

WORKING TOGETHER TOWARDS SUSTAINABLE DAIRY PRODUCTION

BY LIMITING BEL'S IMPACTS ON THE ENVIRONMENT
LINKED TO MILK PRODUCTION

ANIMAL FEED

Global impacts of the livestock chain

Bel collects each year roughly 2 billion liters of milk from more than 2,500 independent dairy farmers. They feed their cows mostly with forages, maize silage and fresh grass, usually growing on their farms. Additionally, parts of the dairy feed are purchased from the animal feed industry.

This purchased feed, the so-called concentrate feed, is balancing the dairy cow's diet by delivering proteins and energy needed to support the dairy cow in its milk production. Concentrate feed is made up from various ingredients such as cereals (corn, wheat), soy and palm kernel expeller (PKE), mainly coming from Brazil and South-East Asia. PKE is a by-product of palm oil production and 80% of the PKE imported to Europe is used for animal feed.

Using co-products of soy and palm for dairy production valorizes the full potential of these plants.

GRAPH OF AVERAGE FEED INTAKE OF DAIRY COWS
(Data: Bel France, WWF's calculations in dry matter, 2013)



The UE imports every year 32 million tons of soy meal to provide its farmed animal with proteins. Europe is also the first importer of PKE with 2.5 million tons in 2014-2015.

WWF is concerned about the feed production threatening high conservation value ecosystems and biodiversity like the Amazon rainforest in Brazil.

To reduce the impacts of animal feed production, the NGO has identified the dairy sector as a priority engagement target. Bel Group is aware that the scope of its environmental responsibility is not only restricted to its core business (cheese production, packaging, transport and distribution), but also extends to the upstream level of its activity (farmers). The Group also identified that upstream milk production accounts for the largest part of its products' environmental impacts.

Sharing the same vision, WWF and Bel recognize that animal feed is a key component towards sustainable milk production and work together to achieve more sustainable animal feed.



NEARLY 2 BILLION

liters of milk per year

2,500

independent milk producers



79,500 TONS

of soy meal per year used by Bel's dairy farmers in the world



45,800 TONS

of palm kernel expeller (PKE) per year used by Bel's dairy farmers in the world

FACT SHEET

COMMON OBJECTIVE

Working to stop deforestation linked to animal feed

In November 2012, WWF and Bel joined forces in order to reach a common objective: to limit the impacts on the environment linked to milk production. Designed as 3 year approach, the partnership work focused first on gaining a deeper understanding about the feed composition (ingredients, quantities, origin etc.) and assessing its environmental footprint.

After identifying those components with the biggest impacts, the partners are now taking various mitigation actions to increase the sustainability of the current animal feed mix.



UNDERSTANDING THE GLOBAL IMPACTS OF DAIRY COW FEED

When evaluating the effects linked to each component of dairy cow concentrate feed, two ingredients stick out in terms of their environmental impacts: soy and palm (palm kernel expeller [PKE]). Both are associated with deforestation in their countries of origin and are furthermore linked with negative effects on their eco-social systems.



SOY MEAL

is a co-product of soy bean after soy oil is extracted. It has a high protein content and a good amino-acid profile which makes it a good feed supplement for dairy cows. Soy meal is used in the vast majority of Bel's milk sourcing countries.



IMPACTS IN SOUTH AMERICA

Over recent decades, soy has undergone the greatest expansion of any global crop. In the last 50 years, the production of soy has grown tenfold, from 27 to 269 million tons. This growth has come with negative environmental impacts. Farmland conversion threatens the Amazon rainforest and the Cerrado savanna. In addition, soybean farming is often associated with poor working conditions and land grabbing.



PALM KERNEL EXPELLER (or PKE)

is a by-product of palm kernel oil production. PKE is produced when palm kernel oil is extracted from palm kernels. It is used as a feed supplement for livestock, supplying mainly energy and fibers. PKE is used as a feed supplement in some of Bel's milk sourcing countries like the Netherlands and Portugal.



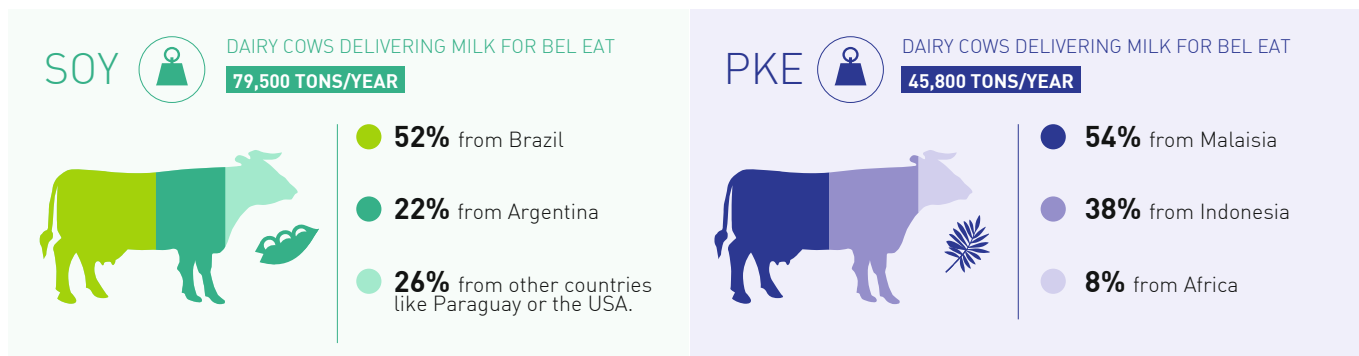
IMPACTS IN SOUTH-EAST ASIA

Global production of palm oil has doubled over the last decade. Worldwide demand for palm oil is expected to double again to 120 million tons by 2050. New plantations are being developed and existing ones expanded, be it in Indonesia, Malaysia and other Asian countries, as well as in Africa and Latin America. But this expansion comes at the expense of tropical forest – which forms critical habitat for a large number of endangered species.

FACT SHEET

WHAT GETS MEASURED GETS DONE

In order to be able to take specific actions, WWF conducted an assessment of the quantity of soy and PKE needed to produce Bel's annual milk volumes in the world.



There is good reason to be concerned about the effects the production of these two commodities has on the environment as well as on local communities and Bel is conscious about its enlarged responsibility. Both WWF and Bel are convinced that it is possible to produce them in a responsible manner.

PART OF THE SOLUTION: RESPONSIBLE PRODUCTION STANDARDS

In order to respond to these challenges, multi-stakeholder initiatives have been set up. **These roundtables promote responsible production of soy and palm through credible global standards and engagement of stakeholders.** They aim at transforming the market by making sustainable production the norm. A certified plantation guarantees, for example, that the cultivation of the commodities does not impact primary forests or high conservation value areas and respects good labor conditions.

Together with WWF, Bel decided to join these roundtables, thereby committing to continuously report on its progress. In June 2014, Bel became a member of the Round Table on Responsible Soy (**RTRS**). And since August 2015, the group joined the Round Table on Sustainable Palm Oil (**RSPO**).



- ✓ Good environmental practices and responsible expansion
- ✓ Legal compliance
- ✓ Good business and labor practices
- ✓ Responsible community relations
- ✓ Transparency



- ✓ Environmental responsibility
- ✓ Responsible development of new plantings
- ✓ Good community relations
- ✓ Fair working conditions
- ✓ Transparency

A FURTHER STEP: PURCHASE RTRS AND RSPO CERTIFIED COMMODITIES

As a further step to its membership, **Bel supports RTRS and RSPO via buying so-called credits** to offset the volumes of soy and PKE used in cow feed by its dairy producers in the world. One credit of responsibly produced soy or PKE is equivalent to one ton of certified commodity. Bel thus covers with the purchase of credits the volumes of soy and PKE used within its dairy feed.

By acquiring credits, farmers are encouraged to pursue a certified form of commodity production with a premium price. This means that the availability of sustainably sourced commodities on the market is stimulated.

By purchasing RTRS and RSPO certificates, Bel supports responsible production.



FACT SHEET

ZOOM IN

PARTNERSHIP PROJECT IN MATO GROSSO, BRAZIL



Responsible production in Brazil

To make its commitment more meaningful, the Bel Group has supported a field project to help soy farmers in Brazil's Mato Grosso state obtain RTRS certification through the adoption of more sustainable practices. Bel has supported a project of WWF to ensure biodiversity conservation through responsible soy production in Brazil. Within the project "People who produce and preserve" farmers are supported on their way towards RTRS certification.

Bel purchases the credits of the RTRS certified soy produced within the project to cover the soy quantity necessary for its animal feed.



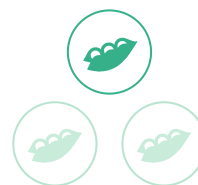
**64,225 HA
OF SOY PRODUCTION**

have been certified,
covering the totality of
Bel's soy volumes.



23 SOY PRODUCERS

have been part of the
project.



**320,000 TONS
OF CERTIFIED SOY**

have been produced since
the beginning of the project.

Presentation of the partners



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The WWF is one of the very first independent environmental-protection organizations in the world. **With an active network in more than 100 countries and the support of 6 million members worldwide**, the WWF works to halt the destruction of the planet's natural environment and to build a future where people live in harmony with nature by protecting global biological diversity, ensuring sustainable use of renewable natural resources and encouraging the reduction of pollution and waste.

For more information see: www.wwf.fr



BEL-GROUP.COM

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The Bel Group is a world leader in branded cheese and a major player in the healthy snack market. Its portfolio of differentiated and internationally recognized brands, including such products as The Laughing Cow®, Kiri®, Mini Babybel®, Leerdammer®, Boursin® as well as some 20 local brands, enabled the Group to generate sales of €3.3 billion in 2018. The acquisition of MOM rounds out a portfolio of strong brands, notably with the addition of the Pom'Potes® and GoGo squeeZ® brands. **12,600 employees in some 30 subsidiaries around the world contribute to the Group's success.** Bel products are manufactured at 32 production sites and distributed in nearly 130 countries.

For more information see: www.groupe-bel.com



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