78,123

NOTE 28 | Deferred income, accrued expenses, payables and receivables represented by bills of exchange

DEFERRED INCOME

(in thousands of euros)	2020	2019
Trade and other receivables	11,645	6,107
Other receivables from operations	29,179	23,748
Sundry receivables	181	
Cash on hand and balance with banks	108	57
TOTAL	41,113	29,912

ACCRUED EXPENSES

(in thousands of euros)	2020	2019
Bonds	6,014	5,681
Bank borrowings	325	795
Sundry borrowings and financial liabilities	4,158	11,723
Trade and other payables	95,140	91,496
Taxes payable and payroll and on-cost amounts payable	47,320	47,100
Other debts from operations	32,076	25,405
Amounts payable to fixed asset suppliers and related accounts	534	147
Other sundry payables	425	349
TOTAL	185,992	182,696

RECEIVABLES AND PAYABLES REPRESENTED BY BILLS OF EXCHANGE

(in thousands of euros)	2020	2019
Trade and other receivables	222	197
Trade and other payables		
Amounts payable to fixed asset suppliers and related accounts		

The Company does not make payments by bills of exchange but settles its payables by bank transfer.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Annual financial statements

NOTE 29 | Financial commitments

(in thousands of euros)	2020	2019
COMMITMENTS GIVEN		
Bank guarantees	206	206
Guarantees given for a foreign subsidiary (Bel Rouzane and Bel Australia)	182	443
Partnership liability in GIEs, SCIs, etc.	4	4
Retirement indemnities (see Note 29.1)	16,914	16,112
Guarantees given for a foreign subsidiary (Bel Shotska Ukraine)	3,339	10,927
TOTAL	20,645	27,692
COMMITMENTS RECEIVED		
Syndicated credit lines (see Note 29.2)	820,000	820,000
Export receivable guarantees	6,260	7,103
Performance bond		
TOTAL	826,260	827,103
RECIPROCAL COMMITMENTS (EXCLUDING CURRENCY FUTURES AND FINANCIAL LEASES)		
Real estate rentals (see Note 29.3)	55,167	51,344
• less than a year	6,948	6,846
• from one to five years	29,060	27,383
• over five years	19,159	17,115
Put on All in Foods minority interests	27,500	
Asset rentals	4,439	4,789
• less than a year	1,674	1,935
• from one to five years	2,765	2,854
• over five years		
Asset orders	2,725	919
Stock option plan (see Note 29.4)	6,439	5,912
TOTAL	96,270	62,964

29.1 OBLIGATIONS ARISING FROM PENSIONS, RETIREMENT AND SIMILAR EMPLOYEE BENEFITS

Post-employment benefits were subject to an actuarial valuation using the projected unit credit method based on the following assumptions:

- voluntary retirement (giving rise to the additional payment of payroll on-costs) at the age of:
 - 62 for managers and executives and progressively 65 depending on the year of birth,
 - 60 for technicians and supervisors and progressively 63 depending on the year of birth,

- 60 for all other employees and progressively 63 depending on the year of birth;
- length of service, mortality rate and employee turnover rate;
- the discount rate and the rate of inflation:
 - 2020: a nominal discount rate of 0.7% including an inflation rate of 1.8%,
 - 2019: a nominal discount rate of 1% including an inflation rate of 1.8%,

Post-employment benefits earned by employees are not provisioned for but recorded under off-balance sheet commitments (see above).

29.2 FINANCIAL INSTRUMENTS

29.2.1 Market risk management

The Treasury department, which is attached to the Group Finance Department, has the requisite skills and tools to manage market risk. The department reports to Management on a monthly basis and makes regular presentations to the Audit Committee.

29.2.2 Financial and liquidity risk management

During 2020, in order to strengthen its dollar-denominated debt in view of progress in its US operations, the Group undertook its first private bond issue in the form of a US Private Placement under French law of \$150 million, maturing in November 2035. At the same time, the Group redeemed its amortizable term loan of \$95 million ahead of its maturity in 2023.

At December 31, 2020, the Group had significant liquidity including:

- two confirmed syndicated credit lines maturing of €300 million and €520 million, maturing in 2023 and 2024 respectively. These lines have not been drawn;
- a €500 million commercial paper program, of which €70 million has been used;
- A NEU MTN program of €200 million, of which €60 million has been used;
- a Euro PP bond loan of €125 million maturing in 2027 and 2029, contracted with private investors;
- a €500 million bond issue maturing April 2024;
- financing on the Schuldschein market including €20 million maturing in 2023.

Surplus liquidity is invested in money-market mutual funds, term deposit accounts or short-term certificates of deposit.

In its syndicated credit lines, its private placements (Euro PP and US PP) and the Schuldschein, Bel SA has committed to keeping its financial leverage ratio below 3.75 over the entire life of the medium- and long-term financing mentioned above. The ratio's calculation method was changed in 2020 to reflect the integration of the IFRS 16 accounting standard. The financial leverage ratio now designates the amount of consolidated net debt, including lease liabilities divided by EBITDA on the basis of current operating income, including depreciation and amortization and financial reclassification relative to the Group's consolidated right of use. Failure to meet the ratio could

trigger the repayment of a significant part of the debt. On December 31, 2020, the ratio stood at 1.46 versus 1.86 on December 31, 2019 (pro forma IFRS 16).

The Group implemented a policy of pooling liquidity at the Bel SA level for all countries where the local currency is freely convertible and where there are no legal or fiscal limits on pooling local surpluses or liquidity needs. Internal current accounts and intragroup compensation payment systems are managed by the Group Treasury Department.

29.2.3 Foreign exchange risk management

Bel SA is subject to foreign exchange rate fluctuations as a result of its international operations and presence.

Bel SA is exposed to foreign exchange risk on sales recognized on the balance sheet as well as foreign exchange risk on highly probable future transactions when such business is transacted in currencies other than their functional currency, e.g., imports, exports and financial transactions.

Hedging policy for foreign exchange exposure

The management policy is to hedge risk on transactions denominated in foreign currency through the use of derivative financial instruments.

The Group implements a central exchange rate policy that aims to hedge the annual budgetary risk on currency purchases and sales for deliverable currencies. The Group Treasury Department provides these entities with the necessary currency hedges. Hedging is not intended to generate profit.

Bel SA also hedges exchange rate exposure arising from the payment of intragroup dividends denominated in foreign currency.

When the budget is prepared, budgeted currency prices are set according to market conditions for use as benchmarks to set up hedges. The management period for budgeted hedges does not exceed 18 months. On December 31, 2020, the maturity of the derivatives portfolio did not go beyond January 31, 2022. Cash flow from the budgeted 2020 and 2021 hedges is expected in 2021 and will thus impact income in 2021.

Hedging of foreign exchange rate fluctuations on imports, exports and financial transactions

Bel SA recalculates its net foreign exchange exposure periodically during each budgetary review. To manage its exposure, Bel SA mainly uses futures contracts, currency options and cross-currency swaps.

HEDGING POSITIONS FOR FOREIGN EXCHANGE, INTEREST RATE AND RAW MATERIALS RISKS VERSUS THE PREVIOUS YEAR

VALUE OF HEDGES SECURED BY BEL SA

Category of transactions (in thousands of euros)	At December 31, 2020	At December 31, 2019
	Market value	Market value
TOTAL PORTFOLIO RELATED TO FOREIGN EXCHANGE	14.456	(1,784)
TOTAL PORTFOLIO RELATED TO INTEREST RATES	0.814	(2,541)
TOTAL PORTFOLIO OF THE BEL COMPANY	16.270	(4,325)
TOTAL OF HEDGING PORTFOLIO OF THE BEL COMPANY AND ITS SUBSIDIARIES	18.540	1,924

On December 31, 2020, Bel SA had secured the following hedges:

			At December 31, 2020		At December 31, 2019	
Type of operation	Currency	Entity	Commitment	Market value	Commitment	Market value
1- CURRENCY FORWARD CONTRACTS BACKED BY TRADE RECEIVABLES, TRADE PAYABLES OR FUTURES TRANSACTIONS						
Forward purchase	EUR GBP		25,800	90	19,700	(289)
Forward sale	EUR PLN		22,700	(280)	27,500	566
Forward purchase	EUR USD		80,480	7,100	82,983	(1,000)
Forward purchase	Other		61,830	110	48,827	(197)
Forward sale	Other		540	(10)	1,962	39
Forward purchase	EUR PLN		2,400	60		
Forward sale	EUR USD		9,220	(660)		
FORWARD ON OPERATIONAL TRANSACTIONS			6,410		(881)	
2 - CURRENCY OPTIONS BACKED BY TRADE RECEIVABLES, TRADE PAYABLES OR FUTURES TRANSACTIONS						
Call purchase	EUR GBP		66,200	680	58,000	203
Put sale	EUR GBP		36,000	(210)	30,000	(677)
Put purchase	EUR PLN		32,000	150	37,000	654
Call sale	EUR PLN		11,150	(160)	14,350	(16)
Call purchase	EUR USD		119,290	8,010	153,860	555
Put sale	EUR USD		61,800	(70)	105,346	(846)
Call purchase	Other		43,430	980	49,009	271
Put sale	Other		17,080	(130)	21,430	(263)
OPTIONS ON OPERATIONAL TRANSACTIONS			9,250		(119)	

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Annual financial statements

			At December 31, 2020		At December 31, 2019	
Type of operation	Currency	Entity	Commitment	Market value	Commitment	Market value
3 - CURRENCY FORWARD AND OPTION CONTRACTS TO HEDGE FUTURE DIVIDEND OR SHARE TRANSACTION FLOWS						
Forward purchase	EUR GBP		2,000	(4)	1,000	(75)
Forward purchase	EUR USD		5,250	370	15,131	(266)
Forward purchase	Other		1,060	10	3,877	(166)
FORWARD ON DIVIDENDS AND INVESTMENTS			376		(507)	
4 - CURRENCY OPTIONS TO HEDGE FUTURE DIVIDEND						
Swap sale	EUR GBP		19,960	60	12,909	15
Swap sale	EUR PLN		6,450	(90)	4,215	11
Swap sale	EUR USD		73,630	(470)	47,162	(325)
Swap sale	Other		11,160	(40)	6,378	10
Swap purchase	Other		10,110	40	15,261	12
TRANSACTIONS ON FINANCING			(500)		(277)	
5-OTHER TRANSACTIONS OUTSIDE THE HEDGING TRANSACTIONS CATEGORY						
Call purchase	EUR GBP				8,100	3
Call sale	EUR GBP		4,500	(20)	7,000	(3)
Call sale	EUR USD		5,860	(60)		
Call sale	Other		130	489		
Other operations			(80)			
TOTAL PORTFOLIO RELATED TO FOREIGN EXCHANGE			15,456		(1,784)	

Bel SA guarantees its subsidiaries' foreign currency denominated budget year flows through annual foreign exchange guarantees which are issued once the previous budget year has been collected. At December 31, 2020,

Bel SA's subsidiary hedging portfolio hedged only subsidiaries' foreign exchange risks relating to the 2020 budget year and collected in 2021.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Annual financial statements

		At December 31, 2020		At December 31, 2019	
Forward sale	EUR USD	8,639	(548)	8,829	664
Forward sale	EUR/CAD	2,744	(77)	1,352	90
Forward sale	USD/CAD	11	0	241	(2)
Forward sale	EUR/JPY	9,357	(338)	8,724	645
Forward purchase	DKK/EUR	1,000	1	878	(2)
Forward purchase	NOK/EUR	222	(10)	233	(2)
Forward sale	EUR/SEK	(1,581)	120	157	4
Forward purchase	EUR/PLN	5,328	294	13,630	(83)
Forward sale	EUR/CHF	1,151	32	2,656	183
Forward sale	EUR/CZK	3,297	(13)	1,520	48
Forward sale	EUR/GBP	7,144	84	4,149	285
Forward sale	EUR/USD	3,501	(222)	1,253	94
Forward sale	USD/CAD	10,038	261		
Forward purchase	EUR/SEK	700	(53)		
Forward purchase	EUR/USD	2,000	127		
Forward purchase	EUR/USD	6,000	381		
FORWARD ON OPERATIONAL TRANSACTIONS		38		1,924	

The Group's main currency exposure is the US dollar, the Pound Sterling and the Polish Zloty. The valuations shown exclude the impact of deferred taxes.

On December 31, 2020, 2020 budget net exposure (realized and future) relative to the main currencies was hedged at a ratio between 75% and 93%, depending on the currency managed. Currency fluctuation gains and losses arising from the recognition of sales and purchasing transactions of

Group entities can thus be offset up to the hedge amount by gains and losses from the hedges.

Hedge measurements comply with market practices in terms of data for yield curves, foreign exchange rates and volatility curves, as well as valuation models. The Treasury department has the requisite in-house means for calculating the valuations. However, the Bel Group uses an external provider to determine the valuations.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Annual financial statements

29.2.4 Interest rate risk management

Most of the Group's financing is arranged by Bel, which also handles interest rate risk management centrally. The policy governing interest rate derivatives is designed to protect

against an unfavorable rise in interest rates while partially taking advantage of any interest rate declines.

At December 31, 2020, the Group hedged interest rate risk through interest rate swaps:

Type of operation (in thousands of euros)	Currency	At December 31, 2020		At December 31, 2019	
		Commitment	Market value	Commitment	Market value
PORTFOLIO RELATED TO INTEREST RATES					
Fixed-rate borrower swaps	EUR	42,500	(460)	47,500	(624)
Fixed-rate receiver swaps	EUR	72,500	1,450	72,500	(1,127)
Fixed-rate receiver swaps	USD	48,890	(990)		
Fixed-rate borrower swaps	USD			84,565	(253)
Fixed-rate borrower cross-currency swaps	EUR/CAD	19,190	814	20,551	(537)
TOTAL PORTFOLIO RELATED TO INTEREST RATES		814		2,541	

The following hedging balance corresponds to hedges on some of Bel SA's floating-rate loans.

CHANGE IN INTEREST RATE HEDGING PORTFOLIO ON DECEMBER 31, 2020

(in millions of euros)		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Interest-rate swaps	EUR	115	107.5	97.5	62.5	62.5	62.5	62.5	31.25	31.25	0
Interest-rate swaps	USD	60	60	60	60	60	60	60	60	60	60
Currency swaps	EUR/CAD	30	7.5								

29.2.5 Counterparty risk management

All short-term cash investments and financial instruments are arranged with major counterparties in accordance with both safety and liquidity rules. "Major counterparties" are mainly French banks from the banking pool. Money-market mutual funds offering daily liquidity or certificates of deposit account for most of the short-term cash investments.

The DVA (Debt Value Adjustments) and CVA (Credit Value Adjustments) of the Group's foreign exchange and interest rate hedges were immaterial at December 31, 2020.

29.2.6 Raw materials risk management

At December 31, 2020, Bel had no raw materials risk.

29.2.7 Equity risk management

At December 31, 2020 Bel SA had no equity derivatives.

29.3 REAL-ESTATE RENTALS

By signing a lease on its future head office in the first half of 2014, the Group made a firm commitment to pay rent on

the new premises over the next 7 years, representing a total amount of €55 million.

29.4 EXISTING BONUS SHARE PLANS

The commitment given corresponds to the difference between the award amount, which takes into account the rate of completion of performance milestones, and the provision recorded in the amount of €4,034 thousand.

A breakdown of bonus share plans is presented in the following table:

(in thousands of euros)	2020 plan cash	2020 plan shares	2019 plan cash	2019 plan shares	2018 plan cash	2018 plan shares	Total
Number of shares awarded originally ^(a)	6,245	14,748	4,856	11,511	3,757	8,809	
Award criteria: percentage provisioned	100	100	110	110	82.2	82.2	
Number of shares awarded at December 31, 2020	5,748	13,574	3,002	7,098	1,454	3,416	
Share value in €	289.00	204.66	320.00	183.99	493.03	183.99	
Amount expensed in 2018					782	535	1,317
Amount expensed in 2019			706	834	321	209	2,070
Amount expensed in 2020	925	1,295	89	35	(119)	(108)	2,117

(a) *Authorized by the Board.

Also included in personnel expenses was the provision for the 2018 Bel SA cash plan totaling €32 thousand and representing 2,212 shares as well as the provision for the 2019 Bel SA cash plan totaling €219 thousand and

representing 4,731 shares and the provision for the 2020 Bel SA cash plan totaling €633 thousand and representing 9,303 shares.

29.5 OTHER COMMITMENTS

Litigation and disputes

The Group is engaged in a certain number of lawsuits and disputes in the normal course of its business. Provisions were booked for any probable and measurable costs that might arise from these lawsuits and disputes. Management knows of no dispute carrying significant risk that could adversely impact the Group's earnings or financial position that was not provisioned for at the close of the year.

NOTE30 | Parent company consolidating the group's financial statements

The financial statements of Bel SA, the parent company of the Bel Group are included in the consolidation of the Unibel Group, which has its headquarters at 2, Allée de Longchamp in Suresnes near Paris.

A copy of the financial statements can be obtained at this address and can also be consulted on the website www.groupe-bel.com.

NOTE31 | Subsequent events

On March 19, 2021, the Bel Group and the Lactalis group announced they had entered exclusive negotiations following the signing of a unilateral purchase agreement concerning the disposal of a scope of activities including Royal Bel Leerdammer NL, Bel Italia, Bel Deutschland, the Leerdammer brand and all right attached, as well as Bel Shostka Ukraine, to Lactalis. This group of activities is to be transferred to Lactalis through SICOPA, a subsidiary 100% owned by Bel, in exchange for 1,591,472 Bel shares (representing 23.16% of the capital) owned by Lactalis. Following this exchange, Lactalis would own 0.90% of Bel's capital.

This disposal continues on from the Bel Group's strategy started in 2015, aimed at extending its businesses beyond cheese products to become a major player in health snacking.

The terms of this disposal also ensure that the positions established by Bel in Germany, Italy and Ukraine are preserved by adapting its distribution model in the countries, through exclusive trade agreements set up with Lactalis to ensure the effective distribution of other Bel brands.

NOTE 32 | Statement of maturities and debts

(in thousands of euros)	Gross amount	Maturity	
		Due 1 year or less	Due more than 1 year ^(e)
RECEIVABLES			
Fixed asset receivables:			
Loans to and receivables from participating interests	673,028	673,028	
Loans ^(a)	6,792	656	6,136
Other	32,816	764	32,052
Current asset receivables:			
Trade and other receivables	168,244	168,244	
Other	168,928	168,928	
Prepaid expenses	4,563	3,605	958
TOTAL	1,054,371	1,015,225	39,146
DEBTS			
Other bonds ^(b)	753,253	6,014	747,239
Borrowings ^(b) and current used facilities at banks ^(c)	21,334	1,334	20,000
Sundry borrowings and financial liabilities ^{(b) (d)}	266,801	224,533	42,268
Trade and other payables	224,546	224,546	
Taxes payable and payroll and on-cost amounts payable	55,232	45,969	9,263
Amounts payable to fixed asset suppliers and related accounts	6,171	6,171	
Income tax payable			
Other liabilities ^{(d) (e)}	550,232	546,396	3,836
Deferred income	16,279	16,279	
TOTAL	1,893,848	1,071,242	822,606
(a) Loans granted during the year	342,661		
Loans recovered during the year			
(b) Borrowings subscribed during the year	277,158		
Borrowings reimbursed during the year	211,946		
(c) of which:			
originally no more than two years	1,334		
originally more than two years	20,000		
(d) To associates (line item: other debts)	512,461		
(e) Debts maturing in more than five years	3,836		

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Annual financial statements

(in thousands of euros)	Amounts concerning entities	
	Subsidiaries	in which the Company has an equity interest
Participating interests	1,244,570	
Loans to and receivables from participating interests	672,233	
Other long-term financial assets	23,296	
Loans		4
Other financial investments		
Trade and other receivables	87,816	
Other current assets	113,402	
Subscribed capital called and unpaid		
Sundry borrowings and financial liabilities	133,112	
Trade and other payables	95,889	
Amounts payable to fixed asset suppliers and related accounts		
Other liabilities	512,461	
Dividends and interest income	115,610	
Other financial income	2,628	
Financial expenses	6,753	

RELATED-PARTY TRANSACTIONS

Cash management agreement with Unibel

At December 31, 2020, the Company had received a €63,755 thousand cash advance from Unibel. The advance, bearing interest at the EONIA rate plus 100 basis points, generated a financial expense of €391 thousand recorded in 2020.

Service agreement with Unibel

In 2020, €5,215 thousand were expensed under the service agreement with Unibel.

Operating expenses billed back to Bel SA by unconsolidated Group entities

In 2020, a total of €13,896 thousand in operating expenses were billed back to Bel SA.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Annual financial statements

Companies	Share capital ^(a)	Equity other than share capital ^(a)	% of share capital held	Carrying amount of shares held		Outstanding loans and advances granted by the Company	Amount of endorsements, guarantees and letters of intent provided by the Company	Dividends collected by the Company during the year
	In thousands of currencies			Gross	Net		In thousands of euros	
I - DETAILED INFORMATION								
Subsidiaries (more than 50%-owned by the Company):								
French entities								
Fromageries Picon 2 Allée de Longchamp 92150 Suresnes	600 EUR	2,639 EUR	99.975	5,638	5,638			1,300
Fromageries Bel Production France 2 Allée de Longchamp 92150 Suresnes	48,917 EUR	141,177 EUR	100	132,209	132,209	34,825		5,288
SAS des Fermiers Réunis 2 Allée de Longchamp 92150 Suresnes	7,200 EUR	10,894 EUR	99.848	18,118	18,118			899
Sofico 2 Allée de Longchamp 92150 Suresnes	2,339 EUR	8,988 EUR	99.965	2,376	2,376			1,799
Fromagerie Boursin SAS Route de St Aquilin 27120 Croisy-sur-Eure	2,825 EUR	18,464 EUR	100.000	23,630	23,630			1,100
Sicopa 2 Allée de Longchamp 92150 Suresnes	591,402 EUR	486,943 EUR	100.000	780,174	780,174			59,929
LVQR Diffusion 2 Allée de Longchamp 92150 Suresnes	50 EUR	403 EUR	100.000	50	50			
Atad 2 Allée de Longchamp 92150 Suresnes	300 EUR	(60 EUR)	100.000	413	378			
Newton Holding 2 Allée de Longchamp 92150 Suresnes	253,168 EUR	283,692 EUR	68.020	196,052	196,052	468,651		
All In Foods 29 Rue Thomas Edison 44600 Saint Nazaire	100 EUR	(856,436 EUR)	80.000	56,379	56,379	3,708		
Foreign entities								
Bel Tunisie - Tunis/Tunisia	3,000 TND	(7,695 TND) ^(b)	99.000	2,053	0			
Bel Syrie - Damascus/ Syria	1,045,000 SYP	1,518,008 SYP	99.976	15,660	0			
Bel Algérie SpA - Algiers/ Algeria	3,318,941 DZD	4,373,668 DZD	99.023	21,170	21,170			3,863
II - GENERAL INFORMATION								
Subsidiaries not covered in paragraph I								
a) French subsidiaries (aggregate)				19	19			120
b) Foreign subsidiaries (aggregate)				8,377	8,377			4,162
Interests not covered in paragraph I								
a) In French entities (aggregate)								
b) In foreign entities (aggregate)								

(a) French GAAP data for French entities and IFRS data for foreign entities.

(b) 2008 data.

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Annual financial statements

INVENTORY OF INVESTMENTS AND PARTICIPATING INTERESTS

(in thousands of euros)		Net carrying amount of the balance sheet 2020	Net carrying amount of the balance sheet 2019
PARTICIPATING INTERESTS			
French entities			
192,475,216	NEWTON HOLDING	196,052	190,300
3,706,666	FROMAGERIES BOURSIN SAS	23,630	23,630
239,635	SAS des Fermiers Réunis "SASFR"	18,118	18,118
39,426,801	SOCIETE INDUSTRIELLE COMMERCIALE ET DE PARTICIPATION "SICOPA"	780,174	780,174
132,208,521	Fromageries Bel Production France	132,209	132,209
155,865	Société Financière et Commerciale "SOFICO"	2,376	2,376
19,995	FROMAGERIES PICON	5,638	5,638
10,000	Atad	378	378
999	SOCIETE DES PRODUITS LAITIERS "SPL"	15	15
3,333	LVQR DIFFUSION	50	50
1,200	All In Foods	56,379	
Entities with a net carrying amount below €15 per category of shares		4	4
		1,215,023	1,152,892
Foreign entities			
76,664	BEL EGYPT EXPANSION FOR CHEESE PRODUCTION	7,223	7,223
3,286,512	Bel Algérie SpA	21,170	21,170
594	BEL TUNISIE		
1,044,745	BEL SYRIE		
10	BEL VIETNAM	1,152	1,152
Entities with a net carrying amount below €15 per category of shares		2	2
		29,547	29,547
TOTAL PARTICIPATING INTERESTS		1,244,570	1,182,439
Other long-term financial assets			
French entities			
37,051	FPCI CAP AGRO-INNOVATION B	3,361	3,635
1,120	SOGAL- SOCAMUEL	17	17
83,793	Bel SA	23,296	23,276
Entities with a net carrying amount below €15 per category of shares		25	25
		26,699	26,952
Foreign entities			
4,790	NEW PROTEIN FUND	4,202	
TOTAL OTHER LONG-TERM FINANCIAL ASSETS		30,901	26,952
MARKETABLE SECURITIES		91,039	90,922

FINANCIAL AND ACCOUNTING INFORMATION

Financial statements - Annual financial statements

COMPANY EARNINGS AND OTHER FINANCIAL HIGHLIGHTS OVER THE LAST FIVE YEARS
(ARTICLES R. 225-81, R. 225-83 & R. 225-102 OF THE FRENCH COMMERCIAL CODE)

	2020	2019	2018	2017	2016
I. SHARE CAPITAL AT YEAR-END					
Share capital	10,308,503	10,308,503	10,308,503	10,308,503	10,308,503
Number of ordinary shares outstanding	6,872,335	6,872,335	6,872,335	6,872,335	6,872,335
II. OPERATIONS AND RESULTS FOR THE FINANCIAL YEAR					
Revenue, net of VAT	1,323,456,351	1,317,068,112	1,314,188,053	1,317,849,203	1,385,125,072
Earnings before tax, profit-sharing, depreciation, amortization and write-downs	112,165,679	66,840,700	114,668,722	125,036,074 ^(b)	116,860,557
Income tax	(1,771,915)	(7,084,961)	(6,015,645)	(18,239,459)	7,654,506
Profit-sharing owed for the financial year	3,474,969	3,675,049	2,053,071	2,246,437	2,885,920
Earnings after tax, profit-sharing, depreciation, amortization and write-downs	91,664,534	93,085,516	92,230,775	133,401,905	101,721,485
Dividends paid out	0	24,053,173 (a) (c)	34,018,058 (a)	48,106,345 (a)	67,005,266 (a)
EARNINGS PER SHARE					
Earnings after tax and profit-sharing, but before depreciation, amortization and write-downs	16.09	10.22	17.26	20.52	15.47
Earnings after tax, profit-sharing, depreciation, amortization and write-downs	13.34	13.54	13.42	19.41	14.80
Dividend per share	0	3.50	4.95	7.00	9.75
IV. PERSONNEL					
Average number of employees during financial year	1,033	1,000	1,020	1,024	1,005
Total payroll for the financial year	83,871,141	92,957,668	76,417,529	74,201,969	74,300,273
Amount of employee benefits paid for in the financial year (social security, volunteer work)	39,035,947	38,985,414	38,678,052	38,739,043	38,996,129

(a) Theoretical amount since treasury shares held by the Company are not entitled to dividends. The corresponding amount of unpaid dividends is allocated to "Retained earnings".

(b) Amount modified vs 2017 publication.

(c) Amount modified relative to the 2019 Registration Document: in the context of the Covid-19 pandemic, the Board of Directors meeting of April 20, 2020 decided to reduce the amount of the dividend proposed by the Board of Directors of March 11, 2020.

STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

For the year ended December 31, 2020

To the Annual General Meeting of Bel shareholders,

Opinion

In accordance with the assignment entrusted to us by your Annual General Meetings, we have audited the accompanying annual financial statements of the company Bel for the year ended December 31, 2020.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and financial position of the Company as at December 31, 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' responsibilities for the audit of the annual financial statements" section of the present report.

Independence

We conducted our audit assignment in compliance with the independence rules applicable to us under the French Commercial Code (Code de commerce) and French Code of Ethics (Code de déontologie) for Statutory Auditors for

the period from January 1, 2020 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments - Key audit matters

The global crisis surrounding the COVID-19 pandemic has created unusual circumstances for preparing and auditing financial statements for the 2020 financial year. The crisis and exceptional measures taken under the public health state of emergency have had many repercussions for companies, especially for their activity and financing, and have led to increased uncertainty about their future prospects. Some of these measures, such as restrictions on travel and work-from-home arrangements, have also impacted on companies' internal organizational procedures and on the processes applied to perform audits.

It is in such complex and changing circumstances that, in accordance with the requirements set out under Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following key audit matters relating to the risks of material misstatement which, in our professional judgment, were of most significance in our audit of the annual financial statements for the period under review, as well as the responses we provided in relation to these risks.

These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the annual financial statements.

Measurement of the carrying value of equity securities

Note 1.3 "Accounting rules and methods - Financial Assets"

Identified risk

As of December 31, 2020, equity securities are recorded in the balance sheet at a net carrying value of €1,245 million, or 39% of total assets. They were recorded at their acquisition cost on the date of acquisition.

When the value in use of these securities is below their net carrying value, a provision for impairment is recorded for the difference in value. The value in use is determined on the basis of cash flow projections taken from the subsidiaries' five-year budget data.

Given the significant amount of equity securities in the balance sheet and the sensitivity of valuation models to the assumptions used to determine cash flows, we considered the measurement of the carrying value of equity securities to be a key audit matter.

Our response

Our assessment of the measurement of the carrying value of equity securities is based on the process applied by the Company to determine the value in use of equity securities.

Our work consisted in:

- verifying the consistency of the net equity interests reported by the Company with the financial statements of the various companies concerned;
- in situations where the net equity interest was less than the value of the securities, obtaining the cash flow forecasts of the entities concerned and reconciling them with the subsidiaries' business plans;
- verifying the consistency of the assumptions used to determine cash flows with the Group's and the entities' performance history, and confirming future growth prospects, primarily through interviews with the local finance managers in each geographical area.

Specific verifications

In accordance with professional standards applicable in France, we also performed the specific verifications required under French laws and regulations.

Information included in the Management Report and in other documents on the financial position and annual financial statements sent to shareholders

We do not have any observations as to the fair presentation and consistency with the annual financial statements of the information included in the Board of Directors' Management Report or in other documents on the financial position and annual financial statements sent to shareholders.

We hereby attest to the fair presentation and consistency with the annual financial statements of the information on payment terms referred to in Article D. 441-6 of the French Commercial Code.

Report on Corporate Governance

We attest that the section on corporate governance in the Board of Directors' Management Report contains the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

With respect to the information provided as required by Article L. 22-10-9 of the French Commercial Code relating to compensation and benefits paid or allocated to executive officers and any other commitments made in their favor, we verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from entities

controlled by it and included in its consolidation scope. Based on this work, we hereby attest to the accuracy and fair presentation of said information.

With respect to the information provided as required by Article L. 22-10-11 of the French Commercial Code relating to items that your Company considered likely to have an impact in the event of a public tender or exchange offer, we verified its consistency with the source documents communicated to us. Based on our work, we have no observations to make on this information.

Other information

In application of the law, we ensured that you were duly informed in the Management Report of all matters relating to the acquisition of controlling or non-controlling interests, and of the identity of the holders of the capital or voting rights.

Other verifications and information in accordance with legal and regulatory requirements

Format for presenting annual financial statements to be included in the Annual Financial Report

In accordance with professional standards applied by statutory auditors when auditing annual and consolidated financial statements presented in European Single Electronic Format, we also verified that the presentation of the annual financial statements to be included in the Annual Financial Report, as referred to in Article L. 451-1-2(I) of the French Monetary and Financial Code and prepared under the responsibility of the Chairman and Chief Executive Officer, was consistent with this format as defined in European Delegated Regulation N° 2019/815 of December 17, 2018.

Based on our work, we concluded that the presentation of the annual financial statements to be included in the Annual Financial Report does indeed adhere to the European Single Electronic Format in all material respects.

It is not our responsibility to verify that the annual financial statements actually included by your Company in the Annual Financial Report filed with the AMF correspond to those on which we based our audit assignment.

Appointment of Statutory Auditors

We were appointed as statutory auditors of the company Bel by your General Meetings of June 25, 1998 for Deloitte & Associés and of May 12, 2010 for Grant Thornton.

As at December 31, 2020, Deloitte & Associés was in the 29th consecutive year of its mandate, taking into account acquisitions or mergers of firms that took place before that date, and Grant Thornton was in the 11th consecutive year of its mandate.

Responsibilities of management and those charged with governance for the annual financial statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with French accounting principles, and for such internal control as management deems necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern; disclosing in the financial statements, as applicable, matters related to going concern; and using the going concern basis of accounting, unless it is expected to liquidate the Company or cease its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, with respect to the accounting and financial reporting procedures applied.

The annual financial statements were approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the annual financial statements

Objectives and audit approach

Our role is to issue a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but not a guarantee, that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, whether taken individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users of these financial statements based thereon.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit assignment does not consist in providing assurance of the viability of the Company or of the quality of management of the affairs of the Company.

In accordance with the professional standards applicable in France, the statutory auditor exercises its professional judgment throughout the audit assignment. Furthermore, the statutory auditor:

- identifies and assesses the risks of material misstatement in the annual financial statements, whether due to fraud or error; designs and performs audit procedures responsive to those risks; and obtains audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the annual financial statements;

- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, determines whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of their audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, they draw the attention of the readers of their report to the disclosures about said uncertainty made in the annual financial statements or, if such disclosures are not provided or are not relevant, they issue a qualified or adverse opinion;
- evaluates the overall presentation of the annual financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant internal control deficiencies that we have identified regarding the accounting and financial reporting procedures applied.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the annual financial statements for the period under review and that, as such, constitute the key audit matters we are required to describe in this report.

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) No. 537/2014 confirming our independence within the meaning of the rules applicable in France such as they are set, in particular, by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee any risks that may reasonably be thought to bear on our independence, and the safeguards in place.

Neuilly-sur-Seine et Paris-La Défense, March 31, 2021

The Statutory Auditors

Grant Thornton

French Member of Grant Thornton International

Virginie PALETHORPE

Deloitte & Associés

Jean-Pierre Agazzi

5.5.3 INFORMATION ON THE STATUTORY AUDITORS

Identity of the Statutory Auditors

The Statutory Auditors are:

- Deloitte & Associés**, represented by Jean-Pierre Agazzi
 6, place de la Pyramide, 92908 Paris La Défense Cedex
 Deloitte Touche Tohmatsu, which became Deloitte & Associés in 2005, was appointed as Statutory Auditor by the Combined General Meeting on June 24, 1997. Its term was renewed on May 12, 2016 for a term of six financial years, expiring on 2022 after the General Meeting that will meet to vote on the financial statements for the year ending December 31, 2021.
 Deloitte & Associés is a member of the Compagnie régionale des Commissaires aux comptes de Versailles;
- Grant Thornton**, represented by Virginie Palethorpe
 29, rue du Pont, 92200 Neuilly-sur-Seine
 Grant Thornton was appointed as Statutory Auditor by the Combined General Shareholders' Meeting on May 16, 2013, replacing Pierre-Henri Scacchi, a company that resigned as Statutory Auditor; its term was renewed on May 12, 2016 for a term of six financial years, expiring on 2022 after the General Meeting that will meet to vote on the financial statements for the year ending December 31, 2021.
 Grant Thornton is a member of the Compagnie régionale des Commissaires aux comptes de Versailles.

The Alternate Auditors are:

- Bureau d'études administratives sociales et comptables (BEAS)**
 6, place de la Pyramide, 92908 Paris La Défense Cedex
 BEAS was appointed as Alternate Auditor at the Combined General Shareholders' Meeting on June 25, 1998. BEAS's term as Alternate Auditor to Deloitte & Associés was renewed on May 12, 2016 for a term of six financial years, expiring on 2022 after the General Meeting that will meet to vote on the financial statements for the year ending December 31, 2021.
 BEAS is a member of the Compagnie régionale des Commissaires aux comptes de Versailles;
- Institut de gestion et d'expertise comptable (IGEC)**
 22, rue Garnier, 92200 Neuilly-sur-Seine
 IGEC was appointed as Alternate Auditor to Grant Thornton at the Combined General Shareholders' Meeting on May 16, 2013, replacing Pierre-François Allieux, who resigned; its term was renewed on May 12, 2016, for a term of six financial years, expiring in 2022 after the General Meeting that will meet to vote on the financial statements for the year ending December 31, 2021. IGEC is a member of the Compagnie régionale des Commissaires aux comptes de Versailles;

Information on resignations or non-renewals of the Statutory Auditors' terms

No resignations or non-renewals occurred in 2020.

Statutory auditors' fees

This information is included in Note 11 to the consolidated financial statements.

5.6 VERIFICATION OF ANNUAL FINANCIAL INFORMATION

5.6.1 STATEMENT OF VERIFICATION OF HISTORICAL FINANCIAL INFORMATION

See the Statutory Auditors' Reports on the consolidated financial statements and the annual financial statements for the year ended December 31, 2020, in paragraphs 5.5.1 and 5.5.2 respectively of this Universal Registration Document.

For previous years, see the following reports included by reference in this Universal Registration Document pursuant to Article 28 of Commission Regulation (EC) No. 809/2004:

- the Statutory Auditors' Reports on the consolidated financial statements and the annual financial statements for the year ended December 31, 2019, as well as the financial statements themselves, can be found in paragraphs 5.5.1 "Consolidated financial statements at December 31, 2019" and 5.5.2 "Company financial statements at December 31, 2019", respectively, of the Company's Registration Document filed with the AMF on April 03, 2020 under number D. 19-0257;
- the Statutory Auditors' Reports on the consolidated financial statements and the annual financial statements for the year ended December 31, 2018, as well as the financial statements themselves, can be found in paragraphs 5.5.1 "Consolidated financial statements at December 31, 2018" and 5.5.2 "Company financial statements at December 31, 2018", respectively, of the Company's Registration Document filed with the AMF on April 3, 2019 under number D. 19-0257;

Both of these Registration Documents referred to above are available on the website of the AMF (www.amf-france.org) and on the Company's website (www.groupe-bel.com).

5.6.2 OTHER INFORMATION VERIFIED BY THE STATUTORY AUDITORS

In the consolidated financial statements

Research and Development expenditure totaled €30.5 million in 2020.

In the annual financial statements

In accordance with Article 223 quater and Article 39.4 of the French General Tax Code, expenses and costs that are not tax-deductible totaled €465,399.40.

ARTICLE D. 441 I. - 1°: OPEN TRADE PAYABLES WHICH ARE OVERDUE AT THE CLOSING DATE

	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (more than 1 day)
(A) Overdues groups						
Number of invoices	4,139					521
Total amount (incl. VAT) (in euros)	101,050,738	234,152	117,275	56,254	150,832	558,513
Total amount, in % of the annual purchase amount (incl. VAT)	7.49%	0.02%	0.01%	0.00%	0.01%	0.04%
Total amount, in % of the annual turnover amount (incl. VAT)						
(B) Excluded invoices from (A), related to non posted or under litigation trade payables/receivables						
Number of exclusions				97		
Total amount of exclusions (incl. VAT) (in euros)				3,997,171		
(C) Reference payments terms (contractual or legal - art. L. 441.6 or art. L. 443.1 of French Code of Commerce)						
Payment terms used for to calculate overdues	30/40/50 days end of decade : contractual payments terms					

ARTICLE D. 441 I. - 1°: OPEN TRADE RECEIVABLES WHICH ARE OVERDUE AT THE CLOSING DATE

	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (more than 1 day)
(A) Overdues groups						
Number of invoices	7,059					2,774
Total amount (incl. VAT) (in euros)	132,039,070	1,145,599	1,489,460	220,760	5,561,696	7,975,995
Total amount, in % of the annual purchase amounts (incl. VAT)						
Total amount, in % of the annual turnover amount (incl. VAT)	9.1%	0.1%	0.1%	- 0.0%	0.4%	0.5%
(B) Excluded invoices from (A), related to non posted or under litigation trade payables/receivables						
Number of exclusions			3,132			
Total amount of exclusions (incl. VAT) (in euros)			14,908,892			
(C) Reference payments terms (contractual or legal - art. L. 441.6 or art. L. 443.1 of French Trade Code)						
Payment terms used to calculate overdues	30 days, end of 10-day period, invoice date (France) 60 days, boarding date (Export)					

5.6.3 FINANCIAL INFORMATION NOT INCLUDED IN THE FINANCIAL STATEMENTS

This paragraph is not applicable.

5.7 DATE OF LATEST FINANCIAL INFORMATION

The most recent financial year for which financial information was audited was the year ended December 31, 2020.

5.8 FINANCIAL INFORMATION FOR INTERIM AND OTHER PERIODS

5.8.1 QUARTERLY AND HALF YEARLY FINANCIAL INFORMATION

None.

5.8.2 FINANCIAL INFORMATION FOR INTERIM PERIODS

As no financial position after December 31, 2020 has been published, these paragraphs are not applicable.

5.9 DIVIDEND POLICY

(in euros by share)	2016	2017	2018	2019	2020
Net dividend	9.75	7.00	4.95	3.50	0.00

At its meeting of March 18, 2021, the Bel Group Board of Directors decided not to propose the Combined General Meeting of May 11, 2021, a dividend payment in 2021 for the 2020 financial year. Future net dividends will depend on the

Company's ability to generate profits, its financial position, its growth strategy and any other factor deemed relevant to the dividend distribution by the Board of Directors.

5.10 LEGAL AND ARBITRATION PROCEEDINGS

Information concerning judicial and arbitration proceedings appears in chapter 2 "Risk factors and insurance" of this Universal Registration Document.

5.11 SIGNIFICANT CHANGE IN THE FINANCIAL OR TRADING POSITION

The main changes in the financial position during the year are set out in section 5.3.1 and in Note 4.15.2 in the Appendix to the Consolidated Financial Statements.

The main events during the year concerning the Group's trading position are described in section 1.3 "Markets and activities in 2020".

On March 18, 2021, the Bel Board of Directors approved the start of exclusive negotiations with the Lactalis Group concerning the disposal of a scope of businesses including Royal Bel Leerdammer NL, Bel Italia, Bel Deutschland, the Leerdammer® brand and its attached rights as well as Bel Shostka Ukraine.

This group of activities is to be transferred to Lactalis through SICOPA, a subsidiary 100% owned by Bel, in exchange for 1,591,472 Bel shares (representing 23.16% of the capital) owned by Lactalis. Following this exchange, Lactalis would own 0.90% of Bel's capital. On December 31, 2020, sales from the Leerdammer brand and Bel Shostka Ukraine totaled around €500 million, including €350 million in branded products, with operating income of around €25 million.

Pending the outcome and completion of this operation, Bel intends to file a public share buyback offer at a price of €440 per share ⁽¹⁾(dividend attached), thereby offering a liquidity opportunity to all of Bel's minority shareholders. An independent expert will be nominated by the Company to draw up a report on the financial terms of the offer while the French financial markets authority (AMF) will provide a compliance ruling. Bel has also been informed of Unibel's intention to launch a buyout offer followed by a mandatory squeeze-out offer at the same price as the share buyback offer. The disposal operation is due to close before the end of summer 2021, whereas settlement-delivery of the public buyback offer should take place in the third quarter of 2021. Following these public offers, the Bel shares will be delisted.

The fairness of the offer price is subject to appraisal by the designated independent expert.

The Bel Group confirms its commitment to maintaining a healthy and solid balance sheet.

(1) The fairness of the offer price is subject to appraisal by the designated independent expert.



With Mini Babybel® Protein, the brand offers a new protein-rich, low-fat recipe. This product was launched in Belgium, Spain, Portugal, the Netherlands, the Czech Republic, Slovakia and Ukraine.

6 SHAREHOLDING AND SHARE TRANSACTIONS⁽¹⁾

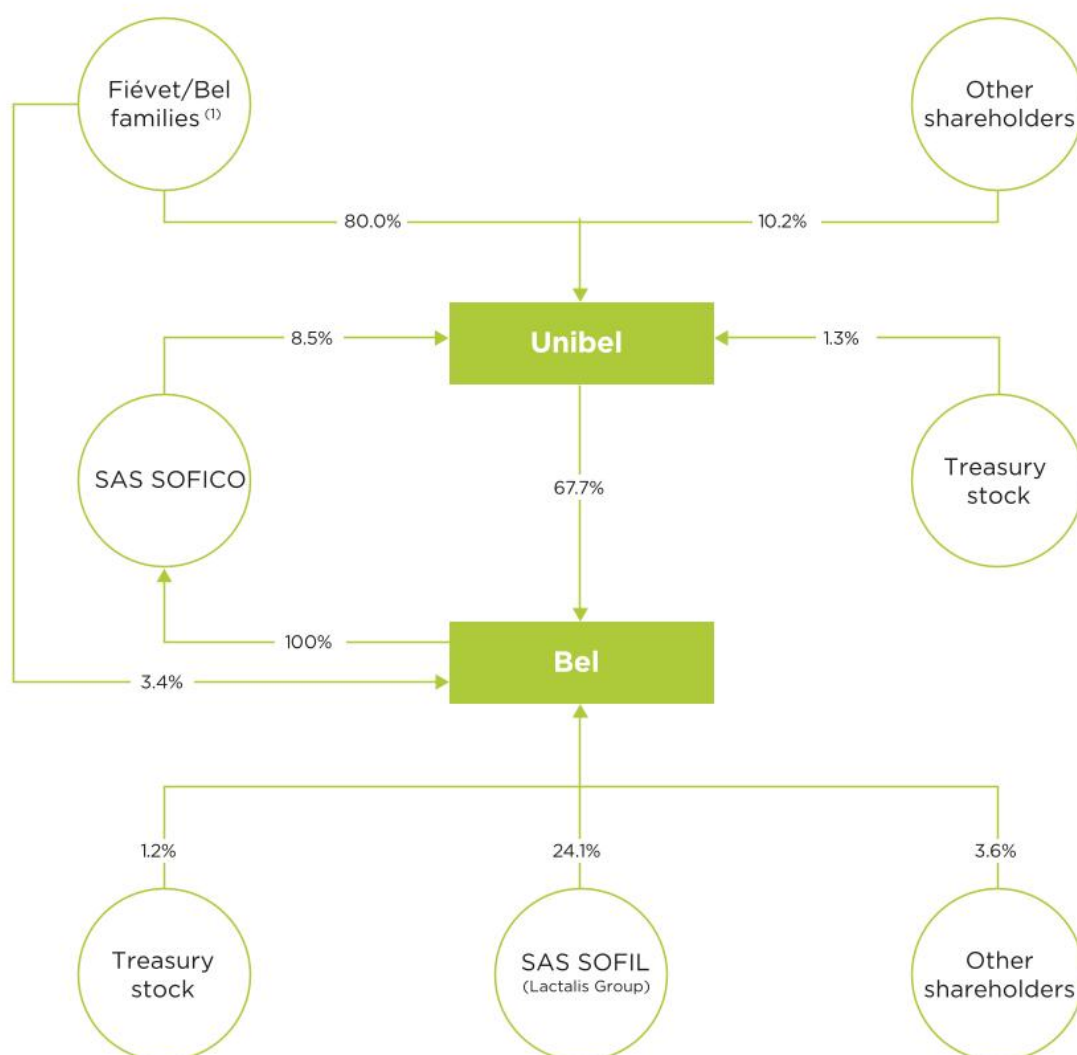
6.1	Shareholding and share capital	240	6.2	Stock exchange	246
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(1) Certain information in this Chapter form part of the Management Report and Report on corporate governance.

6.1 SHAREHOLDING AND SHARE CAPITAL

6.1.1 SHAREHOLDING AT DECEMBER 31, 2020 AND OVER THE LAST THREE YEARS

BEL GROUP SHAREHOLDING ORGANIZATIONAL CHART (AS A % OF SHARE CAPITAL)



(1) This item includes the signatories of the Unibel shareholders' agreement which came into force on September 23, 2013 and controlled companies.

SHAREHOLDING AND SHARE TRANSACTIONS

Shareholding and share capital

To the issuer's knowledge, Bel's share capital is broken down between shareholders as follows:

Bel at December 31, 2020	Share capital		"Gross" voting rights		AGM voting rights	
	Number	%	Number	%	Number	%
Unibel ^(a)	4,651,237	67.68%	9,302,474	68.99%	9,302,474	69.42%
Fiévet-Bel family group ^(b)	237,221	3.45%	474,442	3.52%	474,442	3.54%
CONCERT SUBTOTAL	4,888,458	71.13%	9,776,916	72.51%	9,776,916	72.97%
SOFIL/Lactalis ^(c)	1,653,323	24.06%	3,306,646	24.52%	3,306,646	24.68%
Other shareholders	246,761	3.59%	315,791	2.34%	315,791	2.36%
PUBLIC SUBTOTAL	1,900 084	27.65%	3,622 437	26.87%	3,622 437	27.03%
Treasury shares	83,793	1.22%	83,793	0.62%	-	0.00%
TOTAL	6,872,335	100%	13,483,146	100%	13,399 353	100%

(a) Entity controlled at the highest level by the Fiévet-Bel family.

(b) Signatories of the Unibel shareholders' agreement which came into force on September 23, 2013, and the companies other than Unibel that they control.

(c) Entity controlled at the highest level by the Besnier family and not represented on the Board of Directors.

No material change occurred in shareholding or voting rights since December 31, 2020.

The share capital is composed of 6,872,335 shares to which 13,483,146 gross voting rights and 13,399,353 voting rights eligible for Annual General Meetings were attached on December 31, 2020. This difference corresponds to treasury shares.

Of the shares, 97.5% are in registered form and held by 255 shareholders; 97.4% receive double voting rights after being registered continuously for four years.

Unibel, a French société anonyme (public corporation) with a Management Board and a Supervisory Board, holds more than two-thirds of the share capital and voting rights (AMF notice No. 210C0461 of May 28, 2010). It is controlled by members of the Fiévet-Bel family group who are bound by an agreement published by the AMF (French financial markets regulator) on September 26, 2013. This agreement is described in AMF notice No. 213C1436 of September 26, 2013 and in Unibel's Universal Registration Document. These shareholders currently control 80% of the share capital and 88% of the gross voting rights of Unibel.

In addition, Société Financière et Commerciale (SOFICO), a wholly-owned subsidiary of Bel, holds 8.45% of Unibel treasury shares.

The Lactalis Group, controlled by the Besnier family, holds more than 20% of the share capital and voting rights of Bel through its subsidiary Société pour le Financement de l'Industrie Laitière (SOFIL) (AMF notice No. 211C0106 of January 28, 2011). The Lactalis Group is not represented in any of the Bel Group's governing bodies.

To the issuer's knowledge, no other shareholder directly or indirectly holds, alone or in concert, more than 5% of the share capital or voting rights, and no shareholder outside the family group or SOFIL holds, alone or in concert, in any way, shape or form, more than 1% of the share capital or voting rights.

No legal or statutory ceilings were exceeded during the year.

Under Articles 787 B, 885 I bis and 885 I quater of the French General Tax Code, lock-up agreements, known as

"Dutheil agreements", were signed by shareholders and in particular by members of the Fiévet-Bel family group and Unibel.

The most recent lock-up agreements have the following features:

Lock-up agreement

Type	Collective
Registration date/start date	1/9/2019
Initial duration of the collective commitment	2 years
Renewal	Tacit, every 3 months
% of share capital committed on the signing date	70.5%
% of voting rights committed on the signing date	71.9%
Executive signatory	Antoine Fiévet
Signatory holding at least 5% of the share capital	Unibel

"Dutheil agreements" provide direct or indirect shareholders covered by the scope of the agreement with tax exemptions of 75% of the tax base in terms of transfer duties and solidarity wealth tax. In return, beneficiaries of these exemptions commit not to sell or transfer their shares for a minimum individual or collective period of six years.

The tacit renewal of this commitment was denounced to the tax authorities by a letter dated February 24, 2021. Consequently, it will not be renewed is due to end on April 9, 2021, when the individual lock-up agreements for beneficiaries of donations made through the Pact will come into force.

A new collective lock-up agreement is expected to be concluded before this one ends.

SHAREHOLDING AND SHARE TRANSACTIONS

Shareholding and share capital

Changes in the breakdown of share capital over the last three years

The following table indicates the breakdown of share capital and voting rights that can be exercised at AGMs over the last three years.

	12/31/2020			12/31/2019			12/31/2018		
	Shares	% share capital	% of AGM voting rights	Shares	% share capital	% of AGM voting rights	Shares	% share capital	% of AGM voting rights
Unibel ^(a)	4,651,237	67.68%	69.42%	4,651,237	67.68%	69.44%	4,651,237	67.68%	69.45%
Fiévet-Bel family group ^(b)	237,221	3.45%	3.54%	237,221	3.45%	3.54%	237,221	3.45%	3.54%
CONCERT SUBTOTAL	4,888,458	71.13%	72.97%	4,888,458	71.13%	72.97%	4,888,458	71.13%	72.99%
SOFIL/Lactalis ^(c)	1,653,323	24.06%	24.68%	1,653,323	24.06%	24.68%	1,653,323	24.06%	24.69%
Other shareholders	246,791	3.59%	2.36%	246,554	3.59%	2.34%	245,592	3.57%	2.32%
PUBLIC SUBTOTAL	1,900,084	27.65%	27.03%	1,899,877	27.65%	26.46%	1,898,915	27.63%	27.01%
Treasury shares	83,793	1.22%	0.00%	84,000	1.22%	0.00%	84,962	1.24%	0.00%
TOTAL	6,872,335	100%	100%	6,872,335	100%	100%	6,872,335	100%	100%

(a) Entity controlled at the highest level by the Fiévet-Bel family.

(b) Signatories of the Unibel shareholders' agreement which came into force on September 23, 2013, and the companies other than Unibel that they control.

(c) Entity controlled at the highest level by the Besnier family and not represented on the Board of Directors.

6.1.2 INFORMATION ON CONTROL OF THE SHARE CAPITAL

To the Company's knowledge, there are no agreements containing clauses affecting at least 0.5% of shares or voting rights and providing for preferential sale or purchase conditions, nor do any agreements exist whose implementation could, at a later date, lead to a change in control of the Company.

All medium- and long-term financing agreements relating to Bel and certain subsidiaries directly or indirectly controlled by Bel have a change in control clause stipulating that banks and investors may request the repayment of the advances and credit lines granted, plus interest and all other amounts due, on condition that the majority of lending institutions request this repayment. Change in control is the hypothesis under which the Company's majority shareholders cease to directly or indirectly hold over half of the share capital and voting rights in Bel.

No other agreement would be modified or would end in the event of a change in control of the Company.

The family shareholders are represented by Antoine Fiévet, Chairman and Chief Executive Officer, who is also a member of the Unibel Management Board, and by Florian Sauvin, a member of the Board of Directors and Chairman of the Unibel Supervisory Board.

Unibel, the Group's lead holding company, is a Director of the Company. Bruno Schoch, Chairman of Unibel's Management Board is the permanent representative of Unibel on Bel's Board of Directors.

Measures taken to ensure that control is not abused are as follows:

- the Board of Directors has three independent Directors out of seven members: Thierry Billot (Lead Independent Director), Fatine Layt, and Nathalie Roos. The Committees of the Board also have a majority of independent members;
- a charter is in place to which all Directors adhere and which defines their duties, specifying, in particular, that Directors must act in the best interest of the Company under all circumstances, that they must represent all shareholders, and that they must abstain in the event of a conflict of interests;
- the Chief Executive Officer's powers are curtailed (see section 4.1.4 "Board and Committee organization and workings").

The composition of the administrative and management bodies and the governance principles applied are detailed in section 4.1 "Governance principles" and in section 4.2 "Compensation and benefits".

SHAREHOLDING AND SHARE TRANSACTIONS

Shareholding and share capital

6.1.3 SHARE CAPITAL

Balance at December 31, 2020

The amount of share capital subscribed and fully paid up was €10,308,502.50 at December 31, 2020. It is divided into 6,872,335 shares with a par value of €1.50.

Each share confers the right to ownership in the Company's assets, a share in the profits, and in the liquidation surplus proportional to the percentage of share capital that it represents.

Equity securities, non-equity shares, options

At December 31, 2020, there were no equity securities, non-equity shares, or options. Information on bonus share award programs in place is detailed in section 6.2.3, "Stock options/performance shares".

DELEGATIONS AND AUTHORIZATIONS GRANTED BY THE ANNUAL GENERAL MEETING TO THE BOARD OF DIRECTORS (IN ACCORDANCE WITH ARTICLE L. 225-100 OF THE FRENCH COMMERCIAL CODE) CURRENTLY VALID OR TERMINATED DURING THE YEAR

Date of the AGM	Purpose of the delegation	Authorized maximum nominal amount or number of shares	Delegation duration and/or expiry date	Date and terms of use by the Board of Directors
May 14, 2018	Authorization given to the Board of Directors to grant bonus shares already existing and/or to be issued by the Company for personnel and/or corporate officers of the Company and related companies.		38 months, i.e. up to July 13, 2021	^(a)
May 22, 2019	Delegation to be given to the Board of Directors to increase the share capital in favor of employees who are members of a Company savings scheme, without subscription rights, possibility of allocating bonus shares in application of Article L. 3332-21 of the French Labor Code.	Maximum nominal amount of capital increases may not exceed 1% of the share capital at the date on which the decision to increase the share capital was made	26 months, i.e. up to July 21, 2021	^(b)
May 22, 2019	Delegation to be given to split the nominal value of the shares according to the suspensive condition that the Board of Directors decides for the principle of the capital increase in favor of employees who are members of a Company savings scheme.		2020 OAGM	^(b)
May 22, 2019	Authorization given to the Board of Directors to grant bonus shares already existing and/or to be issued by the Company for personnel and/or corporate officers of the Company and related companies.	30,000 shares	38 months, i.e. up to July 21, 2022	^(b)
May 14, 2020	Delegation to be given to the Board of Directors to increase the share capital in favor of employees who are members of a Company savings scheme, without subscription rights, possibility of allocating bonus shares in application of Article L. 3332-21 of the French Labor Code.	Maximum nominal amount of capital increases may not exceed 1% of the share capital at the date on which the decision to increase the share capital was made	26 months, i.e. up to July 13, 2022	^(c)
May 14, 2020	Delegation to be given to split the nominal value of the shares according to the suspensive condition that the Board of Directors decides for the principle of the capital increase in favor of employees who are members of a Company savings scheme.		2020 OAGM	^(c)
May 14, 2020	Authorization given to the Board of Directors to grant bonus shares already existing and/or to be issued by the Company for personnel and/or corporate officers of the Company and related companies.	30,000 shares	38 months, i.e. up to July 13, 2023	^(c)

(a) Use of this authorization by the Board of Directors is detailed below in section 6.2.3.

(b) Use of this authorization by the Board of Directors is detailed below in section 6.2.3.

(c) Use of this authorization by the Board of Directors is detailed below in section 6.2.3.

SHAREHOLDING AND SHARE TRANSACTIONS

Shareholding and share capital

Changes in the share capital over the last five years

Date	Type of operation	Number of shares created or canceled	Variation of nominal capital (in euros)	Reserves	At the end of the operation, nominal (in euros)	Number of shares
1/1/2016	Starting position	-	-	-	10,308,502.50	6,872,335
December 31, 2020	Final position	-	-	-	10,308,502.50	6,872,335

Exceeding of statutory ceilings

In addition to the ceilings defined in legal and regulatory provisions, Article 10 of Bel's Articles of Association states that any individual or legal entity, acting alone or in concert, having obtained, in any manner, alone or in concert, within the meaning of Articles L. 233-7 et seq. of the French Commercial Code, a number of securities representing a share equal to 1% of the share capital and/or voting rights at the Annual General Meeting, or any multiple of this percentage, must inform the Company of the total number of shares they possess via registered mail with notice of receipt addressed to the head office within 15 days of crossing the 1% ceiling. This obligation applies under these conditions every time the percentage of share capital and/or voting rights possessed falls below one of these ceilings. Should these stipulations not be complied with, the shares exceeding the ceiling subject to disclosure shall be stripped of their voting rights. If adjusted, the corresponding voting rights may not be exercised until the expiration of the time frame provided for by law and the regulations currently in effect. However, except when one of the ceilings listed in Article L. 233-7 is crossed, this penalty shall only be applied at the request, recorded in the Annual General Meeting minutes, of one or more shareholders holding, together or separately, at least 5% of the share capital and/or voting rights of the Company.

Identifiable bearer securities

For the purpose of identifying holders of securities, the Company has the right, in accordance with Article 9 of its Articles of Association, to request from the central depository the name or company name, nationality and address of holders of securities that grant, immediately or in the long term, voting rights at its own Shareholders' Meetings, as well as the number of securities held by each one, and if applicable, any restrictions that may be attached to the securities.

Failure by holders of securities or their intermediaries to communicate the information above may, subject to the conditions stipulated by the law, lead to the suspension or removal of their voting rights and the right to dividend payments associated with the shares.

These data are processed in compliance with the confidentiality rules established by Article L. 228-2 of the French Commercial Code. In accordance with law 78-17 of January 6, 1978 as amended, shareholders have the right to access, correct or challenge information concerning them and can exercise that right by contacting the General Secretariat at Unibel headquarters.

Changes to shareholders' rights

As the Articles of Association do not set out any specific provisions, any change in rights attached to securities making up the share capital is governed by legal requirements.

Annual General Meetings – Meeting notification method – Terms of admission and conditions for exercising voting rights

Meeting notification methods, terms of admission and conditions for exercising voting rights for the Annual General Meetings are governed by law and Articles 20 and 21 of the Company's Articles of Association, and read as follows:

- Ordinary and Extraordinary General Meetings are made up of all shareholders, regardless of the number of shares they hold;
- the Ordinary Annual General Meeting meets at least once a year in the half-year following the closure of each financial year, subject to the extension of this deadline by adjudication;
- Extraordinary General Meetings or Ordinary General Meetings convened extraordinarily may meet during the year;
- Annual General Meetings take place at the head office or in any other location indicated in the Notice of Meeting;
- the agenda is approved by the party issuing the notice, subject to the exceptions provided for by law. Only items on the agenda may be discussed, except for circumstances permitted by law concerning the removal of Directors and their replacement;
- the right to participate in Annual General Meetings is subject to the registration of securities in the shareholder's name or in the name of the intermediary registered on their behalf, pursuant to article L. 228-1 of the French Commercial Code, by the second business day before the Annual General Meeting at midnight, Paris time, either in the registered securities accounts kept by the Company or in the bearer securities accounts kept by the authorized intermediary;
- regarding bearer securities, the registration of securities in the accounts held by the authorized intermediary is recorded by a registration certificate issued by the latter;
- shareholders may also vote by mail in accordance with applicable laws and regulations.

SHAREHOLDING AND SHARE TRANSACTIONS

Shareholding and share capital

If unable to attend the Annual General Meeting in person, any shareholder may participate either by:

- voting by mail, or
- designating a representative of his or her choice, such as the Chairman, the shareholder's spouse or civil partner, another shareholder or any other person (individual or legal entity), under the terms and conditions set forth by the legal and regulatory provisions in force, even without appointing a proxy.

If power of representation is given by a shareholder without indicating a specific proxy, the Chairman of the Annual General Meeting shall vote in favor of adopting draft resolutions presented or approved by the Board of Directors and shall vote against adopting any other draft resolutions.

The forms for designating a proxy and voting by mail are drawn up and made available to shareholders pursuant to current legislation.

6.1.4 VOTING RIGHTS

On December 2, 1935, the Extraordinary General Meeting instituted double voting rights.

In accordance with Article 24 of the Articles of Association, a double voting right that is conferred on bearer shares, in view of the percentage of share capital they represent, is granted to fully paid-up shares having proof of being registered under the same shareholder for at least four years.

The double voting right automatically ceases for any share that is converted to bearer form or transferred. However, transfer following inheritance, liquidation of marital property between spouses, or inter vivos donations for a spouse or relative entitled to inherit shall not interrupt the aforementioned four-year time frame and the acquired rights shall be retained.

Furthermore, in the event of a capital increase by incorporation of reserves, profits or share premiums, the double voting right may be conferred, as from their issue, to registered shares granted freely to a shareholder in connection with old shares that received this right.

The double voting right may be removed by a decision of the Extraordinary General Meeting after approval by the Special Meeting of Beneficiary Shareholders.

In the event of the division of share ownership, the voting rights attached to the shares belong to the bare owner (nu-propriétaire), with the exception of decisions relating to the allocation of profits, which fall to the beneficial owner (usufruitier).

6.2 STOCK EXCHANGE

Bel was listed on the Paris stock exchange on December 11, 1946.

Currently, 6,872,335 Bel shares are listed on the double fixing market on Euronext Paris, compartment A. Bel shares

are eligible on the long-only Deferred Settlement Service (SRD), so-called because taking into account the limited liquidity of the security, short selling is not allowed.

ISIN code: FR 0000121857 – Ticker symbol: Bel.

6.2.1 CHANGES IN BEL SHARE PRICE AND TRADING VOLUMES

	(in euros)			Number of securities traded	Volume (in thousands of euros)	Average price (in euros)	CAC All Tradable closing price
	Highest	Lowest	Last				
2014	314.00	265.20	292.00	80,573	22,618	280.71	3,316
2015	440.00	285.00	436.90	26,147	8,390	334.19	3,721
2016	577.00	405.00	489.10	15,247	7,336	481.11	3,436
2017	625.99	461.06	489.98	17,560	9,005	524.16	4,054
2018	565.00	292.00	292.00	19,696	8,047	433.72	4,161
January 2019	342.00	286.00	326.00	1,461	459.00	314.38	3,770
February 2019	330.00	304.00	324.00	584	187.57	321.28	3,984
March 2019	320.00	280.00	290.00	1132	336.67	303.82	4,128
April 2019	320.00	284.00	318.00	920	280.88	301.63	4,278
May 2019	316.00	280.00	280.00	465	142.95	304.00	4,156
June 2019	296.00	280.00	282.00	413	117.70	284.36	4,192
July 2019	302.00	278.00	290.00	1,203	345.09	283.58	4,312
August 2019	308.00	274.00	280.00	788	221.50	282.94	4,146
September 2019	288.00	270.00	280.00	1,767	487.40	278.33	4,332
October 2019	280.00	268.00	276.00	2372	644.14	271.60	4,343
November 2019	302.00	270.00	302.00	1,537	440.58	287.94	4,542
December 2019	326.00	292.00	312.00	594	185.72	309.00	4,559
2019	342.00	268.00	312.00	13,236	3,849.51	296.10	4,228
January 2020	312.00	292.00	308.00	978	293.43	303.33	4,629
February 2020	308.00	276.00	276.00	687	203.30	299.01	4,592
March 2020	298.00	246.00	268.00	774	203.40	261.26	3,461
April 2020	288.00	264.00	282.00	497	135.35	274.89	3,412
May 2020	288.00	272.00	280.00	931	260.45	281.20	3,485
June 2020	298.00	276.00	286.00	1,309	372.25	283.33	3,828
July 2020	302.00	272.00	302.00	797	230.31	291.60	3,860
August 2020	320.00	294.00	312.00	547	170.08	313.43	3,848
September 2020	314.00	294.00	306.00	481	144.72	301.33	3,830
October 2020	314.00	288.00	308.00	705	213.39	305.50	3,769
November 2020	316.00	296.00	312.00	1,034	318.60	308.25	4,136
December 2020	316.00	300.00	316.00	1326	414.40	311.37	4,307
2020	320.00	246.00	316.00	10,066	2,959.68	294.31	3,930
January 2021	324.00	310.00	324.00	1,103	354.95	322.84	4,353
February 2021	366.00	326.00	360.00	946	327.49	347.55	4,435

6.2.2 SUMMARY OF TRANSACTIONS BY EXECUTIVES AND SIMILAR PERSONS

No transactions by executives and similar persons involving the Company's shares were recorded in 2020 in accordance with Article 621-18-2 of the French Monetary and Financial Code and Article 223-26 of the AMF General Regulation.

Executive	Type of operation	Number of operations	Amount of operations (in thousands of euros)
	None		

6.2.3 STOCK OPTIONS – PERFORMANCE SHARES

To date, the Group has never used stock options.

However, bonus issue plans under performance conditions have been implemented since 2007. Since April 2011,

beneficiaries of the first plan have been free to sell the shares they were awarded.

A plan has been put in place each year since this date. The following table summarizes the plans affecting 2020.

BEL BONUS ISSUE PLANS

Plan No.	11	12	13	14
AGM authorization	5/11/2017	5/14/2018	5/22/2019	5/22/2019
Award date	7/28/2017	5/15/2018	5/22/2019	3/11/2020
Vesting date	7/28/2020	5/17/2021	5/22/2022	3/21/2023
Availability date	7/28/2020	5/18/2021	5/23/2022	3/21/2023
Number of securities attributed	8,241	8,809	11,511	14,748
Number of securities transferred (transferable)	(1,795) ^(a)	(5,628) ^(a)	(10,974) ^(a)	(13,574) ^(a)
Number of employee beneficiaries	82 ^(a)	82 ^(a)	93 ^(a)	98 ^(a)

(a) (a) Subject to attendance and performance conditions.

The Board of Directors voted on the fourteenth bonus issue plan on March 11, 2020. Under the plan, 14,748 shares were awarded to 98 beneficiaries. These shares will be transferred to the beneficiaries on March 21, 2023 depending on the performances obtained for three criteria: firstly, the performance of free cash flow (FCF) over the 2020, 2021, and 2022 fiscal years; secondly, the share of innovation and renovation in 2022 sales and finally, the group's carbon footprint in 2022.

No corporate officer was transferred bonus shares.

The ten largest awards to employees represented 4,703 shares.

After taking into account known results and departures, a total of 24,088 existing shares could still be awarded under the plans underway at December 31, 2020.

At December 31, 2020, employees held no stake in Bel's share capital within the meaning of article L. 225-102 of the French Commercial Code.

6.2.4 SHARE BUYBACK PROGRAM: REPORT AND DESCRIPTION

Report on share buyback programs

The Combined General Meeting of May 14, 2020 authorized the Board of Directors to implement a share buyback program in accordance with applicable regulations, for a period of 18 months from said Meeting (i.e. until November 13, 2021). This authorization replaced the one granted by the Annual General Meeting of Monday, May 22, 2019.

During 2020, Bel acquired a total of 453 of its own shares at an average price of €314.35, for a total amount of €142,401 with fees amounting to €596.61, of which:

- No shares for the share buy-back program decided by the AGM of May 22, 2019;
- 453 shares for the share buy-back program decided by the AGM of May 14, 2020 at an average price of €314.35.

660 shares were transferred to the beneficiaries of the eleventh bonus share plan.

No treasury shares were reallocated for another purpose in 2020.

No of treasury shares at December 31, 2020

Number of shares held in treasury	83,793
% of capital held in treasury	1.22%
Net carrying value	€23,296 thousand
Par value (€1.50 per share)	€126 thousand

Description of the share buyback program submitted to the Combined General Meeting on May 11, 2021

Pursuant to Article 241-2 of the AMF General Regulation and Regulation (EU) No. 596/2014 of April 16, 2014, this description outlines the purposes and terms of the Company's share buyback program. This program will be put to the Annual General Meeting on May 11, 2021 for authorization.

Objectives of share capital held on February 28, 2021

Number of shares held directly and indirectly: 84,011, representing 1.22% of the capital.

Number of shares held broken down by objective:

Supporting the stock price via a liquidity contract	None
Acquisition	None
Hedging stock options or other employee shareholding plans	84,011
Hedging marketable securities entitling the allocation of shares	None
Cancellation	None

Since Bel does not use derivatives, there are no open buy or sell positions.

New share buyback program

- Subject to program approval by the Annual General Meeting of Tuesday, May 11, 2021.
- Securities concerned: ordinary shares.
- Maximum share of capital for which the buyback is authorized: 10% of share capital (i.e. 687,233 shares at the date of this report), this limit being set on the day of the buyback in order to take into account potential capital increases or decreases that could take place throughout the duration of the program. The number of shares taken into account to calculate this limit corresponds to the number of purchased shares less the number of shares resold during the program for liquidity purposes.
- As the Company may not hold more than 10% of its share capital, given the number of shares already held (84,011 shares, i.e. 1.22% of share capital), the maximum number of shares that may be purchased is 603,233 shares (i.e. 8.77% of share capital) unless the securities already held are sold, transferred or canceled.
- Maximum purchase price: €650.
- Maximum amount for the program: €446,701,450.
- Terms of the buyback: shares may be purchased by any means, including the acquisition of blocks of securities, and at any time decided by the Board of Directors. The Company reserves the right to use options or derivatives, pursuant to the applicable regulations. These transactions may also be carried out during a public offering in compliance with the regulations in effect.

SHAREHOLDING AND SHARE TRANSACTIONS

Stock exchange

- Objectives:
 - ensure coverage for stock option plans and/or free share award plans (or similar plans) for employees and/or corporate officers of the Group as well as any allocations of shares for a company or group savings scheme (or similar plan) for employee profit-sharing and/or any other forms of share allocations to employees and/or corporate officers of the Group;
 - keep the shares purchased and later exchange or purchase them as part of potential external growth transactions, it being specified that the shares acquired for this purpose may not exceed 5% of Company capital;
 - ensure the hedging of securities entitling the allocation of Company shares under current regulations;
 - potentially cancel the shares purchased in accordance with the authorization to be granted by the Extraordinary General Meeting;
 - perform operations on the secondary market or ensure the liquidity of the share using an investment service provider under a liquidity contract in accordance with the AMAFI Ethics Charter permitted by regulations, if such a contract were to be put in place.
- Program duration: 18 months from the Annual General Meeting of May 11, 2021 i.e. until November 10, 2022.



SHAREHOLDING AND SHARE TRANSACTIONS

Stock exchange

In 2020, Leerdammer® innovated with the launch of Cheese Bakes® in Germany, Belgium, France and Switzerland. A unique taste with two delicious recipes: a plain breading with sunflower seeds, and a breading with pumpkin seeds and aromatic herbs.



7

COMBINED GENERAL MEETING OF MAY 11, 2021

7.1 Agenda

252

7.2 Text of the draft resolutions

253

7.1 AGENDA

ORDINARY ITEMS

1. Approval of the annual financial statements for the year ended December 31, 2020 and approval of non-deductible expenses and charges
2. Approval of the consolidated financial statements for the year ended December 31, 2020
3. Allocation of income for the year
4. Statutory Auditors' Special Report on regulated agreements and commitments and approval of a new agreement
5. Renewal of Unibel's mandate as Director.
6. Appointment of Pricewaterhouse Coopers as principal Statutory Auditor.
7. Approval of the compensation policy for members of the Board of Directors
8. Approval of the compensation policy for the Chairman and Chief Executive Office
9. Approval of the information contained in Article L. 22-10-9 of the French Commercial Code
10. Approval of fixed, variable and exceptional elements of total remuneration and benefits of any kind paid or allocated for the past fiscal year to Antoine Fiévet, Chairman and Chief Executive Officer
11. Authorization to be granted to the Board of Directors for the Company to buy back its own shares in accordance with Article L. 22-10-62 of the French Commercial Code, duration of the authorization, purpose, terms and ceiling

EXTRAORDINARY ITEMS

12. Authorization to be granted to the Board of Directors to cancel the shares purchased by the Company in accordance with Article L. 22-10-62 of the French Commercial Code, duration and limit of the authorization.
13. Powers to carry out formalities.

7.2 TEXT OF THE DRAFT RESOLUTIONS

ORDINARY ITEMS

FIRST RESOLUTION - Approval of the annual financial statements for the year ended December 31, 2020 and approval of non-deductible expenses and charges

Having reviewed the Board of Directors' Report and the Statutory Auditors' Reports for the year ended December 31, 2020, the Annual General Meeting approves the annual financial statements for the year that ended December 31, 2020, as presented, showing a profit of €91,664,534.37.

The Annual General Meeting approves the amount of expenses and costs referred to in Article 39.4 of the French General Tax Code, totaling €465,399.40 as well as the corresponding amount of tax.

SECOND RESOLUTION - Approval of the consolidated financial statements for the year ended December 31, 2020

Having reviewed the Board of Directors' Report and the Statutory Auditors' Reports on the consolidated financial statements for the year ended December 31, 2020, the Annual General Meeting approves the financial statements, as presented, showing a profit of €143,768,101.54 (Group share).

THIRD RESOLUTION - Allocation of income for the year

At the proposal of the Board of Directors, the Annual General Meeting decides to allocate the income of €91,664,534.00 for the year ended December 31, 2020 in full to the retained earnings to carry forward line as follows:

Starting point

Retained earnings previously brought forward	€590,272,458.47
Profit for the year	€91,664,534.37
Distributable profit	€681,936,992.84

Allocation of income

Retained earnings to carry forward after allocation	€681,936,992.84
TOTAL	€681,936,992.84

In compliance with the provisions set out in Article 243 bis of the French General Tax Code, the Annual General Meeting notes that the distributed dividends and income for the last three years were as follows:

For the year	Earnings eligible for the standard deduction		Earnings not eligible for the standard deduction
	Dividends	Other distributed earnings	
2019	€24,053,172.50 or €3.50 per share		
2018	€34,018,058.25 or €4.95 per share	-	-
2017	€48,106,345.7 or €7 per share	-	-

* Including the amount of the dividend corresponding to treasury shares not paid out and allocated to retained earnings.

FOURTH RESOLUTION - Statutory Auditors' Special Report on regulated agreements and approval of a new agreement

Acting on the Statutory Auditors' Special Report on regulated agreements presented to it, the Annual General Meeting approves the new agreement referred to.

FIFTH RESOLUTION - Renewal of Unibel's mandate as Director

The Annual General Meeting decides to renew Unibel's term as Director for a four-year period, to expire at the end of the Annual General Meeting in 2025 to approve the financial statements for the financial year then ended.

SIXTH RESOLUTION – Appointment of Pricewaterhouse Coopers as principal Statutory Auditor

On the recommendations of the Board of Directors, the Annual General Meeting nominates Pricewaterhouse Coopers as the principal Statutory Auditor for a six-year period, to expire at the end of the Ordinary Annual General Meeting to be held in 2027 to approve the consolidated financial statements for the year ending December 31, 2026.

Pricewaterhouse Coopers stated it accepts this mission.

Seventh resolution - Approval of the compensation policy for members of the Board of Directors

Acting in application of Article L. 22-10-8 of the French Commercial Code, the Annual General Meeting approves the compensation policy for members of the Board of Directors, presented in the Corporate Governance Report included in the Universal Registration Document under section 4.2.

EIGHTH RESOLUTION - Approval of the compensation policy for the Chairman and Chief Executive Officer

Acting in application of Article L. 22-10-8 of the French Commercial Code, the Annual General Meeting approves the compensation policy for the Chairman and Chief Executive Officer, presented in the Corporate Governance Report included in the Universal Registration Document under section 4.2.

Ninth resolution – Approval of the information contained in I of Article L. 22-10-9 of the French Commercial Code

Acting in application of Article L. 22-10-34 of the French Commercial Code the Annual General Meeting approves the information contained in paragraph 1 Article L. 22-10-9 of the French Commercial Code presented in the Corporate Governance Report included in the Universal Registration Document under section 4.2.

TENTH RESOLUTION - Approval of fixed, variable and exceptional elements of total remuneration and benefits of any kind paid or allocated for the past fiscal year to Antoine Fiévet, Chairman and Chief Executive Officer

Acting in application of paragraph II Article L. 22-10-34 of the French Commercial Code, the Annual General Meeting approves the fixed, variable and exceptional elements of total remuneration and benefits of any kind paid or allocated for the past fiscal year to Antoine Fiévet, Chairman and Chief Executive Officer, presented in the 2020 Universal Registration Document under section 4.2.

ELEVENTH RESOLUTION - Authorization to be granted to the Board of Directors for the Company to buy back its own shares in accordance with Article L. 22-10-62 of the French Commercial Code, duration of the authorization, purpose, terms and ceiling

Having reviewed the Board of Directors' report, the Annual General Meeting authorizes the Board, for a period of eighteen months, in accordance with the provisions of

Articles L. 225-10-62 et seq. and L.225-210 of the French Commercial Code, to purchase on one or more occasions and at the time or times it shall deem fit, shares in the Company representing up to a maximum of 10% of share capital, and where applicable, adjusted to take into account potential capital increases or decreases that could take place during the program.

This authorization terminates the authorization given to the Board of Directors by the Annual General Meeting on May 14, 2020 in its twelfth ordinary resolution.

Buybacks may be carried out to:

- support the secondary market or the liquidity of Bel stock through an investment service provider via a liquidity contract, in compliance with the practice recognized by the regulations; in this regard, it is specified that the number of shares taken into account to calculate the aforementioned limit corresponds to the number of purchased shares, less the number of shares resold;
- keep the purchased shares for subsequent use in exchange or payment for potential external growth transactions;
- ensure coverage for stock option plans and/or free share award plans (or similar plans) for employees and/or corporate officers of the Group as well as any allocations of shares for a company or group savings scheme (or similar plan) for employee profit-sharing and/or any other forms of share allocations to employees and/or corporate officers of the Group;
- ensure the hedging of securities entitling the allocation of Company shares under current regulations;
- potentially cancel the shares purchased in accordance with the authorization granted or to be granted by the Extraordinary General Meeting.

These buybacks may be carried out in any form, including in blocks of shares, and at the time of the Board of Directors' choosing.

The Company reserves the right to use options or derivatives, pursuant to the applicable regulations.

The maximum purchase price is set at €650 per share. In the event of a transaction on the share capital, notably a stock split or reverse stock split or free share awards to shareholders, the aforementioned amount will be adjusted proportionally (multiplier coefficient equal to the ratio between the number of shares making up the share capital before the transaction and the number of shares after the transaction).

The maximum amount of the transaction is set at €446,701,450.

The Annual General Meeting confers all powers to the Board of Directors to carry out these transactions, to determine the terms and conditions, to enter into any agreement and to carry out any required formalities.

EXTRAORDINARY ITEMS

TWELFTH RESOLUTION - Authorization to be granted to the Board of Directors to cancel the shares purchased by the Company in accordance with Article L. 225-10-62 of the French Commercial Code

Having reviewed the Board of Directors' Report and the Statutory Auditors' Report, the Annual General Meeting:

- authorizes the Board of Directors to cancel, at its sole discretion, on one or more occasions, shares that the Company holds or may hold following the buybacks carried out pursuant to Article L. 22-10-62 of the French Commercial Code, subject to a limit of 10% of the share capital calculated on the day the cancellation decision is made, after the deduction of any shares canceled during the previous twenty-four months, and to reduce the sharecapital proportionally in accordance with the legal and regulatory provisions in force;

- grants this authorization for a period of twenty-four months as from this Meeting;
- grants all necessary powers to the Board of Directors to carry out the transactions required for such cancellations and the corresponding reductions in share capital, to amend the Company's Articles of Association accordingly and to accomplish any formalities required.

THIRTEENTH RESOLUTION - Powers to carry out formalities

The Annual General Meeting gives all powers to anyone possessing an original, a copy or an excerpt of these Meeting minutes to carry out any filing and disclosure formalities required by law.



COMBINED GENERAL MEETING OF MAY 11, 2021

Text of the draft resolutions



The Boursin® Fresh Deli Spreads range was launched in France in March 2020. 10 different versions are available, including Boursin Salmon, Dill and Lime and Boursin Cucumber and Dill - a new way for the brand to expand its product range and conquer the delicatessen section.



8

ADDITIONAL INFORMATION

8.1	Individual responsible for the Universal Registration Document and the Annual Financial Report	258	8.4	Material contracts	262
8.2	Information on the Company	259	8.5	Documents available	262
8.3	Information on subsidiaries and interests	260	8.6	Cross references	263

8.1 INDIVIDUAL RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

Name and position

Antoine Fiévet, Chairman and Chief Executive Officer of Bel.

Officer's statement

I hereby certify that, to the best of my knowledge, the information contained in this Universal Registration Document is accurate and contains no omission of a nature that would alter its scope.

I certify that, to the best of my knowledge, the accounts have been established in accordance with applicable accounting standards and provide a true view of the assets, financial situation and results of both the Company and the undertakings included in the consolidation scope, and that the Management Report in this Universal Registration Document, in the chapters and paragraphs listed in the cross-reference tables in chapter 8, presents a true picture of the Company's business, performance and financial situation and that of all undertakings included in the consolidation scope, and includes a description of the main risks and uncertainties they face.

Suresnes, April 6, 2021

The Chairman and Chief Executive Officer

Mr Antoine Fiévet

8.2 INFORMATION ON THE COMPANY

Corporate name, trade name and acronym

Bel

This name may or may not be followed by the reference: The Laughing Cow.

Acronym: Bel SA

Commercial name: The Laughing Cow - FBSA

Place of registration and registration number

Company register number and place: 542,088,067 Nanterre

NAF/APE code: 1051 C - Cheese making

Legal entity identifier (LEI)

Legal entity identifier (LEI): 5493005GNGE7UFJCIL03

Date of incorporation and duration

Date of incorporation: 11/16/1922

Date of expiry: December 31, 2040, except for early dissolution or continuance decided by the Extraordinary General Meeting.

Registered office, legal form and applicable legislation

Registered office: 2, allée de Longchamp - 92150 Suresnes, France

Telephone: +33 1 84 02 72 50

Legal form: limited liability company with Board of Directors

Bel is a limited liability company (société anonyme) under French law, subject to all of the texts governing commercial companies in France, and in particular to the provisions established by the French Commercial Code and to the provisions of its Articles of Association.

Financial period

January 1 to December 31 of each year.

Company purpose

(Excerpt from the Articles of Association - Article 2)

The purpose of the Company, in all countries, is to:

- sell, manufacture and process any types of dairy products, their derivatives and their components;
- sell, manufacture and process any types of food products, their derivatives and their components;
- perform any financial operations such as acquiring, managing, and in some cases reselling all types of equity stakes in French or foreign companies;
- build, purchase, sell, lease, transform and appropriate any buildings and premises necessary for operations;
- study, create, take over, purchase, lease, use or represent any patents, manufacturing processes or brands;
- take a stake in any company or companies whose purpose is to manufacture and sell any type of chemicals.

In general, any industrial, commercial, financial, stock and real estate transactions that may be related directly or indirectly to the Company purpose or likely to foster its development, such as the dissemination or sale of objects of an advertising nature or intended to promote sales.

This may be done, in any direct or indirect way, by any means deemed appropriate, with no restriction as intermediary or by intervention and, in particular, by designing and founding new companies or taking stakes in any existing firms in the form of shareholdings, granting of licenses, or through subscriptions or purchases of securities, shares and ownership interests, or by merging or taking over any companies.

Condition, establishment and distribution of profits

(Excerpt from the Articles of Association - Article 26)

If the distributable profits determined in accordance with the law and established at the Annual Ordinary General Meeting after approval of the accounts are sufficient, the General Meeting may decide to assign them to one or several reserve positions (for which it determines the assignment or use), to carry them forward or to distribute them to shareholders as a dividend.

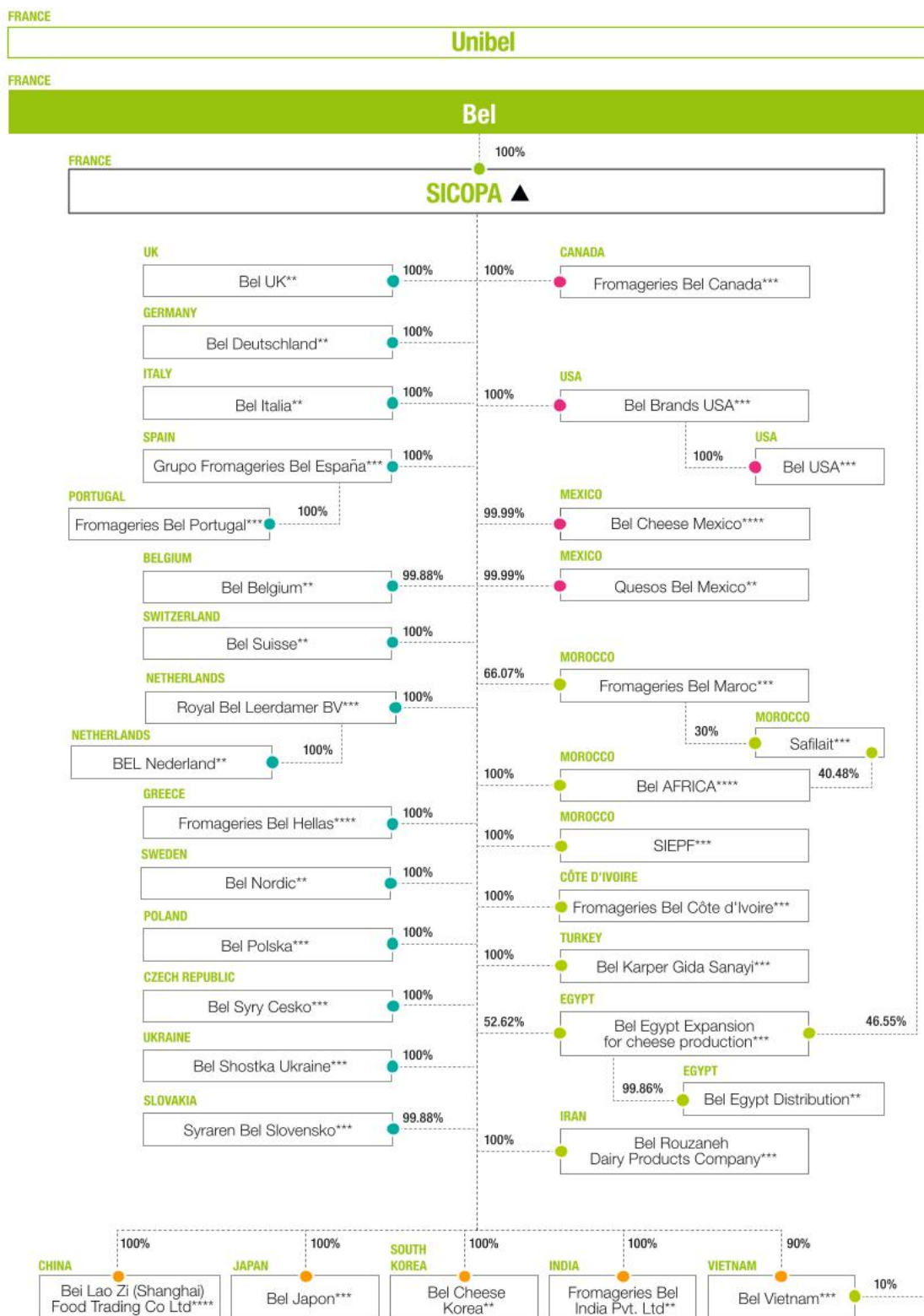
The Annual General Meeting may grant each shareholder the choice between payment in cash and/or in shares, for all or part of the dividend to be distributed or for an interim dividend.

The Meeting may also withdraw all amounts on the reserve funds at its disposal in order to distribute them to shareholders, indicating expressly the positions on which the withdrawals are made. However, dividends are drawn first from distributable profits of the financial period.

ADDITIONAL INFORMATION

Information on subsidiaries and interests

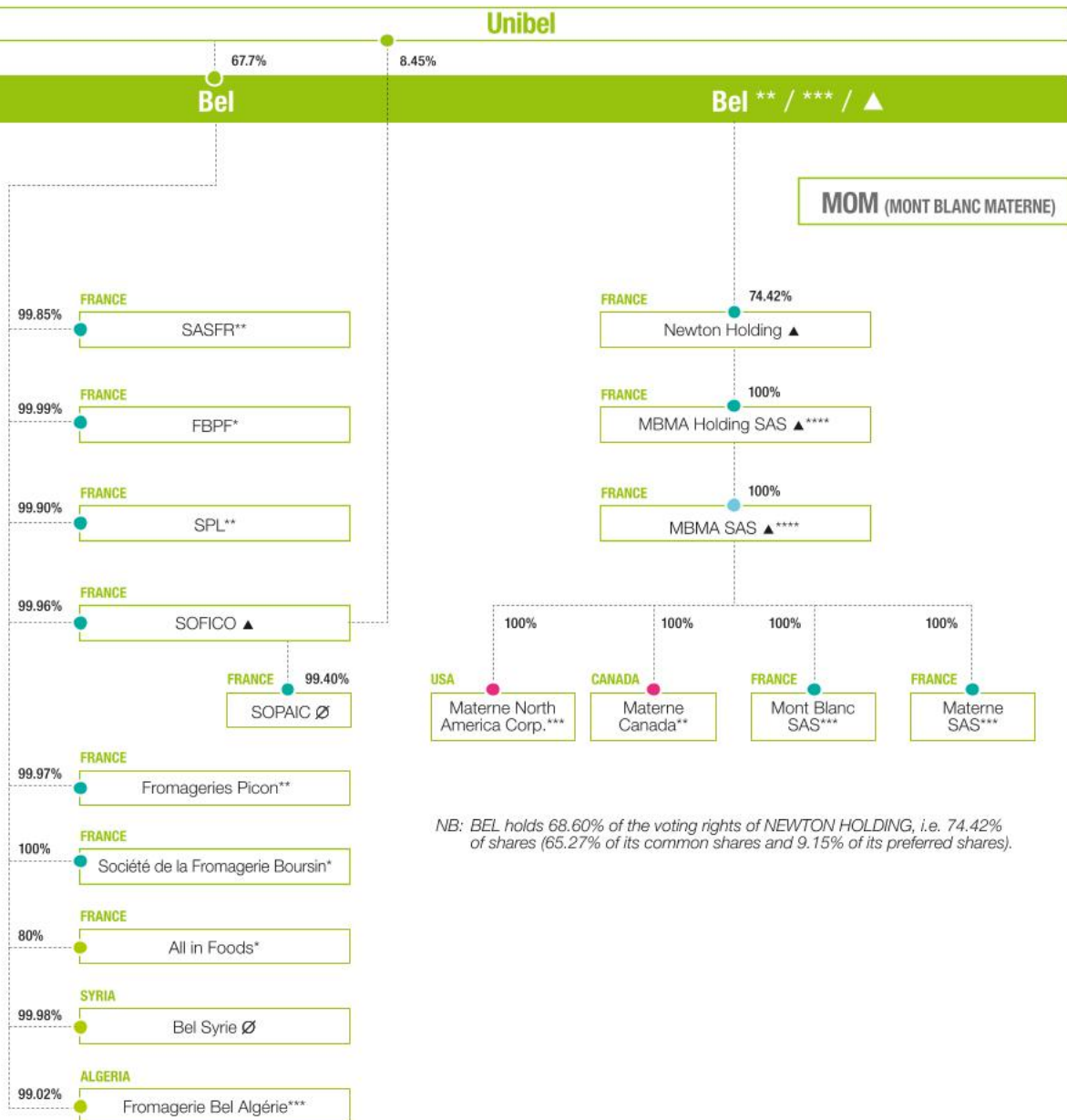
8.3 INFORMATION ON SUBSIDIARIES AND INTERESTS



NB: Only consolidated companies and interests of over 2% are shown. The Group's total controlling interest in each subsidiary, as a percentage, is listed in Note 10 to the consolidated financial statements published in section 5.5.1. Voting rights held are the same as interests held.

ADDITIONAL INFORMATION

Information on subsidiaries and interests



- * Production
- ** Sales
- *** Production and sales
- **** Administrative services
- ▲ Holding company
- Ø No activity in 2020
- Europe
- Americas
- Asia-Pacific
- Middle East / Greater Africa

8.4 MATERIAL CONTRACTS

Contracts concluded by the Company and its subsidiaries in the ordinary course of business are not included below.

The Group is held to agreements with some minority shareholders of its consolidated subsidiaries that allow for the buyback of their shares under certain conditions. On August 10, 2015, the Group signed purchase and sale agreements with the minority shareholders of Safilait. Under the terms of said agreements, the Group committed to purchase their shares between 2020 and 2026. The purchase price will be determined by Safilait's profitability and financial position on the date of execution of these agreements.

Since acquiring MOM in 2016, the Group has benefited from an undertaking to sell (call option) made by the managers of MOM for all the MOM shares they own, i.e. 35% of the company's ordinary share capital, exercisable on Bel's request at the latest by April 30, 2022. The Group also has the option to partly exercise this call option (covering 17.5% of said shares) at the latest by April 30, 2021 for a set price of €152 million.

Moreover, on March 12, 2020, Bel signed an agreement to purchase an 80% stake in the company All In Foods, which manufactures and markets plant-based cheese alternatives under the brand Nature et Moi. A liquidity mechanism will enable Bel to acquire 100% of the company's share capital by 2024. The transaction is due to be finalized by the end of the first half of 2020.

On March 18, 2021, the Bel Group and the Lactalis group announced they had entered exclusive negotiations following the signing of a unilateral purchase agreement concerning the disposal of a scope of activities including Royal Bel Leerdammer NL, Bel Italia, Bel Deutschland, the Leerdammer brand and all rights attached, as well as Bel Shostka Ukraine.

Bel has announced its intention to file a public share buyback offer at a price of €440 per share⁽¹⁾ (dividend attached), following the completion of the disposal of the Leerdammer scope of activities (subject to the information-consultation procedure with employee representatives and approval by the competition authorities).

Unibel has publicly announced its aim to file a public buyback offer followed by a mandatory squeeze-out offer with the AMF and at the same price per share⁽²⁾ as the latter, namely €440 (dividend attached). The buyback offer will be submitted to the Financial Markets Authority (AMF) for a compliance ruling.

The price offer under the framework of both public offers represents a premium of 16% to the closing price on March 17, 2021 and 28% to the volume-weighted average price of the 60 days prior to March 17, 2021.

For more information, see Note 6 in paragraph 5.5.1 "Consolidated Financial Statements" on the total commitments recorded at December 31, 2020.

Information on the existing service contract between Unibel and Bel is provided in section 4.4.2 "Related Parties".

8.5 DOCUMENTS AVAILABLE

Group information is available on the corporate website www.groupe-bel.com, under the Finance heading.

The Articles of Association, minutes of the General Meetings, Statutory Auditors' Reports and other corporate documents may be consulted at the Company's registered office at the secretariat of the Board of Directors, at 2 allée de Longchamp, 92150 Suresnes, France.

The Universal Registration Document is available on Bel's website (www.groupe-bel.com) and on the AMF's website (www.amf-france.org). It may also be obtained free of charge at the head office at 2, allée de Longchamp, 92150 Suresnes, France.

(1) The fairness of the offer price is subject to appraisal by the designated independent expert.

(2) Calculated on the volumed weighted average price over the 60 days prior to March 17, 2021.

8.6 CROSS REFERENCES

8.6.1 CROSS REFERENCES WITH APPENDIX 1 AND 2 OF COMMISSION REGULATION (EC) NO. 2019/980

This cross-reference table presents the topics in Appendix 1 and 2 of Commission Regulation (EC) No. 2019/980 and refers to the paragraphs in the Universal Registration Document mentioning the corresponding information.

New URD references	Headings	Chapters or paragraphs or pages in the URD
Section 1	Persons responsible, third party information, experts' reports and competent authority approval	
Point 1.1	Persons responsible for the information	8.1
Point 1.2	Attestation of the person responsible	8.1
Point 1.3	Statements by experts	
Point 1.4	Third party information	8.1
Point 1.5	Statement concerning approval of the document	P. 1
Section 2	Statutory Auditors	5.5.3
Point 2.1	Name and address	5.5.3
Point 2.2	Changes	5.5.3
Section 3	Risk factors	2.
Point 3.1	Description of significant risks	2.
Section 4	Information about the issuer	8.2
Point 4.1	Legal and commercial name	8.2
Point 4.2	Trade and Companies Register (RCS) and identifier (LEI)	8.2
Point 4.3	Date of incorporation and duration	8.2
Point 4.4	Head offices – legal form – applicable legislation – website – other	8.2
Section 5	Business overview	1.
Point 5.1	Principal activities	1.3
Point 5.1.1	Nature of operations and principle activities	1.3
Point 5.1.2	New products and/or services	1.3
Point 5.2	Principal markets	1.3
Point 5.3	Significant events	1.3
Point 5.4	Strategy and targets financial and non-financial	1.1.4
Point 5.5	Degree of dependency	1.5.2
Point 5.6	Competitive position	1.5.2
Point 5.7	Investments	1.5.2
Point 5.7.1	Significant investments made	1.5.2
Point 5.7.2	Significant investments underway or firm commitments	1.5.2
Point 5.7.3	Joint ventures and significant holdings	1.5.2
Point 5.7.4	Environmental impact of use of tangible assets	3.6

New URD references	Headings	Chapters or paragraphs or pages in the URD
Section 6	Organizational structure	
Point 6.1	Brief description of the Group/Organigramme	8.3
Point 6.2	List of significant subsidiaries	1.1 and 8.3
Section 7	Operating and financial review	5.3
Point 7.1	Financial position	5.3.1
Point 7.1.1	Developments and results from activities	5.3.2
Point 7.1.2	Future developments and activities in research and development	
Point 7.2	Operating income	5.3.2
Point 7.2.1	Significant factors	5.3.2
Point 7.2.2	Material changes to net sales or revenues	5.3.2
Section 8	Liquidity and capital resources	5.4
Point 8.1	Issuer capital	5.4.1
Point 8.2	Cash flows	5.4.2
Point 8.3	Borrowing requirements and funding structure	5.3.3
Point 8.4	Restrictions on the use of capital	5.3.5
Point 8.5	Anticipated sources of funds	5.4.5
Section 9	Regulatory environment	2.4
Point 9.1	Description of regulatory backdrop and influence of external factors	2.4
Section 10	Trend information	1.2
Point 10.1	a) Main recent trends	1.2
	b) Significant changes in the Group's financial performance since closing	
Point 10.2	Elements likely to have a material effect on prospects	1.4.
Section 11	Profit forecasts or estimates	N/A
Point 11.1	Profit forecast or estimate underway	N/A
Point 11.2	Principal assumptions	N/A
Point 11.3	Declaration on profit forecast or estimate	N/A
Section 12	Administrative, management and supervisory bodies and executive management	4.1.
Point 12.1	Information concerning members of the Company's administrative and management bodies	4.1
Point 12.2	Conflicts of interest	4.1.3
Section 13	Compensation and benefits	4.2
Point 13.1	Compensation and benefits paid or granted	4.2
Point 13.2	Provision for pensions or similar benefits	4.2
Section 14	Board practices	4.
Point 14.1	Terms of office	4.1.4
Point 14.2	Service contracts	4.1.2
Point 14.3	Committees	4.1.5
Point 14.4	Compliance with the corporate governance regime	4.1.1
Point 14.5	Significant potential implications and future changes in governance	

New URD references	Headings	Chapters or paragraphs or pages in the URD
Section 15	Employees	3.2
Point 15.1	Distribution of employees	3.2
Point 15.2	Shareholdings and stock options	6.2.3
Point 15.3	Employee shareholding	6.2.3
Section 16	Major shareholders	6.1
Point 16.1	Distribution of capital	6.1.4
Point 16.2	Different voting rights	6.1.4
Point 16.3	Issuer control	6.1.2
Point 16.4	Shareholders agreement	6.1.1 and 6.1.2
Section 17	Related-party transactions	4.4
Point 17.1	List of transactions	
Section 18	Financial information concerning the issuer's assets and liabilities, financial position and profits and losses	5.
Point 18.1	Historical financial information	5.1
Point 18.1.1	Audited historical financial information	5.1
Point 18.1.2	Change in accounting reference date	N/A
Point 18.1.3	Accounting standards	Note 1 - appendix to the consolidated financial statements
Point 18.1.4	Change in accounting reference system	Note 1 - appendix to the consolidated financial statements
Point 18.1.5	Minimal content of audited financial information	5.5.1
Point 18.1.6	Consolidated financial statements	5.5.1
Point 18.1.7	Date of latest financial information	5.7
Point 18.2	Interim and other financial information	5.8
Point 18.2.1	Quarterly and half yearly financial information	N/A
Point 18.3	Audit of historical annual financial information	
Point 18.3.1	Auditor's Report	
Point 18.3.2	Other audited information	N/A
Point 18.3.3	Non-audited financial information	N/A
Point 18.4	Pro forma financial information	5.2
Point 18.4.1	Significant changes in gross values	N/A
Point 18.5	Dividend policy	5.9
Point 18.5.1	Description	5.9
Point 18.5.2	Amount of dividend per share	5.9
Point 18.6	Legal and arbitration proceedings	5.10
Point 18.6.1	Significant procedures	
Point 18.7	Significant change in the issuer's financial position	5.11
Point 18.7.1	Significant changes since closing	

New URD references	Headings	Chapters or paragraphs or pages in the URD
Section 19	Additional information	6.1.3 and 6.1.4
Point 19.1	Share capital	6.1.1
Point 19.1.1	Amount of capital issued	6.1
Point 19.1.2	Shares not representing capital	6.1.3
Point 19.1.3	Shares held by or on behalf of the Company or its subsidiaries	6.1.1
Point 19.1.4	Securities	N/A
Point 19.1.5	Terms of acquisition rights and/or all obligations	6.1.3
Point 19.1.6	Option or agreement	6.1.2
Point 19.1.7	History of share capital	6.1.3
Point 19.2	Memorandum of association and Articles of Association	4.1.2, 4.1.3, 6.1.3, 6.1.4 and 8.2
Point 19.2.1	Inscription in register and Company purpose	8.2
Point 19.2.2	Existing share categories	6.1
Point 19.2.3	Provisions affecting a change in control	
Section 20	Material contracts	8.4
Point 20.1	Overview of each contract	
Section 21	Documents available	8.5
Point 21.1	Declaration on consultable documents	

8.6.2 CROSS REFERENCES WITH THE ANNUAL FINANCIAL REPORT AND OTHER ELEMENTS

In order to facilitate reading, the cross-reference table below identifies information making up the Annual Financial Report to be published by listed companies in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the French General Regulations of the Financial Markets Authority.

Annual Financial Report		Chapters or paragraphs in the Universal Registration Document
1	Annual financial statements	5.5.2
2	Consolidated financial statements	5.5.1
3	Management Report (within the meaning of the Monetary and Financial Code)	
	3.1 Information contained in Articles L. 225-100 and L. 225-100-2 of the French Commercial Code	
	• Analysis of business development	1.3
	• Analysis of results	5.3.2
	• Analysis of the financial situation	5.3.1
	• Key performance indicators of a financial and, where appropriate, non-financial nature	3.6
	• Main risks and uncertainties	2
	• Internal control and risk management procedures related to the preparation and processing of the Company and the Group's accounting and financial information	4.3.4
	• Objective and coverage policy for transactions for which Company and Group accounting is used	2.4
	• Company and Group exposure to price, credit, liquidity and cash flow risks	5.5.1 Note 4.15
	• Use of Company and Group financial instruments	5.5.1 Note 4.15
	• Financial risks related to the effects of climate change and the presentation of Company and Group measures taken to limit them (low carbon strategy)	3
	3.2 Information contained in Article L. 225-211 of the French Commercial Code	
	• Company purchase of its own shares	6.2.4
4	Declaration of physical persons responsible for the Annual Financial Report	8.1
5	Statutory Auditors' Reports on the annual and consolidated financial statements	5.5.1 and 5.5.2
Other documents included in the Universal Registration Document		
1	Description of the share repurchase program	6.2.4

8.6.3 CROSS REFERENCES WITH THE BOARD'S MANAGEMENT REPORT TO THE ANNUAL GENERAL MEETING

This Universal Registration Document is the Board's Management Report to the Annual General Meeting: the appendix below refers the reader more precisely to the elements required in this respect.

Company and Group Management Report	Chapters or paragraphs in the Universal Registration Document
Company and Group situation and activity during the course of the fiscal year	1.1, 1.3, 1.5 and 5.5.2
Company and Group activity and results by branch of activity	
Analysis of the development of Company and Group business, results, financial situation	1.3, 5.3 and 5.5.2
Company and Group key performance indicators of a financial and, where appropriate, non-financial nature	3
Foreseeable developments of the Company and Group situation and prospects	1.2 and 1.4
Important events occurring since the Company and Group closing date	5.5.2 Note 31
Company and Group research and development activities	1.1.4 and 6.1.2
Significant shareholdings and control	5.5.2
Notice of shareholding of more than 10% in the capital of another joint-stock company	8.3
Calculation elements and result of possible adjustment for securities in case of a transaction maintaining the preferential subscription right, free allocation of shares, distribution of reserves or issue premiums, change in the distribution of profits or amortization of capital	N/A
Calculation elements and result of adjustment of the bases for the exercise of stock options and stock or securities purchases granting access to share capital in the event the Company purchases its own shares at a price higher than the stock price	N/A
Injunctions or financial penalties for anti-competitive practices	N/A
Information on payment deadlines for Company suppliers or customers (and breakdown of the balance of supplier and customer debts)	5.6.2
Information on the use of Company and Group financial instruments	5.5.1 Note 4.15
Description of main Company and Group risks and uncertainties	2
Internal control and risk management procedures related to the preparation and processing of the Company and the Group's accounting and financial information	4.3.4
Objective and hedging policy for transactions for which Company and Group hedge accounting is used	2.4
Exposure to price, credit, liquidity and cash flow risks	2.4 and 5.5.1 Note 4.15 and 5.5.2 Note 1.10
Financial risks related to the effects of climate change and the presentation of Company and Group measures taken to limit them (low carbon strategy)	3
Information relating to the distribution and evolution of share ownership	6.1
Treasury stock	6.1
Employee equity participation on the last day of the financial period	6.2.3
Summary of transactions performed by management on Company securities	6.2.2
Information provided for in Article L. 225-211 of the French Commercial Code in the case of transactions performed by the Company on its own shares	6.2.4
Non-tax-deductible expenses	5.6.2
Amount of dividends distributed over the last three financial periods	5.9
Option exercise conditions for corporate officers	N/A

	Chapters or paragraphs in the Universal Registration Document
Company and Group Management Report	
Conditions for conserving bonus shares attributed to corporate officers	4.2.1 and 4.1.3
Table of results over the past five years	5.5.2
List of branches	1.5.1
Total intercompany lending	
Information on the operation of a facility covered by the Seveso Directive (art. L. 515-8 of the French Environment Code)	N/A
Vigilance plan	3
NON-FINANCIAL PERFORMANCE REPORT (SEE SPECIFIC CROSS REFERENCE TABLE)	
Documents attached to the Management Report	
1. Report on corporate governance	
Compensation policy for executive corporate officers	4.2.2
Information contained in Article L. 225-37-3 of the French Commercial Code	4.2.2
Board composition and working	
List of all terms of office and duties exercised in any company by each corporate officer during the financial period	4.1.2
Agreements signed between a corporate officer or shareholder holding more than 10% of voting rights and a company controlled under the terms of Article L. 233-3 (excluding common agreements)	4.4 and 4.1.3
Choice of one of the two general management methods on the occasion of the first report or in the case of modification	4.1.4
Board composition, conditions of preparation and organization of work	4.1.4
Description of diversity policy applied to members of the Board	4.1.4
Gender equality within the committee set up by general management	
Diversity in the top 10 positions of responsibility	
Restrictions to the powers of general management	4.1.4
Reference to a corporate governance code, or justification and indication of the rules adopted in addition to legal requirements	4.1.1
Specific means of shareholder participation in the General Meeting or the provisions of the articles of association providing for these methods	6.1.3
Description of procedure put in place by the Company to enable regular assessment of whether conventions concerning current operations and concluded in normal conditions indeed meet these conditions and its implementation	
Summary of valid delegations granted by the General Meeting of Shareholders for capital increases	6.1.3
Elements likely to have an impact in the event of a public offer (Article L. 225-37-5 of the French Commercial Code)	

8.6.4 CROSS REFERENCES WITH THE NON-FINANCIAL PERFORMANCE REPORT

Chapters 1, 2, and 3 meet the requirements of articles L. 225-102-1 and R. 225-105 of the French Commercial Code.

Non-Financial Performance Report	Paragraph(s) of the Universal Registration Document
Business model	3.1.1 Business model
Description of the main risks linked to the Company's business	2. Risk factors and insurance 3.1.2 Analysis of primary non-financial risks
Description of the policies applied by the Company and the results of these policies, relative to the	
Social and environmental consequences of the Company's business	3. Corporate Social Responsibility
Effects of the Company's business as to the respect for human rights and the fight against corruption and tax evasion	3.1.4 Ethics: A common foundation for conducting business 3.1.5 Vigilance plan
Climate change consequences of the Company's business and use of the goods and services it produces	3.5 Designing responsible packaging 3.6 Fighting climate change and reducing the environmental footprint
Commitments to:	
- sustainable development - the circular economy - fighting food waste and food insecurity - respect for animal welfare - responsible, equitable, sustainable nutrition	3.4 Promoting sustainable farming 3.5.2 Encouraging and facilitating the recycling of its products 3.6.4 Fighting food waste
Collective agreements signed within the Company	3.2.1.4 Promoting a positive dialog
Actions aiming to fight against discrimination and promote diversity and measures taken in favor of people with disabilities	3.2.1.2 Promoting equal opportunity and diversity



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A French limited company (*société anonyme*)
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