



# *Non-Financial Performance Statement 2021*



**SAVENCIA**  
FROMAGE & DAIRY



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# Business Model

## Trends and vision

Food transition is a major social issue. With “consum’actors” in the quest of Better Food and trust, food is evolving towards **a new model that is more responsible and more respectful of the environment**. Sustainable development and the digital revolution are transforming the agrifood chain and food retailing. SAVENCIA Fromage & Dairy has the ambition of **reinventing sustainable and quality food** meeting consumers’ new

expectations and its **#PositiveFood** vision: a diversified diet combining pleasure and health, with natural and limited processed products. By reinforcing its competitiveness and innovation, and its CSR commitment towards its various stakeholders, the Group constantly adapts to the risks of its environment, volatility in dairy, changes in its markets worldwide and customers whether in retail or B to B professionals.

## Resources

### Human Resources

21,927 employees\*

...in 31 countries

60.7% of men  
+39.3% of women

Subsidiaries in close touch with their local environment

### Environmental and societal resources

Water 18.7 millions m<sup>3</sup>

Energy 2,428 GWh

4.7 billion liters of milk processed worldwide

### Financial resources

The stability of a majority family shareholding

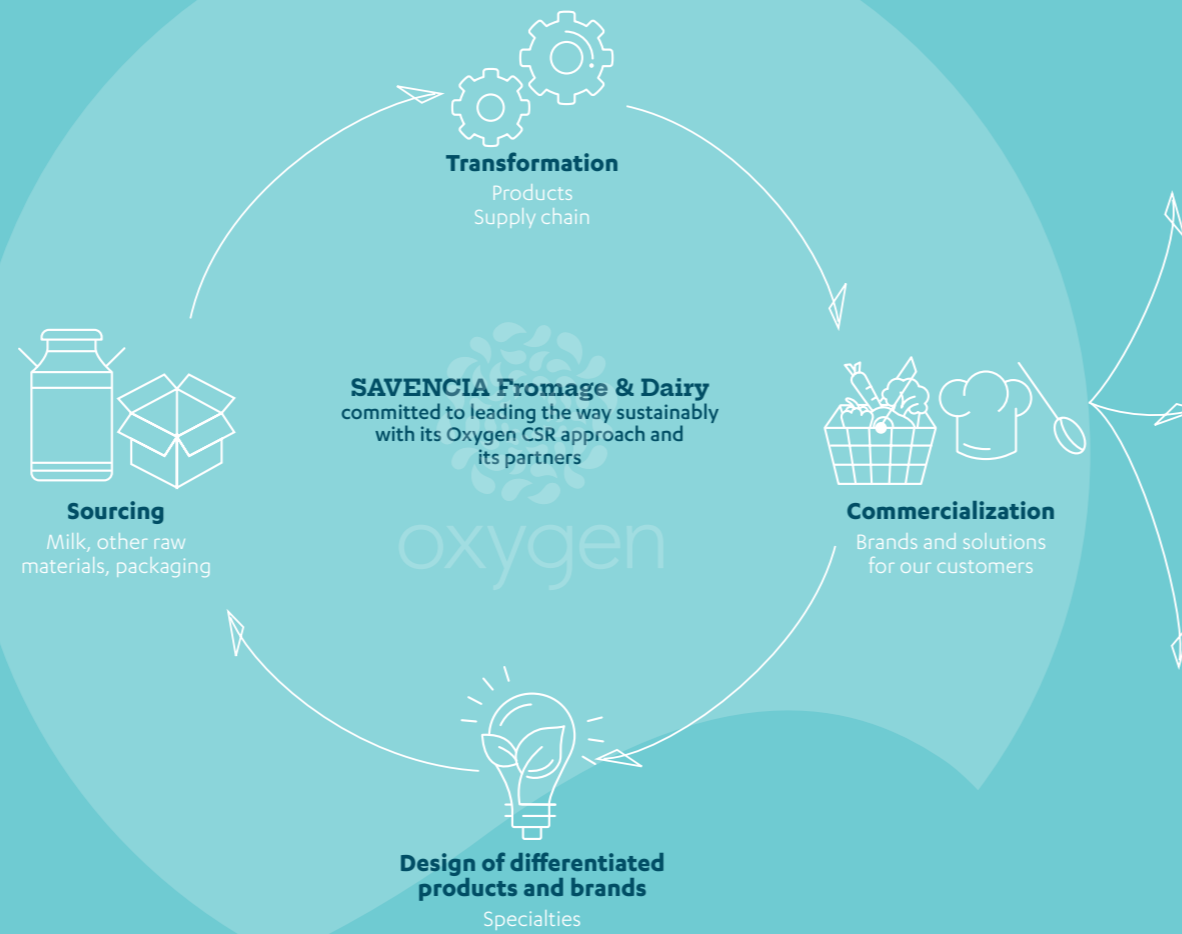
Equity: €1,703 million

Capital expenditures: €229 million

## Value

An international, independent family food group with a long-term perspective. With its strong values and its mission: **LEADING THE WAY TO BETTER FOOD, SAVENCIA** deploys a strategy of creating innovative and high-quality products and specialty brands. **The 5<sup>th</sup> cheese group globally and 2<sup>nd</sup> cheese group in France, SAVENCIA Fromage & Dairy** manufactures and sells differentiated cheeses and other dairy products for retail and food service, as well as functional and nutritional dairy-based ingredients for industry. The Group relies on subsidiaries in **close contact with their local markets** as well as by the **pooling of global expertises**, serving a sustainable development.

## Creation



## Shared value

### For people

Top Employer Europe 2021-2022

Payroll costs: €1,076 million

74% of employees received training in 2021

491 apprenticeship contracts in 2021

### For the environment

Trend in greenhouse gas impact of milk collection: -282,000 tons of equivalent CO<sub>2</sub> between 2010 and 2021

85% of recyclable or biodegradable packaging in 2021

### For society at large and local communities

SAVENCIA Fromage & Dairy #2 of the ESG Gaïa Research 2021 ranking in the consumer goods sector

Solidarity initiatives: 74.6% of subsidiaries have made gifts of food

Purchases from suppliers and service-providers: €3,992 million

Dividends distributed in 2021: €27 million

Taxes: €112 million

**Retail**  
Cheese Products  
Butter, cream, infant formula

**Food service**  
Cheese, cheese sauces  
Butter, cream

**Industry**  
Functional and nutritional dairy-based ingredients  
Technical butters

\*Permanent and temporary employees (yearly average full-time equivalent).

# Presentation of main issues

## Approach

The process employed by Groupe SAVENCIA for selecting its main non-financial objectives is identical to the process employed in 2020. It was, however, reviewed in 2021 based on:

### Regulatory components:

- the issues covered in the European Directive on the disclosure of non-financial information of 22 October 2014, transposed into French law and amending Articles L. 225-102-1 and R. 225-104 to R. 225-105-2 of the French Commercial Code;
- French decree no. 2017-1265 of 9 August 2017: list of topics;
- Article 8 of Regulation (EU) 2020/852 of the European Parliament on establishing a framework to promote sustainable investments.

### Additional items such as:

- business model, business relationships and product features;
- materiality analysis performed by the work group on Corporate Social Responsibility (CSR).

A multidisciplinary working group bringing together the company's key functions has been set up. The participants were assisted during this mission by an external consultant specializing in CSR.

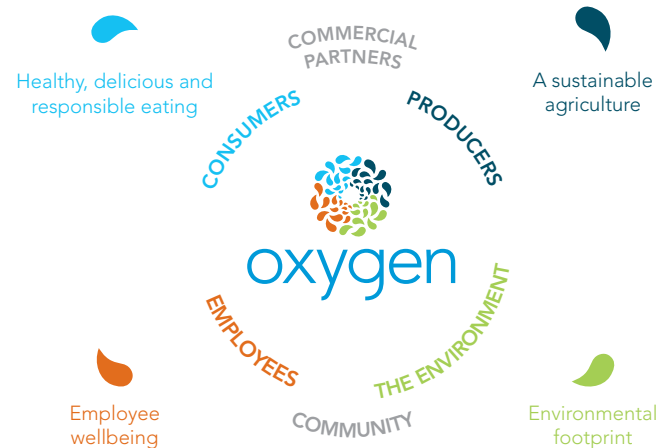
Initial mapping and diagnostics were performed, and a list of CSR issues have been listed.

185 stakeholders worldwide were consulted (employees, producers, customers, consumers, suppliers, executives, investors and members of society at large).

- Materiality analysis was then performed with a view to selecting the issues identified as priorities both for the Group, and for all its stakeholders.
- Groupe SAVENCIA's approach to Corporate Social Responsibility (CSR):

Our OXYGEN plan, the name of Groupe SAVENCIA's approach to CSR, embodies the CSR ambition of combining meaning and performance, acting in conjunction with our partners and innovating for a sustainable world.

Four major focuses for progress have been identified for the period through 2025:



- the work carried out by the Social and Environmental Responsibility Committee (CRSE), the CSR Committee of the SAVENCIA Fromage & Dairy Board of Directors, created in 2021. This committee met 4 times during the year and worked on various topics such as regulatory changes, raising awareness of carbon issues and the eco-design of packaging.

- The reflexions conducted within the Group's Oxygen Committee. Created in 2019 and led by the CSR Department, it brings together supporting expertise from the Group's Human Resources, Purchasing, Milk Procurement, Marketing, Nutrition, Quality and Industrial Departments.

- Against the backdrop of a global health crisis, SAVENCIA once again demonstrated its adaptability and agility by continuing to implement effective measures to ensure the continuity of the food chain while ensuring the safety of its employees. We elected not to isolate this risk in our non-financial performance report, but instead to include it in the management of our activities.

## Methodology

We proceeded in 2021, internally, with an update of our materiality analysis based on societal trends and news from our business sector. This work was carried out within the framework of the Oxygen Committee led by the CSR Department in consultation with the Human Resources, Purchasing, Milk Procurement, Marketing, Nutrition, Quality and Industrial Departments.

The analysis of this work did not uncover any additional issues compared to the previous fiscal year.

We identified 16 issues for which the Group's regulatory compliance was verified, ensuring coverage of the following points:

- the areas provided for by regulatory requirements: social, societal, environment, human rights, combating corruption, combating tax evasion;
- the other expected themes: consequences for climate change, circular economy and food waste, poverty, healthy and sustainable diet, animal wellbeing, collective agreements, diversity and disability initiatives.

For each key focus identified, a commitment has been defined, and quantitative or qualitative targets have been set.

Given the integration of new subsidiaries into the CSR scope and their impact, certain targets relating to the reduction of our environmental footprint have been reviewed:

- reducing our production and transport greenhouse gas emissions by 20% by 2025 (compared with 25%). Greenhouse gas emissions from production and transport are closely linked to energy and fuel consumption. On this basis, we have chosen to prioritise the greenhouse gas emissions target. As of this year, energy and fuel consumption will no longer be published but will still remain objectified and managed internally.
- reducing our water withdrawals by 10% by 2025 (compared with 25%).

In 2022, two new targets relating to the implementation of our Animal Welfare Charter will be deployed:

- 100% of Milk Procurement employees at SAVENCIA sites worldwide trained in animal welfare by 2025;
- 100% of dairy farms audited by 2025 by trained technicians, on recognised standards, and definition of action plans jointly with the breeders.

The scope of the target relating to solidarity campaigns has been extended to better reflect the commitment of our subsidiaries in the area of solidarity.

To ensure the consistency of our overall CSR approach, these issues have been incorporated in the four major focuses and performance indicators relevant to our business sector have been defined for each of them.

SAVENCIA Fromage & Dairy makes voluntary publication of a non-financial performance statement in the framework of application of the European directive. Data in France's so-called "Grenelle II" format, used by rating agencies, are available in a specific document which may be consulted on our [savencia-fromagedairy.com](http://savencia-fromagedairy.com) website.

## Our key issues

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



# Healthy, delicious and responsible eating

## 1. Improve the nutritional quality and design of our products

### Issue, risk and policy

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

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

Our teams design and build concrete, targeted improvement plan with the aim of continuously improving the nutritional quality and design of our products.

In 2021, the Group continued rolling out SAVENCIA’s Charter for Responsible Packaging defined in 2019.

The goals of the Charter are to:

- provide all subsidiaries with guidelines and proactive orientations for more sustainable and responsible design and redesign of our products;
- establish transversal goals;
- facilitate the phase of diagnosis and structure proposals for product and packaging improvement plans;
- share methods and a common vocabulary throughout our teams.

The charter has three parts:

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

#### • Eco-design of packaging

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

#### • Responsible communication and marketing

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

We have undertaken to implement a Clean Label approach on 100% of new branded products by 2025. The Clean Label approach calls for making continuous

improvements to the composition of our products by improving the recipes and removing certain additives.

### Actions implemented and results

- The Group Nutrition Department has organized meetings with the network of “nutrition correspondents”, gathering the R&D and marketing teams of the subsidiary. The purpose of the meetings is to support them in formulating proposals and building concrete, targeted plans aimed at continuously improving the nutritional quality and design of our products.
- Additional indicators have been developed in the Group reporting tool for the purpose of keeping closer track of improvement plans.
- The Oxygen steering committee, in charge of packaging eco-design (see “Developing eco-designed packaging”) and tracking the achievement of the established goals, met on a regularly basis during the year.
- Nutritional improvement plans were implemented by multiple brands in 2021 in a bid to optimize the nutritional profile of their products, including in particular:
  - reducing salt content:
    - Lučina Smetanová: 0,8% à 0,4% ;
  - reducing sugar content:
    - Elle & Vire chocolate cream dessert 125 g: 23% reduction in sugar for the chocolate flavour and 3% for the caramel;
  - reducing fat:
    - Frais plaisir Saint Agur: 37% reduction.
- Our Modilac brand has created Doucéa, the first infant milk in France to be enriched with lactoferrin, the second most abundant protein in breast milk.
- Clean Label improvement plans were also implemented:
  - Elle & Vire: launch of the first full UHT cream without additives on the market: *la crème entière de Condé-sur-Vire*;
  - Polenguinho plain: elimination of several ingredients including melting salts or texturing agents;
- Plant-based innovations have also been developed:
  - launched in 2021, the Vivre Vert brand aims to innovate in plant-based pleasure. After the plant-based version of Tartare in France in the spring and then of Bresso in Germany, an unprecedented cross-sector offer has emerged in the dairy department under the Vivre Vert brand: 13 products across 4 product ranges are offered to consumers, from grated, slices and desserts, to drinks and cooking aids;
  - the Soredab Research Centre (Yvelines) is the second Groupe SAVENCIA entity to be selected as part of the France Relance plan, a call for projects launched by the government. Among the winners in the agri-food sector, Soredab stood out with a project presented jointly with the Plant-Based Development Centre,



for the development of plant-based products and with the aim of producing alternatives from French raw materials.

**Key performance indicators**

🔹 In 2021, 58.6% of our new branded products adopted a Clean Label approach.

	2019	2020	2021	2025 target
% of new branded products having adopted a Clean Label approach	64.0%	65.5%	58.6%	100%

In 2021, due to cyclical effects and the specificities of certain markets, the development of new products that have adopted a Clean Label approach has been slowed down.

**2. Promote responsible consumption**

**Issue, risk and policy**

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

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

An effective source for the development of a balanced and diversified diet is portion size. The Group has set a goal that, by 2025, 100% of its branded retail products will include per-portion nutrition labelling, thereby going above and beyond local regulatory requirements.

The official recommendations issued in many countries are based on frequency of consumption and portion sizes for each food category. By adding per-portion nutrition labelling for all its retail brands, the Group seeks to provide consumers with an improved understanding of the nutritional benefits of its products. For pre-portioned products such as cheese slices, or products including a visual guide to portion size, the actual unit size (one or more units) is indicated on the product label so the consumer can identify the appropriate portion and adopt smart and well-informed eating habits.

For products that are not pre-portioned, the portion size is close to the recommended portion (30 grams of cheese) or the portion usually eaten as part of a balanced diet.

In addition to per-portion nutrition labelling, we have been using the Nudge methodology since 2016 to encourage smarter and healthier consumption of our products.

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

**Actions implemented and results**

**Encouraging consumers and employees to adopt smarter eating habits**

🔹 A per-portion nutrition labelling guide was prepared by the Group Nutrition Department and made available to all subsidiaries to help them implement per-portion nutrition labelling for all relevant products.

🔹 We continued rolling out our #PositiveFood approach launched in 2019 embodying our commitment to responsible diets, combining both pleasure and health, with products that are natural or processed as little as possible. Our digital platform, *quiveutdufromage.com*, offers flexitarian recipes combining cheese and vegetables and boasting a Nutri-Score rating of A or B for balanced meals. At the end of 2021, we had more than 500 Positive Food recipes around the Group’s major brands. In Spain, the site *www.arias.es* offers “Cooking with Arias”: a wide range of recipes with all brands (Burgo de Arias, Caprice, Boffard, San Millán). The Burgo de Arias 6 x 72 g includes five healthy and balanced recipes in its packaging. Nutri-Score A or B recipes, distributed on social media, have also been developed in collaboration with the Group Nutrition Department.

🔹 The roll-out of our “Fromage et Légumes” (meaning “Cheese and Veggies”) PoS nudge marketing campaign continued in 2021, particularly in digital form via our collaboration with the Consumer Goods Forum (CGF). Vegetable-rich balanced recipes with a Nutri-Score rating of A or B were offered by the Carrefour drive-up service throughout France, building on the concept of “healthy product combos” encouraging customers to buy more vegetables along with their cheese. This campaign, carried out in collaboration with other agri-food manufacturers, received the Sirius Food Transition award from the Institut du commerce. The positive impact on the shopping basket has been demonstrated by measuring sales, particularly of vegetables. In addition to this campaign, we renewed our participation in Carrefour’s Food Transition Pact to share best practices and reflect collectively on effective solutions that meet consumer expectations as closely as possible. In Spain, Burgo de Arias received the European Food Transition Award from Carrefour as part of its Act for Food plan.

🔹 In 2021, we continued to roll out our nutrition policy. The Nutrition Department Team assists all Group brands in their efforts to optimize the nutritional value of our products as part of a healthy, balanced diet.

🔹 In October 2020, Groupe SAVENCIA launched the Institute for Positive Food, a public-interest association that promotes a positive view of sustainable diets, combining both health and pleasure. With the support of a high-level multi-disciplinary scientific committee, and in line with the guidelines for healthy and sustainable diets published by the FAO (Food and Agriculture Organization) and the WHO (World Health Organization), the Institute’s mission is to popularize the use of scientific data to encourage positive diets combining wellbeing, healthy pleasure and responsibility.



In 2021, the Institute’s multidisciplinary scientific committee drafted and signed the Positive Food Charter. Its objective is to analyse the main areas of the food transition and provide recommendations for the orientation of specific campaigns to promote healthier and more sustainable food.

The Institute has organised several webinars and video media addressing topics relating to the food transition, in particular the greening of food; how to facilitate changes in behaviour and how to adapt the food supply. These webinars were an opportunity to discuss with leading experts in the field.

The Institute has also started a collaboration with the Paul Bocuse Institute Research Centre and the Vivons en Forme (VIF®) programme as well as the towns of Écully (in the Rhône French Department) and Meyzieu (in the Rhône French Department). In conjunction with local authorities, these three partners are pooling their experience and resources to initiate the ALISA (Healthy, Sustainable and Accessible Food) campaign among people aged 55 and over. This collaborative project aims to provide solutions adapted to the needs of these populations, thanks to an approach that directly involves the inhabitants as of the design of the content. In concrete terms, thanks to the training of the supervisors and facilitators of these cities, tools and experiences will be offered, to promote a pleasant, healthy and sustainable diet, accessible to the greatest number.

- Our subsidiary SAVENCIA Fromage & Dairy Switzerland is committed to promoting healthy eating through the creation of short-format videos in which a nutritionist promotes the value and role of cheese as part of a balanced diet. These interactive videos in the form of interviews and aimed at a wider audience have been very warmly received on social media.
- Modilac, our brand specializing in infant nutrition, has posted on its website a booklet of recipes and menus specially concocted for babies with cow’s milk proteins allergy (CMPA), developed with the help of a dietician and a paediatrician. Recipes for daily assistance with the different stages of a varied diet are also available.
- Our Serbian subsidiary, Mlekoпродукт, pushed ahead with the development of its CSR project “Biser Nutry Academy” concerning #PositiveFood, which aims to raise awareness of the importance of a healthy and balanced diet for children’s development. The campaign run on social media won an award at the CSR Communication Festival organised by the Yellow Pants association. This award recognises Mlekoпродукт for its responsible communication, in line with social objectives, and that has positively influenced the living conditions of children and adults in Serbia.
- The e-learning nutrition training module continued to be rolled out to Group employees. It aims to provide them with basic nutritional concepts. This educational course, made up of five modules, was developed by experts and nutritionists while there was input from AgroParis Tech. In 2020, the programme was translated into five languages to cover Groupe SAVENCIA’s subsidiaries worldwide more effectively. One of the modules is now available in English, French, Russian, Spanish, Portuguese and Chinese, and the entire programme is available in French, English and Spanish. 61% (compared with 49% in 2020) of employees connected to the *Learning@Savencia* platform completed the nutrition training programme this year.

### Combating food waste

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

- raise consumer awareness:
  - Since 2020, SAVENCIA Fromage & Dairy has undertaken to reduce food waste by signing the Consumption Dates Pact launched in France by Too Good To Go and backed by the French Ministries for Ecological Transition and Solidarity and Agriculture and Food. The St Môret brand pushed ahead with this commitment by including best-before date pictograms on its packaging.
  - In 2021, the P’tit Louis brand carried out a campaign on consumption dates on social media during Waste Reduction Week. Crème de Saint Agur also became associated with this approach by including a message on its lids to raise awareness of the best-before date on the French market and also in the United Kingdom.
  - The RichesMonts brand, on its raclette range, encourages the consumer, via a statement on the packaging, to use leftovers to avoid waste, and offers recipes on its website.

- encourage donations to associations to combat food insecurity:
  - Groupe SAVENCIA, which is part of the *Entreprises Solidaires des Banques Alimentaires* (made up of companies working in solidarity with Food Banks), confirms its commitment to them and its desire to fight food waste while helping the most disadvantaged access quality products. Product donations continued in 2021 and new campaign types were developed:
    - > A partnership has been set up as part of the *Paniers Solidaires* operation. A virtual collection platform, *monpaniersolidaire.org*, set up by food banks at the time of the national collection for those who wish to support their cause without going to the store. The principle is as follows: the donor selects a basket type (student, baby, family, etc.) and gifts it to food bank beneficiaries in the form of a financial donation. SAVENCIA Fromage & Dairy made a commitment during this campaign to double consumer donations.
    - > The running of a digital culinary workshop for food bank facilitators by one of our chefs from *La Maison de l’Excellence* to follow ten or so simple and economical recipes, using products regularly received by food banks. During this workshop, “tips and tricks” on cooking methods were shared to preserve nutritional qualities while saving energy. Fruits and vegetables were also highlighted to showcase new tastes and promote a varied diet. This event was recorded with the aim of making it available to food bank facilitators as a training medium for digital workshops so that they in turn can run these workshops for their beneficiaries.

– Other associations receive regular donations from our subsidiaries, and in 2021, 74.6% of donations made by production sites were product donations.



**Key performance indicators**

in 2021, 47.0% of our branded retail products included per-portion nutrition labelling.

	2019	2020	2021	2025 target
% of branded retail products including per-portion nutrition labelling	49.0%	42.9%*	47.0%	100%

\* The decrease in this indicator is attributed to the change in consolidation scope in 2020, with the consolidation of new subsidiaries.

# A sustainable agriculture

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

**Issue, risk and policy**

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

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

To meet the growing societal expectations of our consumers and aware of their responsibility it these issues, the teams tasked with milk procurement are committed to developing quality branches that respect animal wellbeing and the environment while valuing the work of producers to avoid the risk that poor animal husbandry or crop farming practices worsen the impacts of these activities.

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

- the extension of our Charter for Best Farming practices (or its equivalent by country or by sector) to all our milk collection worldwide, by 2025;
- the deployment of our “Sustainable Milk Production” diagnosis to 50% of our milk producers by 2025;
- the codevelopment of milk production from herds benefiting from a GMO-free diet and sourced from organic farming.

**Actions implemented and results**

In 2021, SAVENCIA Fromage & Dairy bought 4.7 billion liters of milk worldwide, from farms producing cow milk, ewe milk and goat milk.

As part of the Oxygen plan, our milk procurement teams have made four commitments with regard to sustainable and responsible sourcing:

- codevelopment of a more sustainable milk sourcing;
- promotion of sourcing value enhancement;
- reduce the environmental footprint of dairy upstream;
- build and progress, together with our stakeholders.

**Codevelopment of more sustainable milk sourcing**

Groupe SAVENCIA supports a policy of responsible milk purchasing. In France, 100% of our milk producers are members of a collective entity such as a cooperative or organisation of producers.

In 2021, SAVENCIA Fromage & Dairy continued working to enhance the value of France’s dairy industry, in accordance with the EGalim law.

Exemplary during the implementation of the EGalim 1 law, SAVENCIA continues its actions in the implementation of the Besson-Moreau law, known as EGalim2.

Financial measures and special support mechanisms are also implemented, with the aim of:

- promoting investments in farms: in France, we have set up investment support programmes with various partner structures. This system supports projects conducted on farms through tangible investments (dairy machinery and livestock) and intangible investments (training);
- helping young farmers get started in the industry. Young farmers are provided with a “getting started pack” entitling them to financial aid and a contractual commitment over the long term. This pack also includes technical support: carrying out an individual diagnosis and a 10-day training programme (operations management, environmental approach, etc.). 244 young farmers benefited from start-up support this year.



In terms of quality and production/farming conditions, compliance with our Best Farming Practices Charter is contractually required from all our French cow's milk suppliers. This requirement will be progressively extended to all our milk sourcing worldwide. In 2021, 85.8% (versus 83.1% in 2020) of our global volumes already met this charter or standards recognised as equivalent by country or sector.

This charter includes six commitments to be followed: ensuring the traceability of animals on the farm, protecting the health of the herd, providing animals with a healthy, balanced and closely monitored diet, protecting the quality of milk through rigorous hygiene, overseeing the wellbeing of the animals and safety of employees working on the farm, and helping to protect the environment.

To better answer our customers' questions on how our milk is produced, and as a means of progressing beyond the requirements of the Charter, the Group also offers producers its "Sustainable Milk Production" diagnosis incorporating 10 indicators.

Established in 2011, this diagnosis assesses the level of current practices in economic, social and environmental terms by examining the following indicators: farm profitability, sustainable management of water resources, carbon footprint, animal welfare, food self-sufficiency for the herd, biodiversity, soil fertility, producer's quality of life, outdoor access and herd health.

After completing the "Sustainable Milk Production" diagnosis, farmers may select one or more areas for progress for which the Group can provide support with suitable training covering topics such as cows' health and nutrition, soil fertilization or protein autonomy. In 2021, 450 days of training were provided to our French milk suppliers within this framework.

At the end of 2021, 21.6% of our global volumes came from farms that have carried out the Sustainable Milk Production diagnosis (versus 19.2% in 2020).

The animal welfare indicator is based on the Welfare Quality® method and was co-built with INRAE (French National Research Institute for Agriculture, Food and the Environment). It is made up of about twenty questions which make it possible to evaluate the five fundamental freedoms: freedom from thirst or hunger, freedom from discomfort, freedom from pain, injury or illness, freedom to engage in behaviour that is natural for the animal's species and not experience fear or distress.

In 2021, to strengthen our commitments and communicate them more widely on a global scale, SAVENCIA Fromage & Dairy drew up an Animal Welfare Charter based on the expertise of the international NGO Compassion In World Farming (CIWF), which specialises in farm animal welfare. Four major issues were defined:

- quality, sustainable and local animal feed: ensure the quantity and quality of animal feed via best practice charters and audits, use specific quality feed via special quality animal feed (organic, GMO-free or even locally sourced from the PDO zone);
- guaranteed access to the outdoors: promote pasture grazing for dairy cows, wherever climatic conditions permit, target of 100% for ewes by 2025;
- comfortable housing: guarantee litter bedding for 100% of goat farms in 2025

and a place in a stall or a minimum surface area of 10 sq.m per cow in a fully straw-covered area for 100% of dairy cows by 2030, eliminate the practice of tethering cows by 2030, reduce the time spent by calves in individual pens to no more than 8 weeks;

- better consideration of health: communicating for the careful use of antibiotic treatments, treat the pain of young cattle during horn disbudding, and eliminate adult dehorning by 2030. in all our milk collection areas.

For the implementation of this charter from 2022, the Group has set itself two new objectives:

- 100% of Milk Procurement employees at SAVENCIA sites worldwide trained in animal welfare by 2025;
- 100% of dairy farms audited by 2025 by trained technicians, on recognised standards, and definition of action plans jointly with the breeders.

**Promotion of value-enhancing sourcing**

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

In France, SAVENCIA Fromage & Dairy is the national cheese group that applies the highest milk price and has been doing so for several years. In 2021, the price of milk paid by the Group was 2.2% higher than the average French price\*. Our dairies and milk collection points are located in the heart of the territories. We strive to keep our processing local: 89% of our milk is sourced within a 70-km radius of our dairy plants and 66% within a 30-km radius.

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

To encourage the creation of value, 30.4% of our global milk volumes collected in 2021 were sourced from so-called "differentiated" segments:

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

Technical support from our Dairy Resources Coordinators, as well as financial measures, assist producers interested in converting their farms to these differentiated segments.

**Development and progress, together with our stakeholders**

Our Dairy Resources Coordinators are in daily contact with producers to support them in changes to their practices. They visit the farms at least once a year to assess the quality of milk produced and offer technical support as needed. Numerous initiatives have been taken, including meetings, working groups, a website dedicated to producers, a quarterly bulletin, videos, corporate support for events, etc.

SAVENCIA Fromage & Dairy has also committed to risk prevention. In France,

\* TPQC price (all quality premiums included) 38/32, comparison with the average price of the France AgriMer monthly dairy survey at the end of December 2021.



since 2012, the Group has deployed, at all its dairy farms, a transport safety protocol designed to analyze the risks associated with the maneuvering of milk collection tankers. Improving traffic flows and access to milk tanks encourages an entirely safe milk collection process.

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

At the international level, SAVENCIA Fromage & Dairy is also an active member of the International Dairy Federation (FIL - IDF), the Sustainable Agriculture Initiative (SAI) and the Dairy Sustainability Framework (DSF).

**Promotion of biodiversity**

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

Biodiversity is a source of added value for our ecosystems and farmers, our milk suppliers, play a major role in preserving it through their activities. This is one of the areas for improvement identified in our Sustainable Milk Production diagnosis, offered on a volunteer basis to our milk suppliers, which is measured using the indicator developed by Céréopa (centre for research on the animal production economy and industry). This indicator is defined on the basis of the share of permanent pastures on the farm, areas of ecological interest (trees, hedges, bodies of water and ditches) and also the diversity of animal and plant species on the farm. Once the diagnostic analysis is complete, solutions are offered to producers to:

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

Multiple initiatives to promote biodiversity have also been developed across our sites:

- Our Tessier subsidiary, in Cornillé-les-Caves (in the Maine-et-Loire French Department), felled the old poplar plantation to prepare for reforestation in 2022 with endemic species specific to wet and cool environments. Ponds and areas dedicated to biodiversity have been created to promote the development of biodiversity. Two hives have also been newly installed on the site. Accompanied by a local beekeeper and volunteers from *École Rucher*, 14 employees were trained in colony maintenance and safety around hives. This participatory project is part of an approach to raise employee awareness of biodiversity issues. These "employee beekeepers" will then be able to observe the evolution of the swarms and ensure the maintenance of the hives.
- The Elvir site in Condé-sur-Vire (in the Manche French Department) is made up of grassy areas and the banks of rivers which constitute favourable ground for the development of biodiversity (birds, small mammals and insects). To

preserve it, Elvir has committed to the French Office for Biodiversity (OFB), a public institution dedicated to the protection and restoration of biodiversity in France. In 2021, it became a company committed to nature, a programme of the government's Biodiversity plan led by the OFB, which aims to engage companies in favour of biodiversity. It aims to bring out, recognize and promote action plans. A partnership with the *Conservatoire d'Espaces Naturels de Normandie* has been concluded to identify the species present on the site, while carrying out educational and awareness-raising campaigns among employees. An initial campaign resulting from consultation with these various organisations has been launched. Elvir decided to make the plot of the old wastewater treatment plant an open area, leaving it to revegetate naturally.

- CF&R with its brand Le Rustique is committed to the association "Pour une agriculture du vivant" which acts in favour of agroecology. Several employees in management positions (plant, marketing, human resources, etc.) took part in training and a farm visit to understand the challenges of agroecology in the dairy system.
- A seed ball distribution operation has been launched by our dedicated plant-based team. Distribution was carried out in France to Group employees and in-store customers. The target: to plant 1 million flowers to revegetate the environment.
- In France and internationally, floral fallow plants and rational management of green spaces are introduced on certain sites. Trees have also been planted on our site in Slovakia.

**Key performance indicators**

	2019	2020	2021	2025 target
Expand the "Charter for Best Farming practices" worldwide (% milk volume collected)	80.0%	83.1%	85.8%	100%
Deploy the Sustainable Milk Production diagnosis (% volume milk collected*)	19.0%	19.2%	21.6%	50%

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

**2. Promote responsible purchasing**

**Issue, risk and policy**

France's so-called "Sapin II" law and legislation on the Duty of Vigilance have led the Group to reinforce its existing requirements, to ensure the compliance of its purchasing with the obligations in respect of combating undeclared labour, ensuring transparency and preventing corruption and any violation of human and environmental rights.

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

The Group's suppliers are selected on criteria of quality, security, service,



competitiveness and their ability to support the Group over the long term.

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

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

The four areas of assessment are: environment, social, ethics, sustainable procurement.

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

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

**Actions implemented and results**

- The Group Purchasing Department conducted three EcoVadis evaluation campaigns in 2021.
- A reminder as to our deployment goals and a general update are prepared and communicated twice-yearly to our Group purchasers.
- In 2021, several subsidiaries were rewarded by EcoVadis for their CSR

performance; Armor received the gold medal and Sodilac the silver medal.

**Key performance indicators**

	2019	2020	2021	2025 target
% of Group external expenditure overseen by the Purchasing function and carried out with major suppliers* under the Responsible Purchasing Charter	63.0%	63.2%	68.6%	80%
% of Group external expenditures overseen by the Purchasing function and carried out with major suppliers* under EcoVadis evaluations	68.0%	68.7%	71.5%	80%

At 31 December 2021, more than 775 Responsible Purchasing Charters had been signed, covering 68.6% of the Group’s expenditure overseen by the Purchasing function and carried out with major suppliers (exceeding €1 million per year)\* excluding agricultural raw materials.

The assessment of CSR risks by EcoVadis was performed for 672 suppliers. The EcoVadis evaluations cover 71.5% of Group expenditures overseen by the Purchasing function and carried out with major suppliers (exceeding €1 million per year)\* (excluding agricultural raw materials. The average score obtained was 52.9/100 (versus 43.8/100 on average for the EcoVadis Food & Beverage Panel).

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

# Environmental footprint

## 1. Reduce our greenhouse gas emissions

**Issue, risk and policy**

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

The various programmes undertaken are continuing as part of our Oxygen plans.

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

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



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

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

Groupe SAVENCIA undertakes to:

- diminish the environmental impact of its activities with a reduction, per ton produced, of 20% by 2025 (*versus* 2015) when it comes to greenhouse gas emissions from production and transport;
- increase its use of renewable energies;
- reduce the carbon footprint of the volume of milk collected by 300,000 tons of CO<sub>2</sub> equivalent by 2025 (*versus* 2010).

### Actions implemented and results

#### Reduction of energy consumption

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

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

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

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

In France, 14 projects were carried out in 2021 within the SAVENCIA Fromage & Dairy scope, for example, on the cheese sites of Azé (in the Mayenne French Department), Beuzac (in the Haute-Loire French Department) and Cornillé (in the Maine et Loire French Department) with significant reductions in CO<sub>2</sub> expected.

At the Surgères (in the Charente-Maritime French Department) and Saint-Brice-en-Coglès (in the Ille-et-Vilaine French Department) sites, the boiler burners were changed during the year to improve performance while reducing energy consumption. Eventually, it is more than 800 T eq CO<sub>2</sub> which should be saved per year.

In December 2021, one of the CF&R sites started its project with two objectives: to install a heat pump, to increase and improve the performance of cold production, recover waste heat to create a network of high temperature hot water and replace old boilers with high-performance gas boilers.

In Japan, our subsidiary has also completely renovated its refrigeration installation.

- The project of our subsidiary Armor Protéines on the Saint-Brice-En-Coglès (in the Ille-et-Vilaine French Department) site, winner of the France Relance plan for its campaign to promote decarbonization, will be operational in 2022. It involves overhauling the processes used to produce its products with high nutritional value with the aim of increasing production capacities while reducing consumption.

- Thanks to the various measures put in place (recovery of heat from cold units, replacement of lighting with LEDs, etc.), our logistics platform at the Messageries Laitières has reduced its energy consumption by 15% in three years.

- In 2021, several global and cross-functional meetings were organised to share the best practices implemented on the sites and facilitate the implementation of effective plans to achieve the objectives, and in particular:
  - a global and multidisciplinary Forum, bringing together more than 180 participants from 25 countries, allowing the sharing of numerous structured initiatives in line with the 3 Rs: reduction, re-engineering, and recycling;
  - two targeted Forums with the Group’s Environment network, on more specific subjects such as solar energy, methanation, or the management of water resources on the sites.

These forums make it possible to benefit from feedback from the various countries where the Group operates and strengthen the effectiveness of our actions in these areas.

The Group will push ahead with its efforts to reduce greenhouse gas emissions in 2022, with new programmes to be launched at several sites.

#### Development of renewable energies

In 2021, the Group continued to increase its use of renewable energies according to local or national possibilities, allowing it to increase the share of renewable energies in its energy mix.

- A prospective inventory was carried out in France to extend, more specifically in our businesses, the potential of the solar and methanation sectors, to better guide our choices.

- In France, 35% of the electricity from the SAVENCIA Fromage & Dairy plants is certified with a guarantee of origin (GO), from a hydraulic source and produced in France. The CF&R plants incorporated into the Group in 2020 have also been covered by this certification since 2021.

- The Perreault cheese dairy in Meslay-du-Maine, located in the Mayenne French Department, uses biogas supplied by a methanizer installed near the site. This biogas supplies the plant with fuel for an average of 50%.

- In Germany, the electricity consumed in our Edelweiss plant is 100% renewable and locally sourced, as are our Söbbecke sites.

- In 2021, other sites committed and are supplied with 100% renewable and local electricity. This has been the case for our three plants in Brazil and our site in Serbia since October.

- In Russia, the Belebey site started up a new methanation unit for its effluents to supply cogeneration combustion engines to produce hot water and electricity.

- SAVENCIA Fromage & Dairy is a member of the *Club des Entrepreneurs pour le Climat*, launched by the Orygeen Institute, a consortium of French family-owned businesses working to combat climate change.



**Reduction of greenhouse gas emissions generated by transports**

Multiple initiatives have been launched:

- the fleet of trucks owned by Messageries Laitières now runs exclusively on Oleo 100, a 100% plant-based and fully biodegradable oil made in France. Since 25 June, 23 trucks have been criss-crossing the west and north of France (2.5 million kms per year) using clean energy. The impact is very significant since a 60% reduction in CO<sub>2</sub> emissions is expected;
- the choice of this biofuel complements the continuous improvement campaigns already implemented: training in eco-driving with on-board IT, use of a transport optimisation tool, tyre management, etc.;
- routes are also optimized thanks to the implementation of a tool allowing volumes to be grouped according to the geographic proximity of customers and loading to be improved, so reducing the kilometres travelled. The average consumption of the owned fleet decreased to 32.8 L/100 km in 2021 versus 33.5 L/100 km in 2020;
- at the Normandie Export Logistics (NEL) platform in Honfleur; the combustion engine yard tractor, used to move the containers on the site, has been replaced by a 100% electric tractor;
- our logistics platform initiated a voluntary programme to reduce the CO<sub>2</sub> emissions of its road transport activities and signed the “CO<sub>2</sub> Target, Carriers Commit Charter”;
- it participates in working groups on alternative energies and the pooling of transport flows. Within the Normand Hydrogen Network Club led by the Chamber of Commerce and Industry (CCI) Normandy, consideration is given for instance to the place of hydrogen in the Normandy energy transition, while structuring a fully-fledged industrial sector.

Other initiatives were undertaken directly with employees:

- for the third consecutive year, Mobility Week took place in the Group. The objective of this event is to encourage as many people as possible to adopt a sustainable eco-citizen approach by favouring soft modes of transport as an alternative to the private car. Many actions have been put forward for site employees involved in the challenge: loans of mountain bikes and electric hybrid bikes, training in eco-driving, eco-hikes with waste collection, bicycle repair workshop, etc. As a result of this mobilization, over 78,800 km were saved, more than double last year’s figure.

**Reduction in the carbon footprint associated with our milk collection**

Our milk tanker fleets are committed to the “CO<sub>2</sub>, Carriers Commit” approach certified by Ademe and our drivers receive regular training in eco-driving.

In addition, our Normandie Bretagne Transports inter-plant transport fleet has obtained the “Objectif CO<sub>2</sub>”, certification for a high level of energy and environmental performance.

We raise awareness among and support all of our logistics service providers in a bid to reduce the environmental footprint of transport.

Alternative energies are deployed in our fleet, and trucks powered by BioNGV were put into service in 2021. For one of our vehicles, this biogas comes from a partnership established with a local methanizer farmer with the aim of building a circular economy and reducing the environmental impact.

In addition, characteristic of the agri-food sector, greenhouse gas emissions related to upstream agriculture represent a significant part of our “Scope 3” carbon footprint. Beyond the efforts carried out jointly with milk producers for years as part of the “Sustainable Milk Production” approach, the year 2021 represented a new stage in this carbon approach, with:

- an exhaustive measurement of the emissions of each litre of milk produced in our collection areas in France and abroad;
- signing the “Pathways to dairy net zero” declaration.

**Key performance indicators**

% change versus 2015

	2019	2020	2021	2025 target
Reduction of GHG Scopes 1 & 2* (in tons of CO <sub>2</sub> equiv./ton produced)	-8.9%*	- 4.6%*	- 5.9%	- 20.0%

\* This indicator has been recalculated since 2015 to incorporate new emission factors (source of emission factors: Ademe 2020). The 2019 and 2020 values of certain subsidiaries have been corrected a posteriori and certain emission factors updated. The decrease in this indicator can be attributed to the change in scope in 2020, with the inclusion of new subsidiaries.

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

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

The process of calculating our scope 3 (other indirect emissions), initiated in 2020 on the SAVENCIA Fromage & Dairy scope, continued in 2021. We were assisted for this mission by a firm specializing in this field and made an initial estimate which is currently being analysed. As for most companies in our sector, the impact of raw materials is the primary source of the Group’s CO<sub>2</sub> emissions. The objective of this work is to refine the measurement of our environmental footprint to help reduce CO<sub>2</sub> emissions.

Résultats plateforme logistique Messageries Laitières	2019	2020	2021
CO <sub>2</sub> emissions of the owned fleet (in tons of CO <sub>2</sub> equiv.)	2,888*	2,712*	2,010

\*\* This indicator has been recalculated since 2015 to incorporate new emission factors (Source of emission factors: Ademe 2020).

This sharp reduction in CO<sub>2</sub> emissions is linked to the switchover of the fleet of trucks owned directly by Messageries Laitières to Oleo 100, a 100% plant-based and fully biodegradable oil made in France.



	2019	2020	2021	2025 target
Reduction in the carbon footprint associated with our milk collection (volume of milk collected, in tons of CO <sub>2</sub> equiv. compared with 2010 in France)	- 217,000	- 252,000	- 282,000	- 300,000

## 2. Control our water resources

### Issue, risk and policy

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

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

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

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

### Actions implemented and results

- A working group focused on managing our water consumption was created in 2021, with the aim of sharing best practices and defining areas for improvement. It is made up of central in-house experts and operational staff, to ensure that we address the local problems encountered by our sites.
- Our site in Surgères (in the Charente-Maritime French Department) thus set up equipment at the end of 2021 to recover water which will then be used in the process and will ultimately save more than 200,000 m<sup>3</sup> of water.
- Campaigns to renew equipment that consumes less water, to optimize cleaning processes, took place in 2021, as in Spain, where our Valladolid site carried out a study in partnership with its supplier of detergent products to improve the efficiency of the mould washer. This work has made it possible to optimize the entire process, in particular the disinfection phase, and so reduce water consumption.
- To reduce their water consumption, many sites recover some of the water contained in milk to use for cleaning.

- Employee training and awareness-raising programmes aimed at strengthening best practices in water usage were also continued.
- The two new wastewater treatment plants built on two major sites were commissioned during the year:
  - In Saint-Brice-en-Coglès (in the Ille-et-Vilaine French Department), the new wastewater treatment plant is now fully operational. It meets both the challenges of preserving the environment and those of developing the business. This construction project was completed without interrupting the continuity of service. An improvement in the quality of wastewater treatment and a reduction in noise and olfactory nuisances thanks to the technologies implemented have been noted. Eventually, electricity consumption should decrease by about 45% compared to the old system.
  - In Condé-sur-Vire (in the Manche French Department), the usable capacity of the new station has been doubled on all the structures compared to the old installation, and again, an improvement in wastewater quality was observed. To continue optimizing the management of the station, a working group has been set up and several studies on the use of strains of bacteria are in progress.

### Key performance indicators

% change versus 2015

	2019	2020	2021	2025 target
Reduction of water withdrawals (in m <sup>3</sup> /ton produced)	0.8%	2.3%*	2.2%	- 10%

\* The decrease in this indicator can be attributed to the change in consolidation scope in 2020, with the consolidation of new subsidiaries.

We are continuing our efforts to reduce water withdrawals. However, the development of products from differentiated milks calls for more frequent washing and so increases our water consumption.

## 3. Optimize waste management

### Issue, risk and policy

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

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

### Actions implemented and results

- An "anti-waste" working group, made up of subsidiary representatives and corporate department employees, was created to reduce the quantity of waste generated at the source and to optimize and identify local recycling



opportunities. It met regularly in 2021. Roadmaps are being drawn up to reduce and better recover biowaste. Adjustments have also been made to meet regulatory requirements related to the implementation of the AGEC law (anti-waste and for the circular economy). The area relating to communication with employees and consumers is also addressed through, for example, awareness-raising campaigns on the difference between the use-by date and the best-before date, to limit waste at the time of consumption.

- Our Tessier subsidiary has recycled old cheese moulds. This operation was carried out in partnership with a disability-friendly company (sheltered workshop) whose employees removed the metal parts to make these moulds recyclable. 18 tons of plastic moulds were 100% recycled in a mixture with virgin polypropylene via reinjection by plastics processors.
- Our subsidiary Armor Protéines has set up a new installation on one of its sites to avoid the use of cardboard boxes to over-pack products for customers, so saving more than 100 tons of cardboard per year.
- To reduce the environmental impact of its packaging on the African market, Milkana has entered into a partnership with the company Recyclast and undertaken an ambitious project: collecting and recycling 300 tons of plastic waste per year (and for five years), thereby creating 60 direct and indirect jobs (box managers + recyclers) in Abidjan Yopougon, Ivory Coast. Awareness-raising campaigns on ecological actions were also launched locally, in partnership with NGOs. Ten sorting containers, designed to collect waste for recovery, have been installed. Launched last June, the project has already enabled the collection of 85 tons of waste. Almost all of this waste was sorted, then reduced to flakes or granules to subsequently be recycled in the local plastics industry.
- The Servas site, in the Ain French Department, has implemented the recycling of single-use masks while supporting a 100% local sector. Local players take care of the sorting, the separation of materials and the transformation of masks. Some of it is recovered in the form of injected plastic parts to be transformed into flowerpots or mailboxes, for example. Tests are also underway to recover the yarn to make technical T-shirts.
- RichesMonts, specialist in raclette and mountain cheeses to be eaten hot, is involved in the Zero Waste Mountain operation, in partnership with the Mountain Riders association and the municipality of Mont-Dore (in the Puy-de-Dôme French Department). The brand organized an environmental protection awareness-raising day dedicated to its employees, who were invited to bring their families along to a waste collection operation in the mountains. This zero-waste hike, in addition to discovering the valley, made it possible to collect, sort and characterize 85 kg of waste. A meaningful partnership.
- Several actions were also carried out on our sites during the European Sustainable Development Week: raising awareness of eco-gestures, distribution of eco-bags for bulk purchases, etc.
- The deposit system for cans and containers of facility cleaning products continued in 2021.

**Key performance indicators**

In 2021, 68.3% of our non-hazardous waste was collected for recycling\*.

	2019	2020	2021
% of non-hazardous waste collected for recycling	68.0%	67.4%	68.3%

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

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

**4. Developing eco-design of our packaging**

**Issue, risk and policy**

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

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

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

**Actions implemented and results**

- The Oxygen steering committee, dedicated to the eco-design of packaging and in charge of monitoring the achievement of the set goals, met three times in 2021. It defined five priority areas for action:
  - reduce the use of materials at source;
  - ban controversial materials;
  - aim for 100% recyclability or biodegradability;
  - include as many recycled materials as possible;
  - prioritize the use of renewable materials.
- This year, 10 priority subjects were selected and the buyer/packaging developer pairs, set up in 2020, presented a one-hour presentation for each subject, open to all the Group's teams concerned.
- A forum dedicated to the eco-design of packaging brought together more than 200 Group employees in March. The objectives of this event were to allow employees to take ownership of the priority areas, illustrated by concrete examples and to inspire by sharing successful experiences within the Group.
- The key performance indicator has been clarified. It is included in our internal new product approval procedures.
- Packaging eco-design projects, based on all the objectives of the Eco-Design Charter, have been initiated by all the subsidiaries. 2021 was marked by a crisis in most packaging materials, with supply shortages. The implementation of the



planned optimization projects was greatly affected. However, here are a few examples:

- Milkana Tolle Rolle and P'tit-Louis Escargolo: switch from the plastic grouping bag to a recyclable paper bag allowing the elimination of 33 tons of plastic per year;
- Elle & Vire: integration of recycled plastic in the caps of one-litre cartons and the bands of small cartons: 11 tons of virgin plastic have been replaced by recycled plastic;
- Tartare: elimination of the sleeve on the pot format, i.e. 44% less packaging and 70 tons of cardboard saved per year;
- Apérivrais and St Môret cheese balls: elimination of picks: 21 tons of plastic eliminated.

**Key performance indicators**

Recyclable or biodegradable packaging made up 85% of all packaging in 2021.

	2019	2020	2021	2025 target
% of recyclable or biodegradable packaging	Information not available*	86.0%	85.0%	Aim for 100%

\* Indicator created in 2020.

**5. Application of the european taxonomy to the activities of SAVENCIA Fromage & Dairy**

The European Taxonomy of Sustainable Economic Activities aims to establish a classification of economic activities considered environmentally sustainable on the basis of ambitious and transparent technical criteria. The implementation of this benchmark intended to distinguish the economic activities contributing to the European objective of carbon neutrality – the Green Deal – underlines the extent of the economic and industrial transformations to be accomplished and the ambition of the European authorities in terms of sustainable finance and transparency. On the strength of its environmental, social and societal commitments, SAVENCIA adheres to the approach of the European Commission in its efforts to analyse activities and define technical review criteria intended to guide investments by public and private players towards projects contributing to the transition to a sustainable and low-carbon economy\*.

In accordance with European Regulation 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment within the European Union (EU) , SAVENCIA Fromage & Dairy, due to its status as a public interest entity, is required to publish, for the 2021 financial year, the share of its turnover, investments and eligible operating expenses resulting from products and/or services associated with economic activities considered sustainable within the meaning of the classification and criteria defined in the Taxonomy for the first two climate objectives. SAVENCIA Holding does not, to date, fall within the scope of this Regulation. The analysis and figures presented below therefore concern the activities within SAVENCIA Fromage & Dairy (hereinafter the Group).

This first assessment of eligibility was carried out on the basis of a detailed analysis of all of the Group’s activities, conducted jointly by the CSR Department, the Finance Department and the Operations Department, with regard to:

- the Commission Delegated Regulation of 4 June 2021 (the “Climate Delegated Act”) and its annexes supplementing Regulation (EU) 2020/852 by specifying the technical criteria for determining under which conditions an economic activity can be considered as contributing substantially to the mitigation of climate change or adaptation to it;
- the Commission Delegated Regulation 2021/2178 of 6 July 2021 and its annexes supplementing Regulation (EU) 2020/852 specifying how to calculate KPIs and the narrative information to be published.

The methodological elements from which the Group conducted its analysis are described below.

The Group will revise its methodology, its analysis and its calculations as the Taxonomy is implemented, the clarification of certain activities by the regulator, in particular the “Manufacture of food products and beverages” activities mentioned in the consultation of August 2021 of the future environmental objectives relating to biodiversity and the circular economy.

**Qualification levels used by the Group**

The first environmental objectives of the Taxonomy relating to the mitigation and adaptation to climate change prioritized the sectors of activity making a major contribution to greenhouse gas emissions at European Union level. Due to a business model based mainly on the production and distribution of cheese and dairy products, the activities of SAVENCIA Fromage & Dairy are not eligible with regard to these objectives. The CAPEX valued comes from investments associated with individual measures, including long-term rentals and various initiatives, such as installations promoting energy efficiency. The amount of OPEX within the meaning of the Taxonomy Regulation represents less than 3% of SAVENCIA Fromage & Dairy’s total operating expenses for the 2021 financial year and is not considered significant.

**Indicator calculations and explanations**

The Group has calculated the indicators in accordance with the provisions of European Commission Delegated Regulation 2021/2178 of 6 July 2021 and its annexes supplementing Regulation (EU) 2020/852 based on its existing processes and reporting systems and assumptions made by management.

The results cover the financial consolidation of SAVENCIA Fromage & Dairy as of 31 December 2021.

The financial information used was sourced from the Group’s information systems (monitoring of investments by the Operations Department, and accounting consolidation) following the annual closing of the accounts. They were analysed and checked jointly with the CSR Department, the Finance Department, the Operations Department and the Audit Committee.

\* [https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities\\_fr](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_fr)  
 \*\* <https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:32020R0852&from=F>  
 \*\*\* [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=PI\\_COM:C\(2021\)2800&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=PI_COM:C(2021)2800&from=EN)  
 \*\*\*\* <https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:32021R2178&from=EN>



	Eligible sales KPIs	Eligible CAPEX KPIs
Eligibility	No turnover eligible under objectives 1 & 2 of the Taxonomy	CAPEX related to individual measures and long-term rentals
		<b>7.6%</b>
KPI Taxonomy eligibility expressed	<b>0%</b>	<b>Proportion of eligible CAPEX related to IFRS 16: 5%</b>

No eligible turnover has been identified with regard to the objectives of mitigation and adaptation to climate change. Due to the absence of eligible turnover, the investments and operating expenses related to the activities contributing to the turnover could not be characterised as eligible.

The analysis of the eligibility of CAPEX mainly focused on identifying that defined by the Taxonomy of individual measures – i.e. which is not directly linked to eligible activities but which nevertheless consists of the purchase of the production of eligible activities. In particular, for SAVENCIA Fromage & Dairy, this concerns the acquisition or long-term rental of buildings, vehicles and renovation of existing buildings as well as ad-hoc work related to the energy efficiency of buildings.

The analysis of OPEX led to the amount analysed being considered insignificant with regard to the Group’s materiality thresholds. In fact, the ratio ‘Taxonomy OPEX Denominator’ over ‘Total Group OPEX’ is less than 3%, mainly made up of costs related to the manufacture and sale of products (supply, logistics, transport, marketing, promotion, and personnel costs). As a result, the low representativeness of Taxonomy OPEX, combined with the fact that the Group’s activities are not eligible to date, leads the Group to be exempted from the detailed calculation of the Taxonomy OPEX KPI.

OPEX materiality ratio	
Materiality of OPEX covered by the Taxonomy*	<b>2.3%</b>

*\* Direct uncapped costs related to (i) research and development, (ii) building renovation measures, maintenance and repairs, and all other direct expenses related to the daily maintenance of tangible assets by the company or by a third-party subcontractor, which are necessary to ensure the continuous and efficient operation of these assets, (iii) short-term rentals.*

In addition to the data published by the Group under the Taxonomy regulation, it should be noted that the Group has demonstrated a very strong commitment to the fight against climate change for many years. The objectives of the strategy, and the 2021 results, are described in greater detail in Chapter 4 Reducing our greenhouse gas emissions.

# Employee wellbeing

## 1. Ensure the safety of our employees

### Issue, risk and policy

Groupe SAVENCIA brings together close-knit entities united by a strong business culture which guides their behaviour and their actions. The wellbeing and the preservation of the physical integrity and health of the men and women working in and for the Group are the concern of all, and at every level of the organisation.

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

Over ten years ago, the Group initiated its focus on safety supported by the “SAFETY is OUR business” programme. This programme builds on our Health & Safety At Work Charter, cosigned by the Group’s Chairman and Vice-Chairman, underscoring our target of zero accidents in the workplace.

As each individual’s behaviour is key to improving day-to-day safety at our sites, the Group targets exemplary behaviour in all situations and in all environments involving industrial, logistic or administrative work.

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

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

The Group is committed to attaining zero workplace accidents, whether affecting our permanent or temporary employees.

### Actions implemented and results

• A set of operational rules intended to prevent the risk of high-severity potential accidents called “The 10 SAVENCIA Safety Essentials” was gradually rolled out in 2021. Each Safety Essential focuses on one risk and contains four rules that can be applied by everyone in all circumstances. The design of a deployment kit in all the Group’s languages has ensured the roll-out of the Essentials in all SAVENCIA subsidiaries.



- The SAVENCIA Welcome e-learning training course Health and Safety at Work was added to the integration process for new employees in 2021. This specific procedure on the risk of accidents at SAVENCIA is available in several languages. It consists of a module common to all Group employees entitled Zero accident objective, and a second module dedicated to managers. A SAVENCIA Security passport is issued once the training course is completed and the employee receives 100% correct answers on the quiz.
- In September 2021, the Group organised Safety Month for the first time, during which a Safety Challenge brought together 573 registered teams, i.e. more than 2,500 participants. This moment of sharing around the safety rules and good practices in the company for all of our sites and subsidiaries around the world was closed with a meeting including a speech by General Management and the awarding of prizes to the four winning teams.
- Monthly forums bringing together the entire global network of Group safety prevention specialists were organised remotely. Each forum had one of the 10 SAVENCIA Safety Essentials as its theme and enabled the sharing of best practices in terms of safety prevention through feedback and testimonials from participants.
- A new safety digital platform containing reference documents, best practices, and digital content on safety was launched in 2021 and is accessible to all Group employees.
- A plan aimed at reducing the risk of lost-time accidents at work for temporary workers has been launched in France. This plan consists of implementing a set of campaigns before, during and after the intervention of temporary workers on the industrial sites. Each quarter, a review of the system is carried out with the three partner temping agencies to continuously improve it.
- Occupational health and safety training was carried out in the subsidiaries during the financial year and represents 39% of training campaigns in the Group compared with 37% last year.
- Behavioural Safety Visits (BSV) are also regularly conducted on-site or remotely. In 2021, their number rose to 20,228. Their number is up by 31% compared with 2020.
- The frequency rate of workplace accidents. for both staff on payroll and temporary employees remained stable in 2021 at 10.7. During the year, 348 accidents resulting in time off were recorded, compared with 395 in 2020.

**Key performance indicators**

	2019	2020	2021
% of subsidiaries with no workplace accidents resulting in time off (permanent and temporary employees) during the year	34.9%	42.9%	48.4%

The increase in this indicator is explained by the reduction in the number of lost-time workplace accidents but also by a more heterogeneous distribution of these among the SAVENCIA subsidiaries. As a reminder, the Group has set a target of "zero" workplace accidents.

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

**2. Improve quality of life at work**

**Issue, risk and policy**

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

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

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

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

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

**Actions implemented and results**

- The next Great Place to Work survey will be conducted group wide in 2022. The priority today is to implement the action plans prepared within each subsidiary since the last Group survey carried out in 2019.
- A charter governing the remote working methods within the Group has been signed. It gives employees, whose position is compatible, the ability to regularly work remotely up to two days a week without forcing them to do so.
- Different aids have been offered to employees to adapt their personal environment to teleworking, such as the "IT Kit" with a double screen, the "Comfort Kit" allowing expenses for adapted equipment to be covered, and the "Ergonomic Kit" for employees whose state of health requires specific adaptation of their workstation.
- E-learning training modules were specifically launched this year to help managers and employees adapt to remote working.
- Working Conditions Interviews have been planned to validate with employees and their managers the conditions of teleworking in all its dimensions.
- In France, an anonymous listening unit is made available to employees.
- Individualized social reports were distributed to 5,940 employees in France, 19% of which were deposited in electronic format in personal safes.
- The subsidiary SAVENCIA Produits Laitiers France (SPLF) conducted the Great Place To Work survey again in 2021 and obtained a score of 75% in the trust index allowing it, after completion and submission to a dossier, to be certified Great Place To Work.



• Average Group-wide seniority remained stable in 2021 at 13.3 years.

**Key performance indicators**

	2017-2019	2018-2020	2019-2021	2025 target
% of subsidiaries having performed an internal employee survey in the last three years*	98%	99%	99%	100%

\* The calculated rates are assessed with regard to the past three years and are calculated on a comparable scope (subsidiaries present within the Group scope from 01/01/2015 to 31/12/2018 and having at least 20 permanent employees).

**3. Develop employee skills**

**Issue, risk and policy**

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

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

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

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

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

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

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

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

**Actions implemented and results**

- The Top Employer certification of European countries has made it possible to obtain the Top Employer Europe label for the eighth consecutive year. These are: Germany, Belgium, Spain, France, Poland, the Czech Republic and Slovakia. China received Top Employer certification for the third year running. Brazil, South Korea and India achieved Top Employer certification for the first time.
- The Group's training offer has adapted to the health context and become more digital this year, as illustrated by the launch of the SAVENCIA Master Classes. These programmes presented by the Group's internal experts and screened live helped support the Group's skills development policy. Several training courses have thus been adapted to this format, such as the New Managers Training course, which has enabled the integration of more than 268 employees throughout the world.
- The "500 Apprentices" Group campaign aimed at recruiting 500 apprentices for the start of the school year in September was renewed in 2021. Bi-monthly meetings were organised with apprentice correspondents appointed within the French subsidiaries to follow the progress of the campaign.
- In February 2021, all the apprentices were invited to a remote meeting organised and presented by the Group's Management and former apprentices to report on their experience at SAVENCIA.
- This year, two Graduate Programmes were launched in France for the Sales & Marketing and the Operations. These programmes, lasting four to five years, include three job rotations, one of which is international, to support new SAVENCIA employees in their professional development.
- Three international subsidiaries have also developed and launched their own Graduate Programme. These are Delaco in Romania, Mlekoproduct in Serbia and BMK in Russia.

**Key performance indicators**

	2019	2020	2021
% of employees trained during the year	73.8%	63.2%	74.0%

The Group has been able to adapt to the context of the health crisis and a large part of the training has been digitized, allowing the improvement of the key performance indicator in 2021. As a reminder, the Group's objective is to continue developing employee skills.

	2019	2020	2021	2025 target
Number of ongoing apprenticeship contracts	321	439	491	458

The target of doubling the number of work-study students by 2025 *versus* 2015 has been exceeded. A review will be launched in 2022 to redefine the key performance indicator or the associated target.



## 4. Commit to diversity and inclusion

### Issue, risk and policy

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

The Group strives to promote gender equality in terms of qualification, training, remuneration and career development. In the framework of its Oxygen plan, SAVENCIA has committed to achieving gender parity in managerial positions by 2025.

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

- awareness-raising to combat stereotypes;
- continued employment;
- recruitment of handicapped persons;
- development of partnerships with the sheltered/disability-friendly sector.

### Actions implemented and results

- On average, 86% of women (all socioprofessional categories combined) had the benefit of at least one training session in 2021 compared with 61% in 2020.
- A specific budget envelope is planned to make up for any pay gaps observed between men and women in equivalent positions.
- A working group made up of volunteers was set up at headquarters to identify concrete actions to be implemented to promote equality between men and women.
- Communication of the Group's 2021 gender equality index in France: 86/100 and identification of areas for improvement.
- The SAVENCIA Cheese USA subsidiary joined the United Nations global solidarity movement "#HeforShe". This solidarity campaign aims to involve men in the fight for gender equality, encouraging them to take action against the inequalities faced by men and women.
- Within the framework of the Meetings of the Organization of Serbian Businesswomen, the subsidiary Mlekoprodukt received from the Deputy Prime Minister of the Republic of Serbia and Minister of Energy the "Flower of success for the dragon woman" award which rewards the companies most attentive and committed to the fight for gender equality.
- The Arias subsidiary has been audited and the national "Equality in the Company" certification has again been successfully obtained for the next 3 years. Follow-up audits will be carried out every year to ensure that the certification is maintained.

- Throughout European Disability Employment Week, the Group is committed to raising awareness among its employees and combating stereotypes about disability through digital games, information meetings and awareness-raising workshops.
- The DUO-DAY scheme was rolled out in 2021. Thirty-four handicapped people were welcomed to discover, in pairs with an employee, the business lines and industrial or administrative activities of the Group's subsidiaries.
- A network of Disability correspondents has been set up in France to coordinate all campaigns and encourage the sharing of best practices throughout the region.
- The subsidiary Sodilac teamed up with the service provider Conseil & Handicap to develop an application accessible to all its employees delivering awareness-raising articles on the theme of disability, the recognition as a disabled worker and having a specialized feedback unit on disability.
- The percentage of disabled employees was 3.3% in 2021 compared with 3.1% in 2020.

### Key performance indicators

	2019	2020	2021	2025 target
% of women managers	42.0%	42.4%	42.6%	50.0%

The results of the key performance indicator have been virtually stable since 2019. Discussions are underway within the Group to achieve the objective of gender parity among managers by 2025.

## 5. Encourage solidarity commitment

### Issue, risk and policy

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

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

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

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



**Actions implemented and results**

- the Group renewed its sponsorship agreement with Planète Urgence, which allows volunteer employees the opportunity to spend two weeks on a humanitarian mission as part of a socially inclusive vacation providing their skills to a local NGO in Africa, Asia or South America. This year, however, employees were unable to travel due to the health crisis. A newsletter was published on the socially inclusive vacation that took place in 2019 to share this humanitarian experience with all Group employees.
- Since 2011, the “Arrondi sur salaire” programme enables volunteer employees to donate the cents portion of their net monthly pay. Groupe SAVENCIA matches their donation amount. This year, 1,061 employees who joined the programme made it possible to collect and donate more than 21,000 euros to the four partner associations.
- At Group level, our “Bien Nourrir l’Homme” endowment fund supports employees playing active roles in associations, and it finances projects designed to enable all, and in particular children, obtain year-round access to healthy, balanced and sustainable food (e.g. via school canteens, community grocery stores, market gardening, animal husbandry, dietary education etc.). For example, this year, the “Bien Nourrir l’Homme” endowment fund supported the Bayon School association in the opening of an agroecology school in Siem Reap. It offers a 12-month diploma course based on the principles of sustainable agriculture and aims to train young people from the disadvantaged regions of northern Cambodia.
- The “Bien Nourrir l’Homme” endowment fund launched its first call for external projects aimed at general interest organisations in France and received around a hundred applications. Eight winning projects were thus selected, three in France and five internationally.
- A digital cooking workshop for Food Banks was led by chef Sébastien Fare from La Maison de l’Excellence SAVENCIA to remotely train their facilitators in the creation of simple recipes.

- The Asia Pacific business teams have mobilized to carry out activities dedicated to people and the planet. For example, the Hong Kong teams have partnered with the Food Angel by Bo Charity Foundation and Hope Delivery respectively to help prepare meals for underprivileged communities.
- In partnership with the EM Lyon Business School, the subsidiaries of the Alliance Fromagère division, CF&R, Elvir, Fromarsac, Fromageries des Chaumes, Fromageries Perreault, and SPLI supported the runners in the “Raid Hannibal” by donating cheese and dairy products, thus contributing to the refreshments, snacks and meals for the 400 students from Grandes Ecoles taking part in this four-day trek in the Alps.
- In 2021, 25% of subsidiaries supported employees in carrying out solidarity campaigns in connection with our “Leading the way to better food” mission versus 13.2% in 2020.
- In 2021, 31% of subsidiaries made employees available to carry out solidarity campaigns or events compared with 17.6% in 2020.

**Key performance indicators**

	2019	2020	2021	2025 target
% of subsidiaries supporting at least one solidarity campaign*	30.2%	35.2%	52.7%	100%

\* The key performance indicator % of subsidiaries carrying out at least one solidarity campaign in connection with our “Leading the way to better food” mission was expanded this year to better reflect the commitment of our subsidiaries in the area of solidarity. It now corresponds to the % of subsidiaries supporting at least one solidarity campaign and includes all the individual or collective initiatives undertaken by the subsidiaries or their employees to promote solidarity, both locally and internationally.

Many solidarity campaigns were carried out by the subsidiaries in 2021, resulting in a sharp increase in the key performance indicator.

# Society at large

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

## 1. Respect for human rights

### Issue, risk and policy

The Group is attentive to compliance with human rights and fundamental liberties and to respecting the conventions of the International Labour Organization (ILO), in particular for the following two themes.

All the policies implemented by the Human Resources Department, in accordance with the Group’s culture and values, seek to promote respect for fundamental human rights, and health and safety at work, social dialogue and the free expression of its employees, thanks to the following actions:



- individual employee development and collective cohesion:
  - progressive worldwide extension of the annual individual review;
  - promotion of social dialogue via employee representation.
- compliance with local laws and cultures with regard to age:
  - no child labour;
  - no age discrimination.

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

For 19 years, SAVENCIA Fromage & Dairy has been renewing its membership and so reaffirming its commitments, particularly in terms of social requirements and fundamental human rights, in all the countries where it operates.

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

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

**Actions implemented and results**

- The Group Ethics and Culture Committee (CECG) is tasked with ensuring respect and sustainability of the Group's culture and in particular ensures compliance with ethical behaviour in all activities within the subsidiaries. This committee, which includes the Group's Chairman, Corporate Secretary, Compliance Director, Human Resources Director, Legal Director and CFO, held four meetings in 2021. During its bi-annual meetings, issues relating to compliance and culture are addressed, along with any alerts raised, where applicable. Special purpose meetings may also be convened to cover any special matters that arise.
- Due diligence obligations are assigned to a dedicated Compliance Division function. The Group has thus confirmed its determination to promote human rights and fundamental freedoms to all parties in the value chain.
- An alert mechanism and collection of reports relating to the duty of vigilance is made available to employees and stakeholders outside the Group through a single technical system of "Compliance" alerts, jointly with the Corruption alert system (see chapter "Combating corruption").
- In accordance with the law relating to the duty of vigilance of parent companies and contracting companies, a vigilance plan is established annually to assess and thus prevent serious harm related to the activities of the company and those of its subcontractors. and suppliers, whether with regard to human rights, fundamental freedoms, health, personal safety or the environment. This plan is available online on the Group's website.

- Materials covering the implementation of due diligence obligations are made available to Group employees with an e-mail address, via the internal digital platform. All procedures, key documents and training materials are placed on the platform.

- Additional information is provided in the chapter "Duty of vigilance".

**Key performance indicators**

The results of the deployment of the Responsible Purchasing Charter are available in the "Promote responsible purchasing" section.

**2. Combating corruption**

**Issue, risk and policy**

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

Our action principles and rules of conduct are included in the Ethical Charter, "The Group and its Culture", given to each new employee joining the Group. The Group's Ethical Charter and internal control system help prevent and detect all forms of corruption. Certain countries are subject to special scrutiny on these essential points.

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

The Group's subsidiaries undertake to:

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

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

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

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

**Actions implemented and results**

- The deployment of training on issues related to corruption and ethics continued in 2021.



- A whistle-blowing procedure, and an Anti-corruption Code of Conduct translated into 19 languages are applied, and compliance correspondents monitor the implementation of compliance systems in all subsidiaries as closely as possible to employees.
- A Purchasing Code of Conduct sets out the rules for purchasers in their dealings with suppliers in the four major areas of ethics and integrity, communication and collaboration, performance and progress, and sustainable and responsible sourcing.
- The internal compliance whistle-blowing system is operational with a special telephone number and e-mail address. To guarantee the confidentiality and security of information shared, only three members of the Compliance Division, including the Compliance Director, are authorized to receive calls and view e-mails from these systems. Alerts are then handled, if necessary, by the crisis unit for a prompt, measured response. In 2020, the informative poster for the Group internal whistle-blowing system, reviewing the proper procedure to follow, was translated into 19 languages and posted at all our sites.
- As part of Compliance with applicable laws and regulations, the Data Protection Officer (DPO) is responsible for implementing the General Data Protection Regulation (GDPR) and overseeing its application within the Group. Each of the European Union subsidiaries has appointed a GDPR correspondent who has been trained over the past two years by the DPO, as have the general managers. In addition, employees likely to be involved in data processing follow training in digital format. In 2021, 88.4% of these employees concerned were trained.
- All the Group's compliance documents are available freely on an internal digital platform.

**Key performance indicators**

	2019	2020	2021	2025 target
% of employees concerned*, trained on the concept of ethics and fraud	92.5%	84.9%	96.7%	100%

\* Under the so-called "Sapin II" law.

The progress of this indicator is linked to two factors: on the one hand, the Group's desire to include this type of training in the compulsory integration process for new employees, and on the other hand, the practice of teleworking which has encouraged the development of e-learning training courses.

**3. Combating tax evasion**

**Issue, risk and policy**

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

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

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

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

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

**Actions implemented and results**

- The tax Department of the Finance Division also monitors and updates the list of non-cooperative states prepared by the Council of the European Union to ensure that the Group meets its obligations in this area.
- The Group's internal audit teams ensure that the procedures defined by the Group are properly applied when they perform reviews at subsidiaries.
- The Group deliberately does not have a taxable base, nor assets in countries charging little tax and not party to the OECD Convention on Mutual Administrative Assistance in Tax Matters.
- The Group's effective tax rate is higher than the weighted average of local tax rates incurred. In 2021, it stood at 40.6%.

**Key performance indicators**

	2019	2020	2021
Number of non-cooperative states and territories <sup>(1)</sup> in which the Group operates	0	0	0

In 2021, and as has been the case for many years, the Group was not established in any non-cooperative states or territories<sup>(1)</sup>.

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

[https://www.oecd.org/ctp/exchange-of-tax-information/Status\\_of\\_convention.pdf](https://www.oecd.org/ctp/exchange-of-tax-information/Status_of_convention.pdf)

<https://www.consilium.europa.eu/en/policies/eu-list-of-non-cooperative-jurisdictions/>

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

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



# Overview and outlook

In an uncertain economic context still disrupted by the health crisis, the Group maintained the course of sustainable growth and continued the deployment of its Oxygen CSR plan with all of its subsidiaries in 2021. To promote the sharing of best practices, 870 participants from 25 different countries were brought together at Savencia CSR forums.

SAVENCIA Fromage & Dairy ranks 2nd in the consumer goods sector in the ESG Gaïa Research 2021 ranking; rewarded for its performance in social, environmental and business ethics matters. Two of our subsidiaries have also been awarded in the France Relance plan, for decarbonization projects and the development of plant-based products using French raw materials. A major investment plan has been carried out in France in favour of the decarbonization of industrial sites. A committed player in the food transition, SAVENCIA created the “Institute for a positive food” in 2020, bringing together recognised and independent experts, making scientific data available to the general public in favour of healthy and sustainable food.

In 2022, SAVENCIA will continue to support consumers towards adopting a diet that combines pleasure, naturalness and health, with #PositiveFood campaigns and balanced recipes. Keenly aware of societal changes, SAVENCIA is launching its Animal Welfare Charter in 2022, which will be rolled out gradually with farmers in France and internationally. Campaigns to reduce the environmental footprint will continue across all industrial sites, as will the eco-design action plans for packaging. After measuring its full scope carbon footprint, the Group will initiate a process to contribute to carbon neutrality. The Group received the Top Employer Europe 2022 certification, as well as in 4 countries outside Europe. Particularly committed to safety and quality of life at work, SAVENCIA will continue to deploy its progress plans in this area.

In a world that is still uncertain and unpredictable, the SAVENCIA teams demonstrate a remarkable commitment, around strong values and the Oxygen roadmap. This commitment allows us to look to the future with confidence to meet the challenge of the food and environmental transition.

# Organization of reporting

## Organization of reporting

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

The Group’s CSR Department is a preferred contact for the Group’s external auditors.

## Scope

- “Healthy, delicious and responsible eating” aspect: 100% of subsidiaries.
- “Employee wellbeing” aspect: 100% of the workforce registered at the end of the period.
- “Environmental footprint” aspect: 100% of production sites.

## Reporting procedures and guides

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

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

## Reporting tools

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

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

## Consolidation and internal control

At Group level, the persons in charge of CSR reporting consolidate the data collected to prepare the Group indicators presented in this chapter.

They also ensure internal control over the data by checking for consistency and coherence. To this end, consistency tests are carried out on the indicators, variations are highlighted and justified.

The significant discrepancies identified are analysed with the data contributor.

## External verification

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

# KPI overview 2021

## SAVENCIA Fromage & Dairy

SAVENCIA KEY ISSUES	KPI	2020	2021	2025 objective	Progress
<b>HEALTHY, DELICIOUS AND RESPONSIBLE EATING</b>					
Implement a Clean Label approach on 100% of new branded products	% of new branded products having adopted a Clean Label approach	65.5%	58.6%	100%	↘
Implement clear nutritional information for 100% of our branded products	% of branded retail products including per-portion nutrition labeling	42.9%	47%	100%	↗
<b>A SUSTAINABLE AGRICULTURE</b>					
Expand the Best Farming Practices Charter to all our milk collection areas worldwide	Expand the Best Farming Practices Charter worldwide (% milk volume collected)	83.1%	85.8%	100%	↗
Deploy our "Sustainable Milk Production" diagnosis	Deploy the Sustainable Milk Production diagnosis (% volume milk collected)	19.2%	21.6%	50%	↗
Develop responsible purchasing from all our suppliers excluding agricultural raw materials	% of Group external expenditure overseen by the Purchasing function and carried out with major suppliers under the Responsible Purchasing Charter	63.2%	68.6%	80%	↗
	% of Group external Expenditures overseen by the Purchasing function and carried out with major suppliers under EcoVadis evaluations	68.7%	71.5%	80%	↗
<b>ENVIRONMENTAL FOOTPRINT</b>					
Reduce greenhouse gas emissions from production and transport	Reduction of GHG Scopes 1 & 2 (equiv. tonnes CO <sub>2</sub> /tonne produced)	-4.6%	-5.9%	-20%	↗
Reduce carbon footprint associated with our milk collection	Reduction in the carbon footprint associated with our milk collection (volume of milk collected, in equiv. tonnes CO <sub>2</sub> total compared with 2010 in France)	-252,000	-282,000	-300,000	↗

SAVENCIA KEY ISSUES	KPI	2020	2021	2025 objective	Progress
<b>ENVIRONMENTAL FOOTPRINT</b>					
Reduce water withdrawals	Reduction of water withdrawals (in m <sup>3</sup> /tonne produced)	2.3%	2.2%	-10%	↘
Reinforce the sorting and recovery of industrial waste by contributing to circular solutions	% of non-hazardous waste collected for recycling	67.4%	68.3%	-	↗
Develop eco-design of our packaging	Rate of recyclable or biodegradable packaging	86%	85%	Aim for 100%	=
<b>EMPLOYEE WELLBEING</b>					
Ensure our employees' safety	% of subsidiaries with no workplace accidents resulting in time off (permanent and temporary employees) during the year	42.9%	48.4%	Target of zero accidents in the workplace	↗
Improve quality of life at work	% of subsidiaries having performed an internal employee survey in the last three years	99%	99%	100%	=
Develop competences	% of employees trained during the year	63.2%	74%		↗
	Number of apprenticeship contracts	439	491	458	↗
Commit to diversity and inclusion	% of women among managers	42.4%	42.6%	50%	=
Encourage solidarity commitment	% of subsidiaries supporting at least one solidarity campaign	35.2%	52.7%	100%	↗
<b>SOCIETY AT LARGE</b>					
Combat corruption	% of employees concerned*, trained on the concept of ethics and fraud	84.9%	96.7%	100%	↗
Combat tax evasion	Number of non-cooperative states and territories in which the Group operates	0	0		=



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