BEL POLICY ON BIODIVERSITY

PRESERVING BIODIVERSITY AND NATURAL ECOSYSTEMS

2024

WWF

TOGETHER
TO PRESERVE
BIODIVERSITY

bel for all for good

CONTEXT

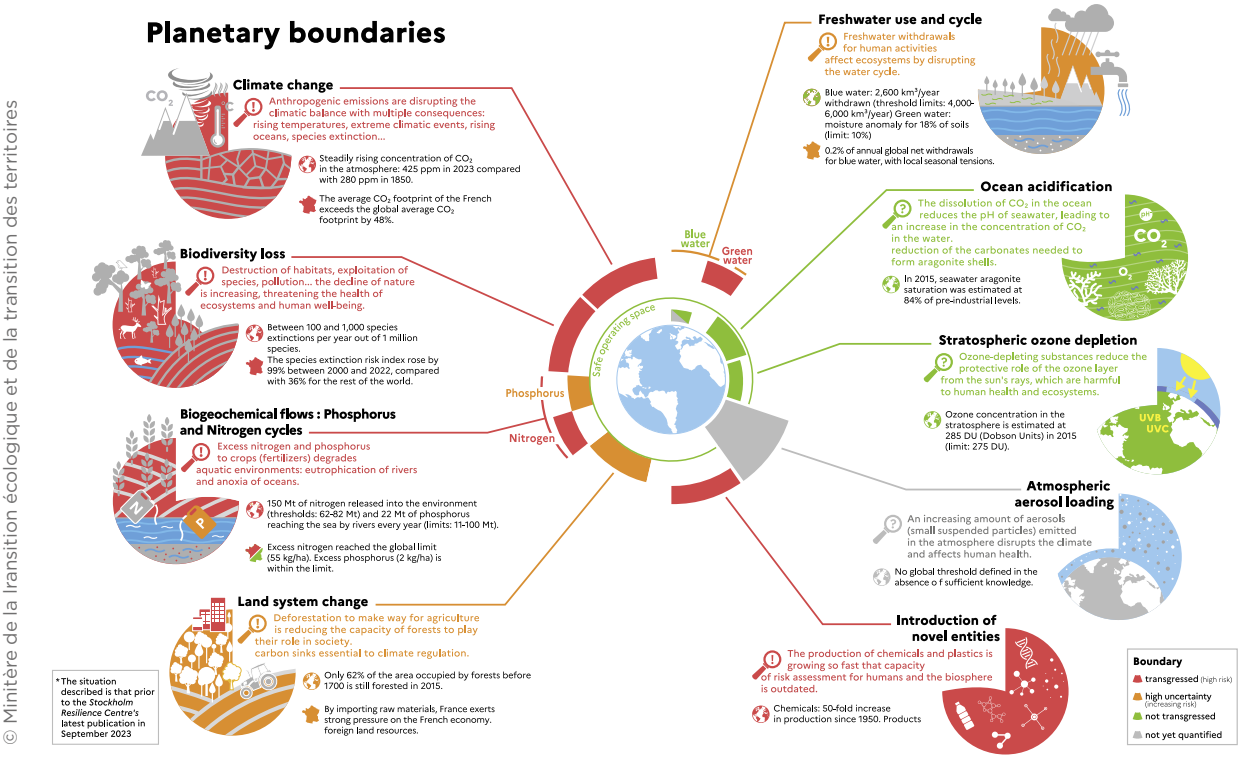
As a global player in the healthy snacking market, including dairy, plant-based, and fruit snacks in individual portions, the Bel Group works daily to contribute to the challenge of feeding 10 billion people by 2050 without compromising the planet's resources. This challenge can only be met if companies fully integrate the protection and restoration of biodiversity into their business development.

Biodiversity can be defined as "the diversity within species, between species, and of ecosystems"[1]. Species evolve and interact, enabling ecosystems to function. From functioning ecosystems, human societies draw a variety of services and benefits called ecosystem services. Among these services are provisioning services (such as food, raw materials, etc.), regulation and maintenance services (including pollination control carbon capture and storage, water purification, etc.), and cultural services (encompassing interaction, spirituality, etc.)[2].

Today, the situation is clear: biodiversity is in danger. The WWF's 2024 Living Planet Report reveals an alarming decline in wild species populations, with an average drop of 73% in vertebrate populations (mammals, birds, amphibians, reptiles, and fish) since 1970. This decline is primarily due to habitat loss, overexploitation, pollution, invasive species, and climate change.

The degradation of natural habitats, such as soil, water, and the atmosphere, is particularly severe and is worsening rapidly. In 2022, 40% of land was degraded[3], compared to 25% in 2017. In 2024, the sixth planetary boundary for freshwater was exceeded, endangering aquatic and terrestrial ecosystems. Meanwhile, the concentration of CO2 in the atmosphere has increased 1.5 times between 1850 and 2023, contributing to climate changes that further disrupt natural habitats and biodiversity.

However, the food industry depends on biodiversity: for example, more than 75% of food crops depend on insect pollination[4]. This is why it is urgent to act now.



[1] cbd-fr.pdf
[2] 2024 Living Planet Report (panda.org)
[3] UNCCD Global Land Outlook 2022
[4] The assessment report on pollinators, pollination and food production, IPBES, 2016

CONTEXT

GLOSSARY

ABOUT THE VALUE CHAIN:

- **Scope 1:** refers to the manufacturing of the products at the factory.
- **Scope 2:** refers to the energy required for the manufacturing of products.
- **Scope 3:** refers to the remainder of the value chain, from agricultural upstream to downstream distribution.

Land Use[5]: the amount of agricultural land required yearly to produce goods, whether manufactured or sourced by a company, reported in hectares.

Land Use Change[6]: modification of the use of a land area, generally for activities such as agriculture, urbanization, deforestation, conversion of agricultural land to urban areas, etc.

Regenerative Agriculture: There is no official definition of regenerative agriculture, but a consensus over its main principles: a holistic vision of agriculture that involves producing and restoring ecosystems through practices such as cover crops, reduced soil tillage, agroforestry, etc., which have a direct positive impact on soil health and fertility, water cycle stability, biodiversity, and atmospheric carbon sequestration in production ecosystems.

Peatland: a wetland area colonized by vegetation in a water-saturated environment. These environments are sometimes called «the kidneys of the planet» due to their ability to retain and filter water[7].

Eutrophication of Aquatic Environments: a form of pollution that occurs when an aquatic environment receives an excessive amount of nutrients such as phosphorus and nitrogen (present in fertilizers). This excess of nutrients in the water stimulates the proliferation of algae, which can lead to a decrease in oxygen levels in the environment and impact aquatic life[8].

[5] Land Occupation Technical Guide, SBTN 2024
[6] Le changement d'usage des terres et des mers, Fondation pour la recherche sur la biodiversité
[7] Tourbières et marais, des zones humides remarquables, Encyclopédie de l'environnement, 2020
[8] Eutrophisation : Manifestations, causes, conséquences and predictability, CNRS, 2017

BEL'S CHALLENGES

Biodiversity is everywhere, and Bel is aware that each of its operations can impact it, and that the Group is also highly dependent on this biodiversity and its state of preservation. The Group's activities are varied (dairy, fruits, and other plant-based products) and are located in a wide range of regions and ecosystems, whose natural richness it is essential to protect.

Here are the biodiversity pressure factors to which the Group contributes, classified according to the IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services) methodology:

1. **Land use change**, through **deforestation-related risks** and the conversion of natural ecosystems that can be induced by the sourcing of raw materials (milk, plant-based raw materials, fruits, packaging);
2. **Overexploitation of natural resources,** such as soil and water;
3. **Climate change,** related to greenhouse gas emissions;
4. **Soil and water pollution,** through the fate of packaging as well as pollution caused by agricultural production and production sites.

Bel's challenge is to embrace all biodiversity issues at the soil, water, and atmospheric levels, and to act responsibly across the entire value chain:

- **The upstream,** where the raw materials used by the Group are produced;
- **At production sites,** where products are manufactured (water and energy needs);
- **The downstream of production,** particularly for water treatment and end-of-life products;
- And **beyond the Group's value chain** to preserve and restore biodiversity and ecosystems.

BEL'S AMBITION

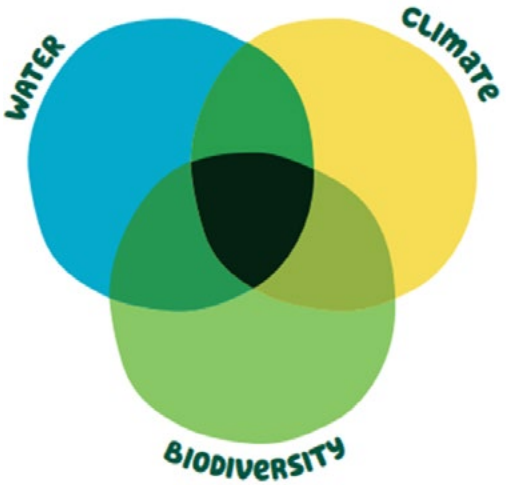
The Group is convinced that it is vital to place living organisms at the center of its concerns. Bel's ambition is to preserve and restore biodiversity from farm to fork, with the aim of promoting sustainable and responsible production of its products throughout the value chain.

This belief is reflected in an ambitious biodiversity policy, overseen by the Chief Impact Officer[9], and a dedicated action plan across the entire value chain, enabling the Group to work hand in hand with all its stakeholders, including farmers and growers, to preserve biodiversity.

[9] *In charge of Finance and CSR at Group Bel*

GOVERNANCE

The essential mechanisms for the planet's balance are interconnected and interdependent: for example, healthy and living soils have numerous positive impacts on the water cycle, carbon storage, and biodiversity; similarly, the disruption of the freshwater cycle or land use change exacerbates biodiversity erosion. This systemic aspect is fundamental: to preserve biodiversity, it is necessary to address water, biodiversity, and climate issues in a coordinated manner.



Thus, at Bel, the topic of biodiversity is integrated into the discussions of the Environmental Committee, the Regenerative Agriculture Committee, and the Water Committee, which are responsible for steering the Group's action plans on these various topics.

ACTION LEVERS AND COMMITMENTS

Building on the lessons from the Group's Climate Policy[10], Bel implements concrete action plans to improve its impact on biodiversity:

1. **MEASURE** the Group's biodiversity footprint and engage stakeholders;
2. **AVOID** impacting biodiversity across the entire value chain;
3. **REDUCE** the impact on biodiversity by acting collectively to preserve natural ecosystems;
4. **RESTORE** biodiversity and ecosystems.

1 MEASURING THE GROUP'S IMPACT AND COMMITTING

Convinced of the key and transversal role of biodiversity, as well as its intrinsic links with climate, water, and other environmental components, Bel has been working since 2012, in collaboration with WWF France, to identify and reduce its environmental impacts across its entire value chain. The Group initially focused on animal feed, then expanded its reflection to the entire agricultural upstream, which was translated into the Upstream Dairy Charter[11], co-signed with WWF France in 2018, and which the Group is now deploying in all its dairy basins worldwide.

Still in collaboration with WWF France, the Group then published a biodiversity policy in 2019, as well as a policy on the preservation of forests and natural ecosystems[12], to continue committing to act responsibly across its entire value chain, from agricultural production to packaging, including product manufacturing.

[10] Bel's Climate Strategy and Action Plan, Open Climat
[11] Upstream Dairy Charter (groupe-bel.com)
[12] Bel's Global Forest and Natural Ecosystems Policy

The Group is also one of the pioneering companies that integrated the Science Based Targets Network (SBTN) and the Corporate Engagement Program as early as 2020. This collaborative work aims to test a new scientific methodology that will enable companies to take planetary boundaries into account in their strategy and measure their biodiversity footprint.

Additionally, within the framework of the CSRD 2023 work, the double materiality analysis confirmed the prioritization of biodiversity issues within the Group's impacts and dependencies.

BEL'S COMMITMENTS AND GOALS

EVALUATING BIODIVERSITY FOOTPRINT

The Group is committed to evaluating its biodiversity footprint across the entire value chain to set robust, science-based objectives. To achieve this, Bel aims to:

- Work on measuring its overall biodiversity footprint in collaboration with experts and through a forward-looking approach across the entire value chain to ensure the sustainability of its activities, for example, through the Science Based Targets Network[13](SBTN) initiative.
- Define local ecological thresholds by participating in research projects and developing calculation methods.

EVALUATING WATER FOOTPRINT

Bel was among the first companies in the world to conduct a "water footprint assessment" of its entire value chain. This initial assessment has shown that over 90% of the Group's total water footprint comes from scope 3, confirming that its responsibility should not stop at the factory gates. Already committed at production sites, the Group must also work across the entire value chain on both quantitative and qualitative indicators to address the challenges of water scarcity and resource fragility.

MOBILIZING ALL STAKEHOLDERS

The Group is committed to encouraging all stakeholders to protect, enhance, and restore biodiversity through its Responsible Purchasing Charter[14] for its suppliers, as well as by supporting various collective initiatives such as *Act4Nature, Entreprises Engagées pour la Nature, and Business For Nature.*

EXAMPLES OF ACHIEVEMENTS

TESTING THE SBTN APPROACH

In 2023, the Group completed Steps 1 and 2 of the SBTN methodology across its entire value chain. This initial work provided a comprehensive view of the impact levels of various raw materials used in its production chains, from upstream to downstream, on different pressures on nature.

For the third step of the methodological framework, the Group was selected by SBTN from over 200 candidates to be one of the 17 companies worldwide to test the methodology in a pilot project, focusing on land use[15] and freshwater issues[16].

The SBTN approach has confirmed the relevance of the Group's "farm-to-fork" strategy, which encourages the implementation of regenerative agricultural practices and the rebalancing of the product portfolio towards more plant-based options.

However, important methodological points remain and have been shared among pilot companies and with SBTN. The Group is now awaiting updated versions of the methodology and continues to share its feedback to enrich the approach[17].

[13] Science Based Targets Network
[14] Sustainable Purchasing Charter
[15] SBTN Land Occupation Technical Guidance
[16] SBTN Fresh Water Technical Guidance
[17] ENG_Cap_Nat_2024_web_planches.pdf (wwf.fr)

JOINING COALITIONS AND CALLING FOR ACTION

In December 2019, the Group joined the voluntary Act4Nature initiative[18] , which brings together more than 60 companies working for biodiversity through the respect of common commitments, as well as the definition of individual commitments. Since 2020, Bel has also been part of the "*Entreprises Engagées pour la Nature"* initiative. This action, led by the French Office for Biodiversity, aims to promote, recognize, and value action plans in favor of biodiversity carried out by companies.

In 2022, Bel joined the #MakeItMandatory call to action by Business for Nature before COP15 on biodiversity, aiming to support the obligation for companies to measure and communicate their impacts on nature by 2030. In 2024, continuing this commitment, the Group supports the new call to action "It's Now for Nature," bringing together numerous companies to formulate recommendations in favor of Nature and adopt ambitious policies at COP16 on biodiversity.

Finally, since 2023, the Bel Group has supported the European Nature Restoration Law, notably through the #RestoreNature campaign.

2 AVOIDING IMPACT ON BIODIVERSITY ACROSS THE ENTIRE VALUE CHAIN

Ecosystems, particularly forests, must be protected as they play essential environmental and social roles, with forests hosting a significant portion of terrestrial biodiversity.

BEL'S COMMITMENTS AND GOALS

AVOIDING DEFORESTATION

The Group is committed to eliminating the risk of contributing to ecosystem conversion by 2025 for three key raw materials whose production could directly or indirectly contribute to deforestation and the conversion of natural ecosystems (soybean and palm kernels expeller (PKE), palm oil, paper, and cardboard).

SUSTAINABILITY SOURCING VEGETABLE FATS

Bel has made the accessibility of its products one of its strategic priorities, with the ambition of offering a quality range adapted to the greatest number of people, everywhere in the world. To achieve this goal, Bel may use vegetable fats in some of its recipes. The Group is committed to sourcing 100% of its vegetable fats from responsible and traceable agricultural supply chains by 2025.

EXAMPLES OF ACHIEVEMENTS

PROMOTING SUSTAINABLE DAIRY PRODUCTION

Bel aims for local and sustainable animal feed (see Upstream Dairy Charter 2023) to reduce the amount of purchased forage and concentrates or protein supplements, such as soy meal and PKE, which can contribute to deforestation. The Group particularly encourages grazing practices whenever conditions are favorable, as well-managed grazing can be very beneficial for biodiversity. In 2023, 99% of the milk sourced by Bel came from cows with access to pasture in traditional pastoral areas.

DEVELOPING RESPONSIBLE PACKAGING

The Group is committed to ensuring zero-deforestation by using paper and cardboard made from recycled fibers or virgin fibers certified from sustainably managed forests. In 2023, 79% of the paper/cardboard purchased by the Group met our zero-deforestation commitment, with 57% of the total fibers being recycled and 54% certified.

Zero-deforestation commitment: Ratio between two surfaces: surfaces at risk / surfaces necessary to produce commodities considered high-risk. The goal is to achieve zero risk. This definition was established with WWF France. The risk analysis is conducted and reviewed annually by the NGO.

[18] Act4Nature

3 REDUCING IMPACT ON BIODIVERSITY BY ACTING COLLECTIVELY FOR THE PRESERVATION OF NATURAL ECOSYSTEMS

To reduce its impact on biodiversity, the Group has identified the pressure factors it contributes to throughout its entire value chain. It strives to address these challenges by focusing on the three main environmental elements that affect biodiversity: water, soil, and the atmosphere.

BEL'S COMMITMENTS AND GOALS

REDUCING GREENHOUSE GAS EMISSIONS

Bel has set a goal to reduce its greenhouse gas emissions throughout its value chain. To achieve this, specific targets have been established:

- Reduce absolute emissions by 75% for scopes 1 and 2 between 2017 and 2035.
- Reduce absolute emissions by 25% for scope 3 between 2017 and 2035.

This commitment is aligned with the Paris Agreement's goal of limiting global warming to +1.5°C and has been validated by the Science Based Target Initiative (SBTi).

REDUCING WATER WITHDRAWALS

The Group is committed to reducing water withdrawals in intensity by 45% in direct operations between 2017 and 2035 and to reducing the use of plastic and aluminum in its packaging, which are materials with high water consumption.

LIMITING LAND USE CHANGE

To address its impact related to land use change, Bel is committed to three key actions:

- **Encouraging changes in dietary habits and balancing the diet** to reduce pressure on agricultural production. The goal is to offer a balanced portfolio of 50% dairy products and 50% plant-based products (fruits and vegetables).
- **Reducing food waste**[19] at production sites and up to the final consumers. The Group aims to halve food loss and waste in its own operations between 2021 and 2030.
- **Supporting the agroecological transition.** Bel has been committed with WWF France since 2018 for a more responsible dairy sector through the Upstream Dairy Charter[20] and Eco-Responsible Orchards sourcing for apples in France. By 2030, the goal is to source 100% of milk and apples from regenerative agriculture.

LIMITING WATER AND SOIL POLLUTION

Bel is committed to minimizing water and soil pollution through various actions throughout the value chain (see Water Policy[21]).

- Ensure compliance with discharge regulations at each site and aim for discharge quality as close as possible to that of aquatic ecosystems, prioritizing areas without public wastewater treatment plants.
- Support partner farmers in implementing better manure management practices to prevent environmental leaks and limit the eutrophication of aquatic environments.
- Support regenerative agricultural practices among partner farmers to promote the water cycle, improve soil permeability, and reduce the use of inputs.

[19] food-waste-fr.pdf (groupe-bel.com)
[20] Upstream Dairy Charter (groupe-bel.com)
[21] Bel Group Water Policy (groupe-bel.com)

DEVELOPING RESPONSIBLE PACKAGING[22]

The Group's ambition is to actively contribute to a circular economy, from sourcing to the end of the packaging life cycle, to minimize their impact on nature and biodiversity. The Group commits to: "Refuse" unnecessary elements; "Reduce" the use of materials; "Reuse" as much as possible; "Restore" resources by using recycled or renewable materials; "Recycle" packaging.

- Drastically reduce the use of plastic and aluminum materials, and prioritize alternative solutions using renewable, recycled, or certified materials that do not compete with food products.
- Ensure zero deforestation by using paper and cardboard made from recycled fibers or virgin fibers certified from sustainably managed forests.
- If aluminum and plastic are used, ensure:
  - ASI (Aluminium Stewardship Initiative) certification by 2025, then transition to ASI and low-carbon aluminum by 2030.
  - 25% recycled plastic by 2030 (in the average total Bel portfolio).
- Ensure 100% eco-designed packaging ready for recycling and/or home compostable by 2030.
- Collaborate with partners to advance collection and recycling channels.

RAISING CONSUMER AWARENESS

By informing and educating consumers about biodiversity and environmental issues, Bel encourages responsible behaviors, such as choosing biodiversity-friendly products, reducing food waste, sustainable consumption, and proper end-of-life management of packaging. Bel commits to provide reliable and useful information to consumers to clarify sorting instructions via packaging.

EXAMPLES OF ACHIEVEMENTS

PRESERVING AND RESTORING WATER RESOURCES FROM FARM TO FORK

In 2023, water withdrawals decreased by 2.3% compared to 2017, reaching 6.84 m^3 per ton produced.
The continuous improvement program "WasaBel" (Water Saving at Bel) allows each site to have a collection of best practices, monitor its water withdrawals, and develop action plans to reduce them in a continuous improvement approach.

The Bel Group welcomes the decision by French authorities, effective since July 2024, to authorize the reuse of wastewater and water from the concentration of dairy matter in the food industry. This major advancement will enable the launch of concrete and essential projects contributing to the Group's goal of reducing water withdrawal intensity by 45% by 2035.

The Group has identified several action levers to reduce its impact on water resources throughout the value chain. All these actions are presented in the Group's Water Policy[23] published in 2024.

RAISING CONSUMER AWARENESS THROUGH OUR BRANDS

Raising awareness about the importance of protecting and preserving biodiversity is essential and everyone's business. It is crucial not only to raise awareness among value chain actors but also among consumers, as they play a key role in promoting sustainable practices and making informed decisions that contribute to biodiversity preservation.

Since 2022, the Kiri® brand, in partnership with WWF France, has been raising consumer awareness about the importance of preserving and protecting biodiversity through its packaging and the campaign "Become Guardians of Biodiversity."

Additionally, in collaboration with Too Good To Go, Bel encourages consumers to look, smell, and taste products with a Minimum Durability Date (MDD) before discarding them to reduce food waste at home. Reducing waste helps to minimize the resources used to produce this food, including exploited land surfaces, fertilizers and pesticides used, and the energy for transporting and processing food. The initiative started in France with the Laughing Cow® brand and has gradually expanded to several European countries and other brands in the Group.

[22] Bel Policy on Sustainable Portions.pdf (groupe-bel.com)
[23] Bel Group Water Policy EN (groupe-bel.com)

4 RESTORING BIODIVERSITY AND ECOSYSTEMS

To ensure their sustainability and growth, companies depend on healthy ecosystems. Healthy biodiversity promotes crop pollination, pest regulation, soil quality, and ecosystem resilience, which are vital for ensuring the long-term availability of agricultural raw materials.

BEL'S COMMITMENTS AND GOALS

PROMOTING REGENERATIVE AGRICULTURE

The Group is committed to regenerative agriculture. By adopting sustainable and environmentally friendly agricultural practices, these projects promote soil health, restore the water cycle, encourage crop and natural habitat diversity, and reduce the use of harmful inputs.

SUPPORTING ECOSYSTEM REHABILITATION PROJECTS

By supporting such natural habitat rehabilitation projects, the Group aims to recreate healthy and diverse habitats essential for the survival of plant and animal species. These projects can also help restore biological corridors, improve water and soil quality, and promote the natural regeneration of plant species.

EXAMPLES OF ACHIEVEMENTS

SUPPORTING PRODUCERS TOWARDS REGENERATIVE AGRICULTURE

To meet the Group's ambition[24], Bel has implemented initial pilot projects on the ground. Bel has initiated regenerative agriculture pilot projects for milk in the United States with the deployment of the Truterra® program, in partnership with the Land O'Lakes cooperative, and in Portugal (on the mainland and in the Azores) with the expertise and support of the Earthworm Foundation. Bel has also launched regenerative agriculture pilot projects for apples, in France in collaboration with Biospheres and in the United States with Understanding AG.

The goal of these pilots is to learn and draw lessons to then deploy good practices more broadly, adapting to the local context, to ultimately ensure the long-term production of our raw materials in an environmentally respectful and socially viable manner..

PROMOTING AGROFORESTRY

The establishment of hedgerows on dairy farms favors biodiversity by providing habitats for numerous animal and plant species. For example, the Kiri® brand develops agroforestry projects in partnership with WWF France and the Chamber of Agriculture of Pays de la Loire, with its partner farmers in France. Since 2022, 24 projects have been completed. A total of 20.3 km of hedgerows and 20,300 trees have been planted, with a goal of planting 30,000 trees by 2025.

SUPPORTING NATURAL ECOSYSTEM REHABILITATION PROJECTS

As part of its partnership with WWF France, the Group joined the Nature Impact initiative and stakeholder committee in 2023. It is the first fund dedicated to forest preservation, based on the logic of Payments for Ecosystem Services (PES), combining biodiversity protection and carbon sequestration.

To go further and promote the most biodiversity-friendly practices, the Bel Group developed a Charter of Good Forestry Practices in December 2023. This forestry charter, based on FSC certification principles, aligns with several essential practices such as the conservation of natural elements, diversification of stand composition, and the application of irregular and continuous cover forestry.

In 2024, Bel signed a partnership with 3 local institutions, the CEN Franche-Comté and the EPAGEs of Haut-Doubs Haute-Loue and Doubs-Dessoubre, to rehabilitate around forty peatlands in the Jura mountains over the next six years.

In the coming years, these ecosystems, called "the kidneys of the planet," are among the most biodiversity-rich wetlands. To ensure the successful implementation of its program, Bel has committed to supporting the development of a Jura-based company specializing in ecological engineering, Jura Natura Services, which has both the technical and material expertise to rehabilitate these complex environments.

[24] Bel Group - Promoting Regenerative Agriculture (groupe-bel.com)