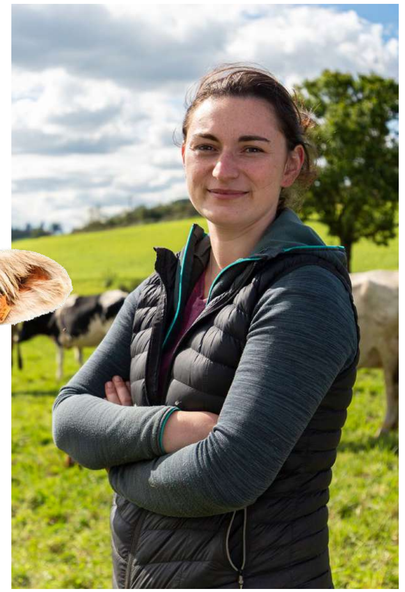
SODIAAL

Coopérative Laitière Française







HORIZONS LAITIERS













2022 ACTIVITY REPORT

COMMITTED FOR THE BEST OF MILK

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EDITORIAL

Dear members, employees, customers and partners,

Here is the integrated report of the Sodiaal cooperative for 2022.

2022 will be remembered for the many challenges we have had to face together. Post-Covid events and the war in Ukraine generated considerable instability and colossal inflation in our farms and processing sites.

Every day, alongside the directors, we have steered our cooperative with seriousness and responsibility.

Decisions that were sometimes difficult had to be made. We made them in the light of developments in some of our markets. We quickly began negotiations with our customers. With tenacity, our sales teams conducted three rounds of negotiations to gradually offset the hikes in agricultural and industrial materials and guarantee a milk price 22% higher than in 2021. Added to this is drought, an emerging climate phenomenon, which is exacerbating some weaknesses in our professions.

In 2022, we adapted and demonstrated the resilience of our model. Faced with hostilities, we remained united to steer our common good, offset the increases in charges in farms, maintain the balance of our Cooperative and continue to propose our dairy products to consumers.

Damien Lacombe,
Chairman of Sodiaal
And the Sodiaal Board of Directors.

Our strength resides in our collective spirit and our presence in the regions. The Cooperative has 16,055 members and 9,008 employees, all committed to producing high-quality milk for high-quality dairy products!

We can be humble, but proud. The dairy farming that we represent in France has a positive economic impact on the regions. Our farms and our industrial sites contribute to local employment and vitality in the regions. We continue to strengthen our environmental sustainability commitments by reducing our carbon footprint in our farms and on our sites, by reducing our energy and water use, acting on recyclability and reducing our packaging, etc.

The Board of Directors emphasises the advances and progress made in 2022. We have consolidated the positions of our major brands (Yoplait, Entremont, Candia) by gaining market share in value while maintaining our volumes. In keeping with our #Value plan, we also optimised our industrial facilities by closing sites or divesting activities.

The #Value strategic plan is bearing fruit. Our portfolio is structured on value-added dairy products. All projects carried out within the framework of the plan are beneficial for starting a new stage. The economic performance of our Cooperative is and will continue to be our priority, as is the future of our dairy sector. They are inseparable.

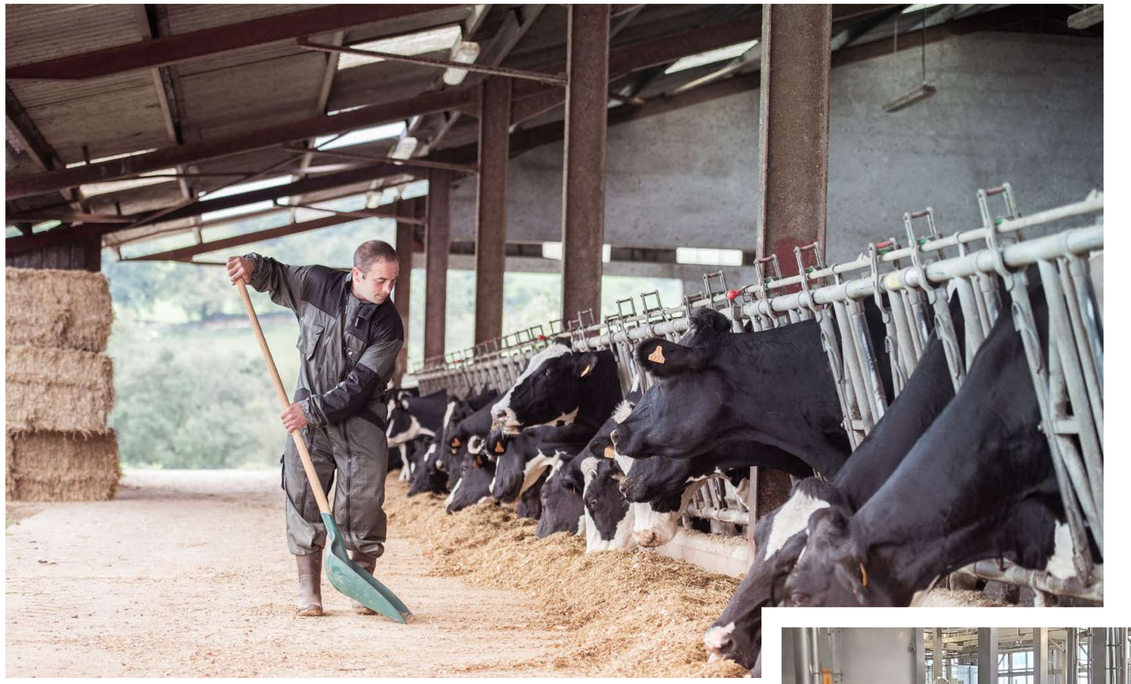
We are aware that new challenges lie ahead, but we are confident in our solid collective.

Milk is a precious resource and we are convinced that our role is major! We have to look after our dairy family to give new generations the passion to carry on our professions, which have a noble vocation: to nourish sustainably.

THE COOPERATIVE: A SOLIDARITY-BASED MODEL

We, the Sodiaal Cooperative, a French dairy farmers' collective, defend a form of agriculture that sustainably nourishes life, with respect for nature, animals and the women and men who share our cooperative values.

Every day, in the field, our collective actions come to life to serve our common goal: protect living creatures, people and territories.
The future pushes us to further cooperate in order to last and to propose together solutions to the challenges of the food & agricultural transition.
Being a Dairy Cooperative means acting together to develop innovative and responsible solutions and to do our utmost to build new DAIRY HORIZONS.



OUR SOCIAL MISSION

- increase the value of our farmers' - cooperative members' - milk
- contribute to the vigour of agriculture all over France
- offer our consumers good, healthy and responsible dairy products

A virtuous and supportive model for sharing value with the clear rule of sharing results.







A SECTOR FROM STABLE TO TABLE

€ 5.5 billion
IN GROUP TURNOVER

FARMS → MILK COLLECTION → DAIRIES, CHEESE DAIRIES AND PRODUCTION SITES → DISTRIBUTION AND MARKETING

9,007 FARMS
16,055 FARMERS
9,008 EMPLOYEES

4.3 billion litres of milk collected
4.75 billion litres of milk processed including our partners' volumes
48 different milks in 72 departements

61 DAIRIES
BUTTER DAIRIES AND CHEESE DAIRIES AND OTHER PROCESSING AND MANAGEMENT SITES

24 % of milk collected is subject to specific requirements
21 PGI / PDO
18 direct sales outlets in France

Brands present in **91.4 %** OF FRENCH HOUSEHOLDS*

*Source: KANTAR CAM P13 2022

MILK, CREAM AND BUTTER

candia · candia AIDE LES JEUNES AGRICULTEURS · candia baby · Viva · Grandlait · Le lait de ma Région · Candy'Up · Nature de Breton

CHEESE

EntreMont · Monts & Terroirs · Saint-Flour · Cantorel · Le Château de Saint-Flour · Capitoul · La Pastourelle · Secrets d'Affineurs · Renard Gillard · Siffert-Frech Affineurs · Val de Wesis

PARTNERSHIP COMPANIES AND BRANDS

Le Rustique · RichesMonts · Regilait · Cœur de Lion

ULTRA FRESH

yoplait · LIBERTÉ artisan de nature · Petits Filous · Panier de Yoplait · Perle de Lait · YOP · SKYR

SPECIALISED NUTRITION

Nactalia · NUTRI'Babig

INGREDIENTS

BONILAIT · eurosérum

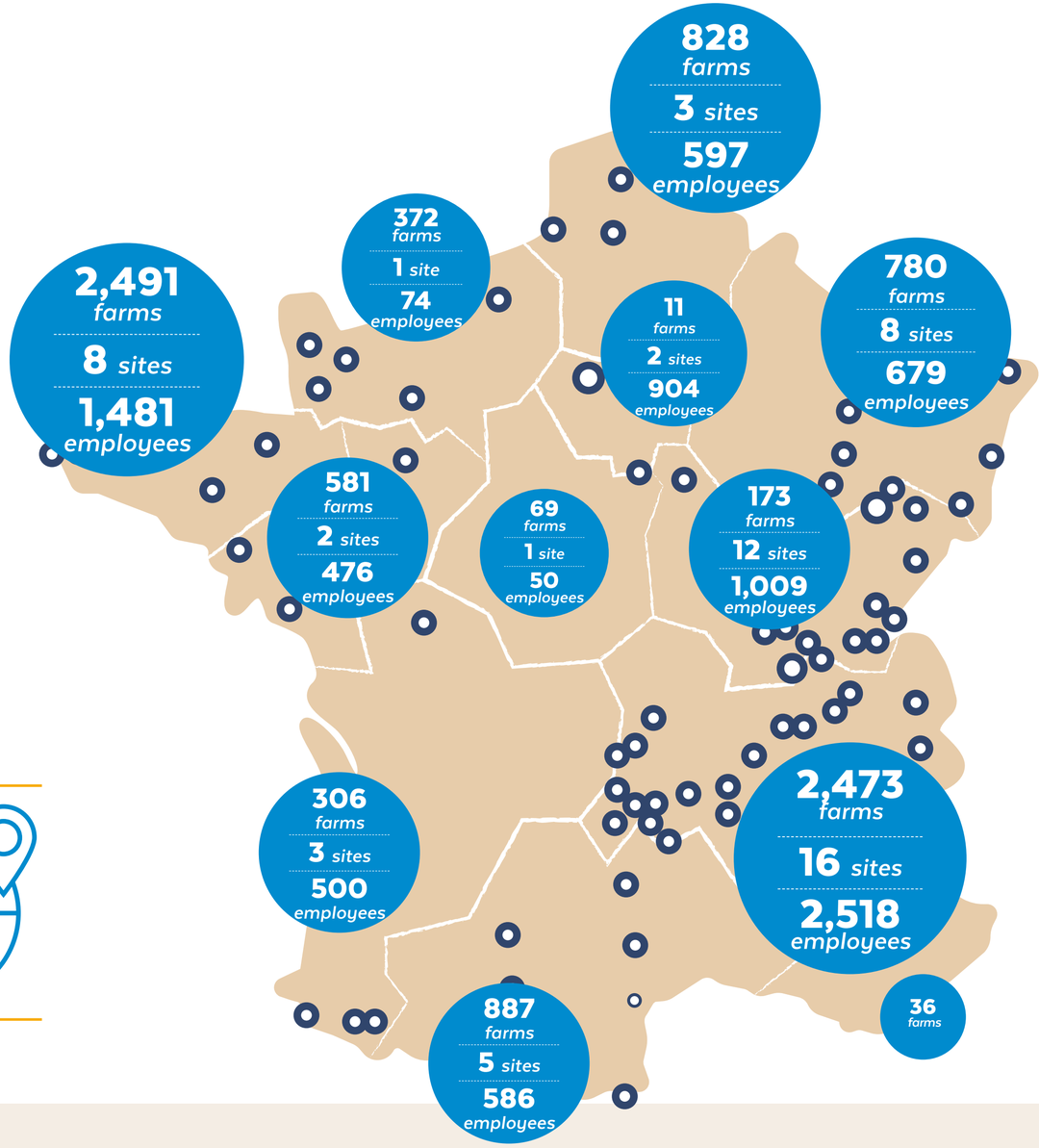
A MAJOR ACTOR IN DRIVING THE DAIRY REGIONS

Sodiaal: a major player in the French dairy sector, both economically and socially, particularly in areas of decline where some players are pulling out.

We make a significant contribution to agricultural diversity and vigour all over France. With 9,007* farms in 72 departments in France, we embody the cohesive vision of our cooperative model on a daily basis.

From the most remote mountain hamlet to the lowland commune close to a processing site, we ensure the long-term milk collection of all of our members, regardless of the size, specificity and location of their farm.

Our 61 dairies, butter dairies, cheese dairies and other processing and management sites currently employ 9,008 people, of which 8,874 in France and 134 abroad.



International presence

- 12 subsidiaries & sales offices
- 134 employees
- Exports to over 20 countries
- Franchise network in over 40 countries

** Based on 9,007 farms at 31/12/22*

1964 Creation of **Sodima** following the merger of six dairy cooperatives

1965 Creation of Yoplait

1971 Creation of Candia

1973 Creation of Riches-Monts

1989 **Sodima becomes Sodiaal**

1998 Start of La **Route du Lait,** 1st quality and traceability approach in the dairy sector

2011 Entremont joins Sodiaal

2013 Acquisition of Les Fromageries de Blâmont

2014 Merger with the 3A cooperative

2016 Merger absorption of the Haute-Normandie dairy cooperative

2017 Launch of the **#Value** strategy

2019 First **Candia** eco-designed carton

2020 Share **capital opened** up to Cooperative employees

2021 Yoplait Again becomes a 100% cooperative excluding United States and Canada

KEY FIGURES

Committed to maintaining the dairy regions

32%

of our farms are based in mountain areas

Promoting the renewal of generations

945

young farmers newly set up since 2019

*** CNIEL 2020*

16,055
farmers

Sodiaal represents around

1/5
1 dairy farm out of 5 in France**

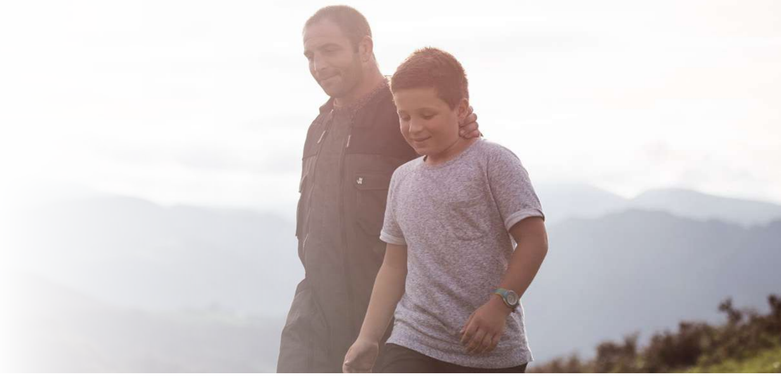
IN ASSOCIATION

with

9,008
employees

including **66**
dairy consultants for our farmers

TO ACHIEVE



€ 5.5

billion

in Group turnover

since the start of the adventure, farmers and employees have had a common goal

GOVERNANCE BY AND FOR FARMERS



SODIAAL
Coopérative Laitière Française

MEMBER-FARMERS

16,055 FARMERS

Each one has a share in the cooperative's capital proportionate to their milk contribution;
Regardless of this milk contribution, each one has the same authority: 1 member = 1 vote..

28 SECTIONS

Sodiaal's territory is divided into 28 sections which unite all farmers. In each section, they elect their delegates to the General Meeting and their representatives to the Regional Council.

REGIONAL GOVERNANCE

The Regional Councils guarantee proximity between the Cooperative and farmers. They ensure the cooperative's strategy is passed on to all farmers and report back on requirements and issues from the field. The Regional Councils each elect one Chairperson per region.

NATIONAL GOVERNANCE

THE COOPERATIVE'S BOARD OF DIRECTORS HAS 26 MEMBERS:

- 24 member farmers, elected at the annual General Meeting,
- 1 employee shareholder, elected for three years by the employee shareholders. Since the Cooperative's share capital was opened to employees, this person represents them and votes on decisions.
- The President of the Cooperative, who has one vote.

It is their responsibility to guide the Cooperative's strategy in the interest of all members, giving precedence to a long-term vision over short-term profits. They appoint the Managing Director.

THE BUREAU

Made up of the eight Regional Chairpersons and the Chairman of the Board of Directors, it monitors budgets, directs the strategic vision, alliance projects, development and ensures the representation of the members in the subsidiaries.

THE "MEMBERS" HUB

A source of proposals, members of the Members' Hub are appointed to work on projects based on three subjects: La Route du Lait, Young Farmers and Communication. They meet four times a year and submit their work to the Board of Directors for validation.

& Farmers & Employees
ALL ASSOCIATES

Opening up the share capital to all Sodiaal employees: a virtuous approach at a time when companies are trying to engage their employees around a common project. The aim is to rebuild relationships, re-engage and give meaning to the collective.

In November 2020, the pioneering campaign of Sodiaal, the leading dairy Cooperative in France, to open up its share capital, brought together over one thousand employees.

In 2022, 1,588 employees became members, i.e. 20% of eligible employees became members.



GOVERNANCE BY AND FOR FARMERS

Each one has a share in the cooperative's capital proportionate to their milk contribution. Regardless of this milk contribution, each one has the same authority.

1 member
= 1 vote

16,055 member farmers

divided into **28 sections**

1,588* **Employee shareholders**

making up **1 section**

* number of employee shareholders at 31/12/22; this varies depending on departures

Members meet in

SECTION COUNCIL

SECTION COUNCIL

ELECTS	ELECTS	RELAYS
Delegates voting at the GM	Regional Councillors	With all members in France

SECTION MEETING

EMPLOYEE MEMBERS SECTION

ELECTS

The delegates voting at the General Meeting

ELECT

Their representative to sit on the Cooperative's Board of Directors

The delegates then vote

GENERAL MEETING

KEY MOMENT IN THE LIFE OF THE COOPERATIVE

Statutory and decision-making	Vote of resolutions	310 delegates all over France

The Regional Councillors guarantee proximity between the Cooperative and its members

REGIONAL COUNCIL

REGIONAL COUNCIL

Responsible for Cooperative life in the Region	Monitoring of the regional budget	Relations with regional partners

The directors are elected at the GM

BOARD OF DIRECTORS
elects the Chairperson of the Cooperative

The Regional Council appoints 1 Regional Chairperson

BUREAU
made up of the Regional Chairpersons

Scan
to learn more about our cooperative model

GOVERNANCE BY AND FOR FARMERS

THE SODIAAL UNION BOARD OF DIRECTORS

25 member farmers elected by their peers

NORTH Region

2 - ANNE SOPHIE DELASSUS
Regional Chairman (since 23.06.23)

3 - LUC VERHAEGHE

4 - OLIVIER GAFFET

CENTRE-EST Region

5 - LAURENT HASSOUX
Regional Chairman and Member of the Supervisory Board of Sodiaal International.

6 - MICHEL RECHENMANN
Chairman of the Board of Directors of Entremont Alliance and of the Supervisory Board of Fromageries Occitanes, Director of Monts & Terroirs and CF&R

7 - JOHANN VEVERT

SOUTH-EAST Region

8 - JEAN-MICHEL JAVELLE
Regional Chairman and Member of the Supervisory Boards of Sodiaal International, Nutribio, Régilait and Yoplait

9 - SÉBASTIEN COURTOIS

10 - YVAN OGIER

MASSIF CENTRAL Region

11 - JÉRÔME AUBERT
Regional Chairman and Member of the Supervisory Boards of Sodiaal International, Candia and Fromageries Occitanes

12 - JACQUES CHALIER

13 - DAMIEN GARNIER


2


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12


13

CHAIRMAN


1

1 - DAMIEN LACOMBE
Chairman of the Sodiaal Union Board of Directors, President of Sodiaal International Member of the Supervisory Boards of Nutribio and Régilait, Director of Monts & Terroirs


14


15


16


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25


26

SOUTH-WEST Region

14 - OLIVIER BEAUFILS
Regional Chairman and Member of the Supervisory Boards of Sodiaal International and Nutribio, Chairman of the Euroserum Supervisory Board

15 - ANTHONY MARRE

16 - THOMAS GUIRAUD

PAYS DE LOIRE Region

17 - JEAN-PIERRE FAUCON
Regional Chairman, Member of the Supervisory Boards of Sodiaal International and Eurosérum, Chairman of the Board of Directors of Bonilait, Director of Eurosérum and Entremont

18 - DOMINIQUE PENLOUP

19 - PATRICK TRIFAULT

EAST BRITTANY Region

20 - PATRICE BINET
Regional Chairman and Member of the Supervisory Board of Sodiaal International, Director of Bonilait

21 - FREDDY CARRIC

22 - FRÉDÉRIC COLLET

WEST BRITTANY Region

23 - JEAN-MICHEL LE MEUR
Regional Chairman and Member of the Supervisory Boards of Sodiaal International and Régilait

24 - FRÉDÉRIC RANNOU

25 - PIERRE-MARIE DROUMAGUET

1 MEMBER EMPLOYEE
ELECTED BY HER PEERS

26 - BLANDINE DU HAUT CILLY

GOVERNANCE BY AND FOR FARMERS

THE EXECUTIVE COMMITTEE

An Executive Committee accountable to the Board of Directors.

The Executive Committee implements the strategy driven by the Board of Directors and manages the Sodiaal employee structure.


01


02


03


04


05


06


07


08


09


10


11

01 - JORGE BOUCAS
Managing Director of Sodiaal (until 28/02/23)

02 - FLORENCE MONOT
Upstream Managing Director

03 - OLIVIER ATHIMON
Managing Director - Cheese

04 - ERIC FORIN
Managing Director - Milk, Cream and Butter

05 - YVES LEGROS
Managing Director - Yoplait

06 - OLIVIER PIERREDON
Managing Director - Ingredients and Specialised nutrition

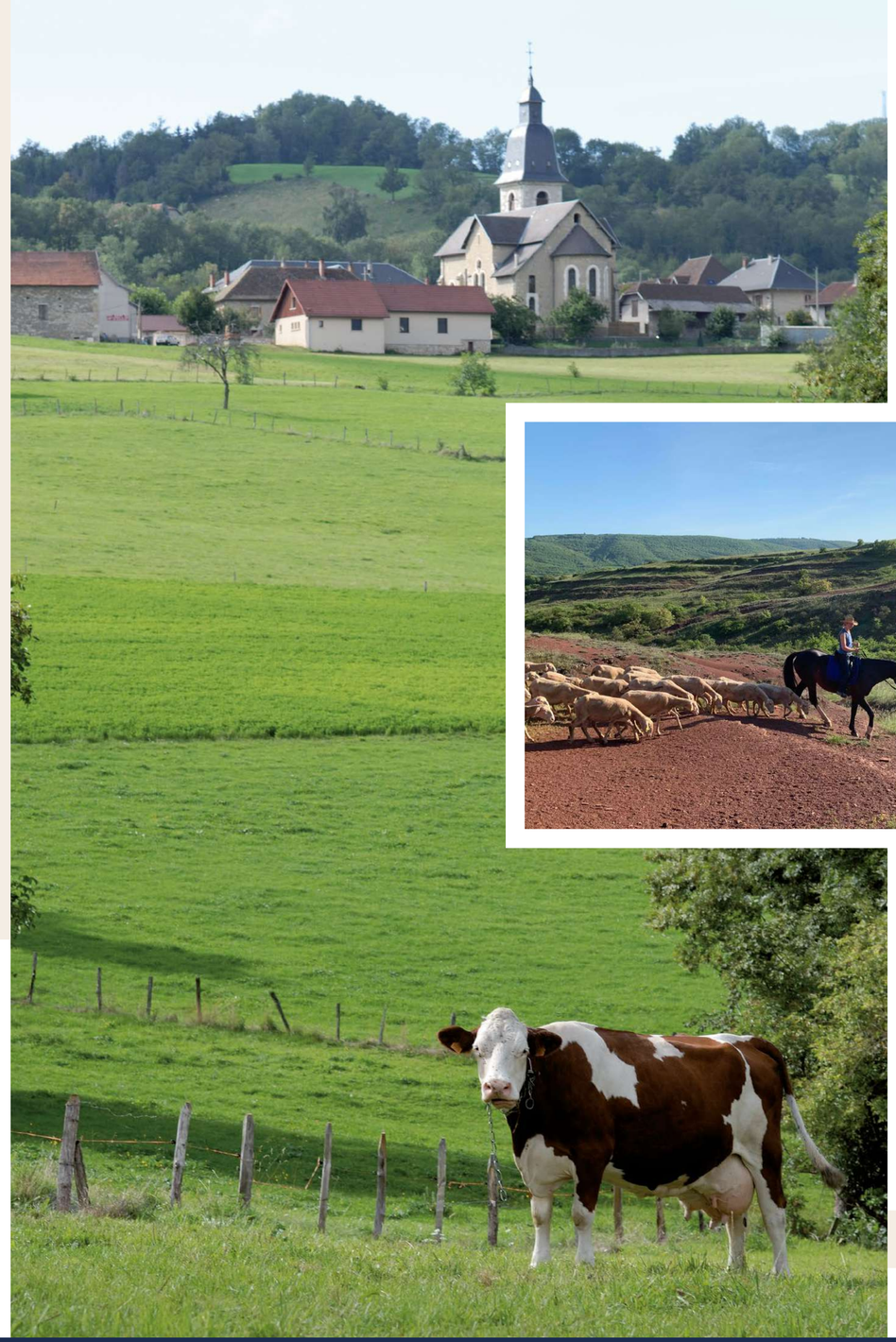
07 - LAURENT CARUELLE
Deputy Director in charge of Performance

08 - FRÉDÉRIC CHAUSSON
Director of External Relations and Sustainable Development

09 - PHILIPPE HERVIEUX
Director of Human Resources

10 - MARIE-ANGE MATHIEU
Administrative and Financial Director

11 - MARC VERMEULEN
Deputy Director



ACTIVITY REPORT
MILK PRODUCTION

Since 2014, the Cooperative has been supporting young farmers joining the profession by setting up a unique scheme.

The Sodiaal Box has evolved over the years, but the objective is still the same: deciding to be a cooperative member means being part of a community and supporting the next generation.

This programme provides young farmers with a financial grant of €10,000 (share capital, investments linked to milk production and access to training) and an allocation of volume of up to 300,000 additional litres of milk.

Scan to learn more about the Sodiaal Box

KEY FIGURES

4.3 billion litres OF COW'S MILK COLLECTED

4.75 billion litres OF MILK PROCESSED INCLUDING OUR PARTNERS' VOLUMES

48 different milks IN **72** DEPARTEMENTS

9,007 FARMS*

16,055 FARMERS

445,592 LITRES OF MILK ON AVERAGE PER FARM

*Number of farms at the end of 2022

COMPOSITION OF MILK

FAT *IN G/LITRE*
42.0 *in 2022 / 41.6 in 2021*

PROTEIN MATTER *IN G/LITRE*
33.3 *in 2022 / 33.26 in 2021*



	Number of farms **	Change vs 2021	Average volume in KL per farm	Change vs 2021	Total number of litres per region in ML	Change vs 2021
Sodiaal NORD	1,248	-3.63%	536 KL	2.40%	669 ML	-1.32%
Sodiaal CENTRE-EST	948	-6.78%	533 KL	6.62%	505 ML	-0.61%
Sodiaal SUD-EST	1,595	-3.97%	328 KL	1.49%	522 ML	-2.54%
Sodiaal MASSIF CENTRAL	1,341	-3.59%	277 KL	0.44%	372 ML	-3.17%
Sodiaal PAYS DE LA LOIRE	692	-5.21%	557 KL	4.34%	385 ML	-1.09%
Sodiaal Union BRETAGNE OUEST	1,334	-4.99%	518 KL	1.58%	691 ML	-3.48%
Sodiaal Union BRETAGNE EST	1,341	-4.01%	571 KL	1.56%	766 ML	-2.51%
Sodiaal SUD OUEST	1,120	-6.90%	336 KL	1.34%	376 ML	-5.65%
TOTAL	9,619**	-4.89%	457 KL	2.47%	4,286 ML	-2.55%

** Number of average farms in 2022

ACTIVITY REPORT
MILK PRODUCTION

SMALL RUMINANTS

The diversity of our Cooperative is also the diversity of our milk. Goat's milk and sheep's milk are fairly stable branches with development opportunities, in particular in our local cheeses.

GOAT MILK		SHEEP'S MIL	
	**FARMS** *collection points*		**FARMS** *collection points*
	264 **+2.3%** *in 2022 vs 2021*		**49** **+2.1%** *in 2022 vs 2021*
	TOTAL VOLUME *quantity paid in litres*		**TOTAL VOLUME** *quantity paid in litres*
	28,143,000 *in 2022* **28,251,835** *in 2021* *i.e.* **-0.4%**		**7,551,000** *in 2022* **7,648,165** *in 2021* *i.e.* **-1.3%**

OUR PARTNERS

MONTS & TERROIRS
De merveilleux fromages

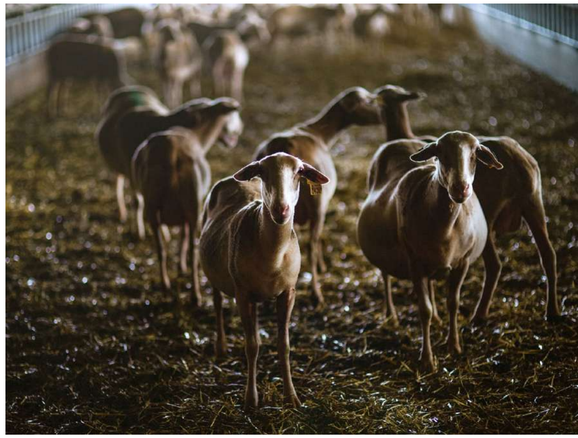
322 farms and
121 million litres of milk collected

La Pastourelle
ROQUEFORT

161 farms and **17.8 million litres** of milk collected

Société laitière de LAQUEUILLE

53 farms and **14.5 million litres** of milk collected







ACTIVITY REPORT
MILK PRODUCTION

Milk with specific specifications in 2022

ORGANIC

An approach designed and implemented by organic farmers in the Cooperative

5% of total litres collected

222 million litres of organic milk collected

773 farmers practising organic farming **+ 10** converting

2022 was a complicated year for the organic sector with consumption continuing to fall, bringing it to the level of 2018.

For Sodiaal, the historic decision of wanting to control the balance between resources and demand means that we have improved management of our volumes with a pause in AB conversions since 2019, on the one hand, and the incentive to reduce production in the first half of the year, on the other. Despite negative signs, we maintained the price of milk over 2022, and even increased it in the final quarter, setting a positive trend for 2023. Sales negotiations in 2022, against a backdrop of overproduction throughout the sector, were disappointing, despite the will to pass on the inflation seen in farms, but are showing signs of improvement in 2023.

The continued roll-out of our **«Bio Pré de Vous»** approach allows us to assert our organic identity, but also to capture added value. Our partnership with **«C'est qui le Patron»** and the introduction of a dedicated price prove this. Let's continue to defend our 773 organic farms!

Sébastien Courtois, Sodiaal Director and organic dairy farmer

PDO / PGI

7% of total litres collected

294 million litres of milk collected

MOUNTAIN

906 million litres of cow's milk collected in the mountains

32% of the farms are based in mountain areas

TESTIMONIAL



Pierre CANDILLE
Technical Sales and CSR Manager, Les Fromagerie Occitanes - La Pastourelle

I was delighted to join Coopérative La Pastourelle to promote Roquefort La Pastourelle, the only produced by a cooperative Roquefort.

After a training period on the supply and quality of milk used to produce Roquefort, the first cheese to receive the PDO label in 1925, the Cooperative suggested employing me to act as a link between the 160 farmers and the marketing of our Roquefort. On a daily basis, I am proud to defend our challenges: provide better pay for our farmers by increasing the value of their milk and processing it into Roquefort. Our Coopérative La Pastourelle is also committed to the longevity of our sector by paying particular attention to the size of the farms in order to facilitate transmission and protect the best quality of milk.

I am very attached to quality products that have a history. Here, we work with raw milk, therefore the collection is daily. The raw material is transported to our dairy, in Montlaur, where the milk undergoes a series of quality analyses before being inoculated in our tanks with penicillium roqueforti and rennet. Once curdled, cut and stirred, we extract the whey before moulding the cheeses. Then we turn the cheeses over to get rid of the humidity and we prick them to let oxygen in, which will encourage the development of the famous blue penicillium. During the six months of maturation, the temperature, naturally regulated in our cellars between 8° and 12°, allows us to obtain our exceptional PDO cheese.



Caroline OZOG,
director of Candia supermarket brands in France

TESTIMONIAL

In 2022, we experienced a particular context in terms of sales. The annual negotiations of 1st March were barely completed, during which we had negotiated price increases to counter post-Covid inflation, when the Ukrainian crisis happened, causing agricultural and industrial supply issues. Once again, we had to embark on a new round of negotiations with retailers in June, and then a third time at the end of the year.

During the summer, a new difficulty arose with the drought, which caused an unprecedented drop in milk production. We had to make choices regarding our product range. If we had to sum up 2022, it's clear that we have increased prices like never before, but this was necessary to preserve our activity and therefore the results of Candia and Sodiaal. Another highlight of 2022: for the first time, we held a common ground across the Cooperative with the other sales departments of Sodiaal regarding price increases on agricultural raw materials.
I am certain that this helped us in negotiations. Through this testimonial, I would like to thank Candia sales teams, which have been very active on this issue, and all support functions that backed us during this very particular year.

ACTIVITY REPORT MILK CREAM BUTTER



CANDIA IS MAKING PROGRESS DESPITE A SHRINKING MARKET

In 2022, our three segments reduced in volumes, with -3.5% for milk, -5.4% for cream and -5.6% for butter compared to 2021. Still essential ingredients in the everyday diet of French consumers, they were less affected by financial choices than other consumer products.

The underlying trends are continuing and we need to take account of the drop in consumption of breakfast and milk. However, the increase in home-made food and the appeal of simple recipes, such as pasta dishes, are favourable for our Cream and Butter segments.

In this context, the pursuit of the value-added strategy for our drinking milk, Candia, bore fruit with a 0.3-point gain, reaching 17.9% market share in value at the end of 2022. Additionally, we continued the development of milk beverages with the launch of flavoured milk for customers in the United Kingdom.

On the infant milk market, our Candia Baby brand even reached its record in value market share this summer with 50.1%.

Source: IRI CAM P13 2022 HMSMHD + ECOM

candia
On n'a jamais fini de grandir
17.9% market share
+0.3 point gain compared to 2021*

Candy'Up

Candy'Up, market leader in flavoured milk beverages

+6.5% in value and volume**

KEY FIGURES

- **€ 1.2 billion** IN TURNOVER
- **901 million** LITRES OF MILK SOLD
- **52 million** LITRES OF CREAM SOLD
- **59,000 tonnes** OF BUTTER SOLD
- **1,537** EMPLOYEES
- **7** PROCESSING SITES (5 DAIRIES, 2 BUTTER DAIRIES)

ACTIVITY REPORT MILK CREAM BUTTER



Jean-Michel LE MEUR,
Chairman of the West Brittany Region and Coopérative Sodiaal dairy farmer.

Farmers in Brittany are specialised in dairy farming and are passionate about their profession. It is thanks to them that Nature de Breton is so successful. Everyone worked alongside Sodiaal employees to promote their Region throughout France with this product.

Nature de Breton



NATURE DE BRETON, BUTTER THAT BREAKS THE MOULD

Just over one year since its launch, Nature de Breton butter had won over customers thanks to its quality, «regional product» identity and affordable price. With sales multiplying between 2021 and 2022 (from 38 to 394 tonnes), the brand has also been at the forefront of innovations on its market for the past three years*. Nature de Breton received the Oscar for Packaging in December 2022 for its packaging made up of 96% paper and without any plastic, a unique achievement on the market.

*source IRI P12 2022, HM



CANDIA FINALLY ENTERS THE UHT CREAM MARKET!

In 2022, Candia entered the UHT cream market with two new liquid creams: the 35% «Ideal for whipping» cream and the 18% «Ideal for cooking» cream. We wanted to segment them by use to help consumers make their choice. Their functional qualities make them perfect creams for everyday use, and consumers applauded these launches by nominating us as the Product of the Year 2023. These two references are produced in the Awoingt (North) dairy, recognised in the Out Of Home sector and internationally for its know-how in UHT creams.





COLUMBUS

In 2022, Candia marketing & innovation teams, together with Columbus Café & Co, the French coffee shop network, developed a range of innovative milk beverages (cappuccino, latte, chocolate and Ours latte, the signature of the chain, flavoured with Speculoos). In addition to promoting milk and 100% French expertise, we played the eco-design card in this partnership with Colombus: no cans or plastic bottles, but instead mini cartons made of recyclable card. In 2022, the OOH, Supermarkets France and Europe and Sodiaal Dairy International marketing and sales teams worked together to prepare this multi-network launch in April 2023.



WITH THE "CANDIA AIDE LES JEUNES AGRICULTEURS" CARTON

€142,245: that's the amount of the solidarity fund at the end of 2022 destined to help young farmers to set up thanks to 5 cents paid for each carton purchased.

ADAPTATION OF CANDIA'S INDUSTRIAL FACILITIES

candia
On n'a jamais fini de grandir

In France, the decline in milk consumption has been a structural trend for over 10 years, mainly due to a drop in numbers of people eating breakfast and the change in what they eat (plant-based drinks, snacking).

These changes have forced the company to review its industrial facilities. This restructuring project, decided in 2022, will reduce the overcapacity of the dairies and improve performance of all Candia dairies and butter dairies. It will result in the cessation of industrial activity of Campbon (Loire-Atlantique), the only site without a Sodiaal collection zone, in May 2023. Volumes and skills will be transferred to Awoingt (Nord) and Vienne (Isère), and the workforce of the Saint-Etienne (Loire) dairy will be adapted.

The priority of this project is to provide Campbon employees with the best possible support in their search for employment, whether within or outside the company.

ACTIVITY REPORT
CHEESE



THE MARKET

2022 was marked by a strong wave of inflation on consumer goods.

While the Cheese category experienced inflation higher than that of consumer goods, the contraction in volumes was smaller, particularly in the self-service department: cheese is difficult to substitute and has many uses (on pasta, in salads, at the heart of a meal, etc.).

In this context, our ENTREMONT brand gained 0.2 points in market share.

At the cheese counter, the effects of the economic situation were more marked, nevertheless our market share increased by 0.4 points.

Thanks to agriculture that gives value to our dairy regions, Sodiaal and its producers are committed to defending appellation cheeses. They are the fruit of a strategy to protect the PDO gastronomic heritage, which is essential for the region and consumers.

We produce, mature, package and market over 40 types of cheese including 21 PDO-PGI.
We are the leading producer of Cantal PDO, Fourme d'Ambert PDO, Bleu d'Auvergne PDO, Brie de Meaux PDO, Emmental Grand Cru Label Rouge, Gruyère France PGI, French Emmental and Tomme Noire & Mixte des Pyrénées, and we are the leading maturer of Comté PDO.

OUR CHEESE DAIRIES AND BRANDS AT THE HEART OF THE REGIONS



LES ELEVEURS DU SUD-OUEST

LES ÉLEVEURS DU SUD-OUEST IS A BRAND DESIGNED, CREATED AND SUPPORTED BY THE FARMERS IN OUR COOPERATIVE!

Based on the observation that the South-West Region's dairy industry is in decline and that consumers increasingly want local products with short circuits, in April our farmers in the South-West launched a Regional brand made 100% of milk and cheese from the South-West.

With each sale, a contribution is made to a Regional fund. For every kilogram of cheese and every litre of milk sold, respectively €0.30 and €0.05 are paid out. The aim of the farmers, who are involved in brand's marketing and communication and who benefit from the fund, is to use it for projects to improve the well-being of farmers, or animal welfare, or the environmental impact of their farms. Since the launch, over 1 million litres of milk have been sold, 250 points of sale convinced, and 100 days of events have been organised by the farmers.





ACTIVITY REPORT CHEESE





OUR QUALITY AND EXPERTISE REWARDED AT THE AGRICULTURAL COMPETITION: 16 medals in 2022





KEY FIGURES

210,000 tonnes
OF CHEESE SOLD

€ 1.3 billion
IN TURNOVER

3,216
EMPLOYEES

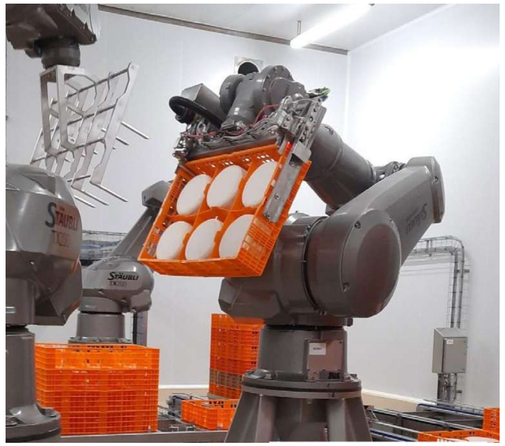
35 sites
TRANSFORMATION AND ADMINISTRATION

INVESTMENTS IN LINE WITH OUR CSR APPROACH

LFO LONS: AUTOMATED CARE LINE

The Fromageries Occitanes site in Lons invested €700k to replace a care line.

The four robots installed by our supplier, GUELT, in a secure enclosure in the Tommes des Pyrénées workshop, were commissioned in December 2022.
The challenges of this innovative project are to improve working conditions (reduction of the risk of musculoskeletal disorders), improve operator safety and hygiene conditions.





ENTREMONT MONTIGNY: NEW PORTION PACKING MACHINE

The Entremont site in Montigny-le-Roi has a new single-jaw bagging machine to convert the packaging of our organic Emmental portions to recyclable mono-material film.

Tests are being carried out for a market launch in the coming months. This acquisition is in line with our 2025 objective: be in line with the national trajectory of the «3R» decree and move towards 100% recyclable packaging for our household packaging marketed in France.

LFO SAINT-MAMET: HEAT PUMP

The Fromageries Occitanes site in Saint-Mamet has invested €1m in the installation of a high-performance heat pump.

This heat pump produces around four times more energy than it consumes. By recovering the calories produced by the concentration of whey, the heat pump supplies the site's hot water network (at 88°C) for some cheese-making equipment, such as pasteurisers and washing machines. The site's goal is to reduce its primary energy consumption (electricity and gas) by 45%, which represents a carbon reduction of 940 T eq. CO_2 per year.



ACTIVITY REPORT
ULTRA FRESH

In 2022, Yoplait's activity was very dynamic, allowing it to gain market share against a backdrop marked by inflation and strong pressure on supplies.

On the ultra fresh market, which confirms its resilience in 2022, Yoplait recorded annual growth of its market share in value (+0.5 points) and in volumes (+0.2).
A remarkable performance in an inflationary context, which strongly affected supply chains and is forcing households to make choices. Yoplait's focusing strategy to ensure the presence of its brands on shelves bore fruit and led to an excellent market service rate in 2022.

The whole portfolio of Yoplait brands maintains its position. Yop and Petits Filous are gaining in market share, while Yoplait Skyr is now leader in the segment following its launch at the end of 2020. Exports are holding up well against a backdrop of high inflation in the United Kingdom.

The franchise business is continuing on its dynamic growth path.

These encouraging results reflect the efforts of Yoplait's teams and the commitment to offer consumers quality ultra fresh products, accessible to as many people as possible.

SKYR
x 3.5
of its sales in value





YOPLAIT SKYR, THE RECIPE OF SUCCESS

Yoplait is democratising the skyr segment, for which the growth potential remains high. A creamy recipe, an affordable price, a variety of formats and flavours to meet the many uses of this protein-rich and low-fat recipe.

GOOD PERFORMANCE OF YOPLAIT FRANCHISES.

26 franchise partners distribute the Yoplait brand in over 40 countries. In 2022, the network grew by 18% in value.











YOP

KEY FIGURES

384,000 tonnes
SOLD

€ 734 million
IN TURNOVER,
EUROPEAN PERIMETER

1,250
EMPLOYEES

3 processing sites
AND ONE R&D
CENTRE IN FRANCE

ACTIVITY REPORT ULTRA FRESH



100%
RECYCLABLE PACKAGING BY 2025

A committed company and brands

The aim of Yoplait's CSR strategy is to ensure good and healthy products for the entire family while reducing the environmental impact across the entire chain of value.

The three strategic avenues are thus to fight climate change, implement a circular economy for our packaging, and protect biodiversity.

REDUCE OUR CARBON FOOTPRINT

In 2021, Yoplait signed the voluntary Fret 21 commitment charter to build an action plan dedicated to the logistics flows of its finished products, with the aim of reducing its carbon emissions by 10% by 2024, i.e. over 1,700 tonnes of greenhouse gases avoided.



-10%
reduction in carbon emissions from logistics by 2024

FRET 21
Les chargeurs s'engagent



500
MILLION HONEY FLOWERS PLANTED SINCE 2019

OBSERVATOIRE FRANÇAIS D'APIDOLOGIE

BIODIVERSITY

ACT IN FAVOUR OF BIODIVERSITY

Because one third of our food, in particular fruit, depends on pollinating insects like bees, biodiversity is at the heart of Yoplait's commitments. Without bees, we would not have any fruits for our products.

This is why, since 2015, Yoplait has been supporting the Observatoire Français d'Apidologie (French apiology observatory) and involving employees as well as consumers and stakeholders in the areas in which we operate, through concrete actions in favour of the re-population of bees. In 2021, Yoplait, in partnership with OFA, had more than 150 million honey flowers planted, bringing the number of flowers planted since 2019 to 500 million.

ACTIVITY REPORT
NUTRITION & INGREDIENTS

NUTRIBIO

In 2022, the infant nutrition market saw a decrease in volumes, largely penalised by the drop in birthrate.

On this market, Nutribio managed to restore growth in volume (EBIT multiplied by 2.5 in 2022), by attempting to restore the volumes it lost during the Covid crisis. This excellent performance was driven by both the brands, with growth across all of our geographical areas, and by BtoB customers. But the exceptionally high inflation heavily penalised the activity's profitability.

The price increases negotiated in 2022 should allow financial balance to be restored in 2023, while maintaining the momentum of volume growth.

+25%
GROWTH IN VOLUME
compared to 2021

NUTRI'Babig

NUTRIBIO
NOURRIR LA VIE NATURELLEMENT







KEY FIGURES

75,600 tonnes
OF POWDERED MILK AND NUTRITIONAL PRODUCTS

€ 332 million
IN TURNOVER

628
EMPLOYEES

4
INDUSTRIAL SITES IN FRANCE





EUROSÉRUM: DIVERSIFYING TO CAPTURE NEW MARKETS

eurosérum

Beyond inflation and its impacts, the highlight of the year at Eurosérum was the implementation of the strategy to refocus on raw materials by the Cooperative and our partners in France.

This refocusing has resulted in the discontinuation of our purchases of foreign whey and the closure of the Saint-Martin-Belle-Roche factory and a drying tower in Bénestroff. A difficult decision, but one that is necessary for the long-term future of our activities. Sales of high added-value products, in particular the «Yang» range (demineralised whey from sheep and goats) and specific recipes for our customers continue to grow, in line with the plan.

In addition, Eurosérum revised its R&D priorities, giving priority to a diversification of ranges and short-term projects on our lines. In this context, we began a diversification towards WPC 35 and 80 proteins, developed a galacto-oligosaccharide and began prospecting to boost Sicamelt sales (milk salts).

KEY FIGURES

215,000 tonnes
OF POWDER

€ 464 million
IN TURNOVER

701
EMPLOYEES, OF WHICH 97 FOR SAINT-MARTIN-BELLE-ROCHE

7 sites
5 OF OUR OWN, 2 SHARED WITH ENTREMONT (MALESTROIT AND MONTAUBAN-DE-BRETAGNE)



ACTIVITY REPORT
NUTRITION & INGREDIENTS

A YEAR OF CONTRASTS FOR BONILAIT

In the first year-half, all of our activities were dynamic, both in the nursing food and feed and food ingredient segments, with high demand in all geographical areas.

In the ensuing months, global demand significantly decreased, in particular for our ingredient activities.
High inflation, both for raw materials and energy, have taken a heavy toll on our overall costs. Our wood biomass boilers, which cover 60% of our energy needs on the Chasseneuil-du-Poitou and Saint-Flour sites, partly mitigated our additional costs.

Also, thanks to the implementation of innovative actions, the Bonilait industrial sites have reduced their water consumption by 50% over the past 10 years and reduced their carbon footprint by 36% since 2019.

In Chasseneuil-du-Poitou, we inaugurated our new nursing food production unit in November. This new facility is in line with our international development strategy.
Innovation is at the heart of our strategy. We received the Inel d'Or (innovation prize from the Eleveur Laitier magazine, during Space) for our Heat Stress Control product which helps to improve animal welfare.



KEY FIGURES

105,000 tonnes
OF POWDER

€ 196 million
IN TURNOVER, OF WHICH 70% IN EXPORTS

205
EMPLOYEES

3
PROCESSING SITES

35 KT OF NURSING FOOD

60 KT OF RE-FATTED WHEY

IN POWDER FORM FOR ANIMAL FEED

10 KT OF RE-FATTED WHEY FOR HUMAN FOOD

RÉGILAIT CONTINUES ITS INTERNATIONALISATION WITH 60% OF SALES IN EXPORTS



2022 ended with turnover up by 16%, with remarkable growth across all of our activities against a backdrop of high inflationary pressure and supply shortages. This growth was driven by exports, which represent over 60% of our turnover.

In consumer products for France and Europe, Régilait consolidates its leadership with 50.8% market share in value in the grocery milk segment in France, and is developing in Southern Europe, including Italy. In France, launch of a new communication campaign «Ré-gilait, bien plus que du lait !» to promote the brand on various television and social media. Régilait's activity in the Professional sector is clearly recovering and returning to pre-Covid levels, which nevertheless, due to the escalation of working from home, led to a lasting fall in vending machine sales of milk beverages, which are mainly consumed in the workplace. This gain in market share was possible thanks to intense commercial activity in France, the diversification of our export markets and recognition by the catering industry of the quality of Régilait products.
Long-distance infant nutrition exports remain very dynamic because our strong markets, including Africa, are experiencing strong demographic growth. We are intensifying the penetration of our France Lait brand with a reinforced medical promotion and are also taking care to maintain a competitive price positioning in markets with reduced purchasing power.



50.8%
MARKET SHARE
for grocery milk in France

GROWTH UP
+ 16%
driven by exports

ACTIVITY REPORT
SODIAAL PROFESSIONNEL







SODIAAL PROFESSIONNEL

In 2022, Sodiaal's Out of Home Catering (OOH) business was also affected by the economic and geopolitical context.

This led to raw material shortages, a succession of price increases and strong tensions with our historical customers.

This exceptional economic situation has encouraged us to rethink our strategy: focus our actions more on adding value to the mix, while improving relationships with our customers.

For many years, the OOH activity mainly sold convenience products. The exceptional price rises agreed with customers in 2022 made it possible to achieve fair value and turn the business around with the result multiplied by 2.5 compared to 2021. In 2022, the PDO/creamery teams joined the Sodiaal Professionnel activity.

This accentuated synergies for shared customers.

At the end of the year, this momentum accelerated with other branches from our Cooperative, in particular Yoplait's Food Service activity, in view of 2023 sales negotiations.

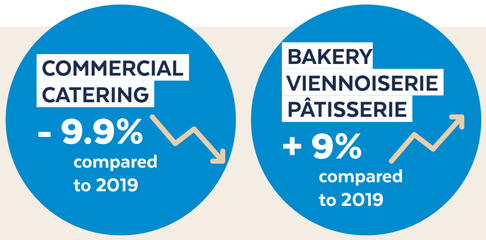
2022 ended with a success: the implementation of an omni-channel offer, in collaboration with Candia's Supermarket teams and those of Sodiaal Dairy International, for the launch of the Candia & Columbus range of lattes. This initiative resulted in a presentation to our customers and the professional press at SIRHA 2023.



Market context and out-of-home consumption

(2019 benchmark year for the sector before Covid)

- Commercial catering: **-9.9% compared to 2019**
- Bakery-Viennoiserie-Pâtisserie: **+9% compared to 2019**



ACTIVITY REPORT
SODIAAL DAIRY INTERNATIONAL



SODIAAL United to nourish better | DAIRY INTERNATIONAL

SODIAAL DIARY INTERNATIONAL

2022, an international economic situation that is shaking things up

Despite a significant decrease in our volumes in 2022, due to the combined effect of a shortage of milk resources and a decision to withdraw from certain less valuable markets, the efforts made throughout 2022, in a disturbed environment with rampant inflation, allowed us to finish the year with a 5% increase in turnover compared to 2021.

The milk activity made a spectacular recovery in Italy. The Sodiaal UK branch, which has evolved to meet new regulations related to Brexit, had a very good year. In Spain, our branch Alianze is now distributing all Sodiaal cheese ranges, which gives us a better position, particularly in supermarkets.

For long-distance exports, Candia Professional is pursuing its growth and setting up in the United States, particularly with new contracts with shipping companies. We are also witnessing a very good trend in sales of slab butter and value-added butters. The quality of our French know-how is recognised.

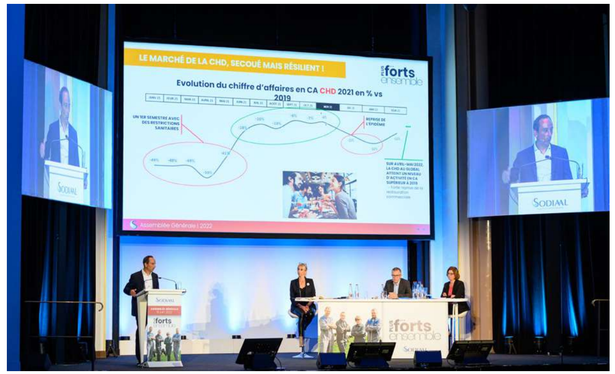








COMMUNICATION OUR COOPERATIVE CONNECTED TO ITS ENVIRONMENT











DANS MA COOP! SODIAAL

To provide better understanding of our Cooperative's actions and commitments, we launched #DansMaCoop to give value to the men and women in our Cooperative, their know-how and our products!

COOPERATIVE CONSUMPTION

By suggesting recipes made from our Cooperative's dairy products, we are promoting our brands and reiterating the message that by consuming cooperative products, customers are consuming good and responsible dairy products which give value to the milk of our cooperative farmers!

#DANSMACOOP PORTRAITS

An immersion in the daily life of our farmers and employees, with fascinating testimonials on the professions that make up the richness and diversity of our Cooperative!

#DANSMACOOP WEBINARS

Conferences and testimonials on business expertise to share experience and knowledge with all our connected employees.

WITH HORIZONS LAITIERS

Sodiaal answers your questions on its CSR commitments! Answers illustrated with key figures, precise examples and testimonials.

OUR SODIAAL WEBSITE HAS HAD A MAKEOVER!

A complete makeover to make browsing simpler and more intuitive, to create proximity by offering more accessible content on life in our Cooperative, its collective and its brands!

www.sodiaal.coop



You can discover all of our Cooperative's actions on social media

Scan to (re)discover our Cooperative's history

HORIZONS LAITIERS

ADD VALUE TO EACH LITRE OF MILK PRODUCED BY OUR MEMBERS

EDITORIAL



In 2017, Sodiaal launched its #Value plan to create value through performance and commitment. Despite the economic uncertainties of recent months, the decided path has not changed. Our strategy lays the foundations for a Cooperative model that is a genuine asset for the future of the French dairy sector. Restructuring; improvement of margins; safety of people; reducing our impact; a shared awareness; investment in our brands; great pride; product quality; recognition by our customers and consumers... Our #Value plan, which is our collective common thread and the direction we wanted to give our Cooperative, is starting to bring results enabling a return to consolidated competitiveness in our markets. The collective strength of our Cooperative is to have an ambition, to give fair value to the milk produced by our cooperative members, to contribute to the transition and to make our Cooperative last for future generations. We believe in the future of milk in food all over the world. .

Jorge Boucas, Managing
Director of Sodiaal (until 28/02/23)

2022 Challenges

01 Improve competitiveness
02 Fight inflation
03 Conduct sales negotiations successfully
04 Make security a priority
05 Confirm our CSR path

AREA 01 > *IMPROVE COMPETITIVENESS*

In 2022, improving the competitiveness of our Cooperative focused on:

- **Improving our economic performance** by responding to our industrial overcapacity issue by closing the Saint-Martin-Belle-Roche (Eurosérum) site, ending drying activities in Malestroit and closing a tower in Bénestroff.
- **Improving productivity** with a total gain above forecasts, particularly for the Ultra Fresh, Milk, Cream, Butter, Cheese and Ingredient activities.
- **Continuing to improve the product mix** and market segments with a 2-point gain in added-value products compared to basic products, to 41.8% in Cheese and Milk Cream Butter Consumer Products. At Candia, the Premium segment gained 0.3 points in value to 17.9%. On the Cheese activity, added-value products now account for 77% with a 1.3-point gain compared to basic products. The ultra fresh activity experienced the strongest increase with a 3.1-point gain in the Gold segment (Skyr, Yop, Perle de Lait and Petits Filous) for Yoplait, to 49.5%.
- **Implementing our ATL*** organisation, with very close collaboration between stakeholders, Operations, Finance, Commerce. By reinforcing the role of our S&OP** Milk Raw Material in the allocation of volumes, by centralising trade-offs between categories on the basis of a comparative cross-sectional view of valuations and setting the framework for commercial commitments for commodities (volumes, prices, periods), the approach has optimised operational performance, flows, costs and the value of MRM and generated a clear improvement in the competitiveness of our Upstream business.
- **Ongoing deployment of the Sodiaal Performance System** on our production and processing sites.

These projects led to savings of €18m compared to 2021, thus limiting the impact of inflation on packaging and energy. They concerned three areas:

- **Adapting our energy performance**, in particular through optimising management of our processes and through investments to reduce gas and electricity needs.
- **Reducing our material losses** thanks to higher yields, thus reducing our rejects and non-conformities by €9.5m compared to 2021.
- **Continuing our productivity** plans in our industrial and logistics operations.



**ATL: introduced on 1 January 2023, the purpose of the Allocation & Trading for Dairy Raw Materials (DRM) department is to balance the allocation of DRM volumes.*
***S&OP (Sales and operation planning) is a process of developing tactical plans that gives management the ability to strategically guide its activities to achieve a competitive advantage*

ADD VALUE TO EACH LITRE OF MILK PRODUCED BY OUR MEMBERS

AREA 02 > *FIGHT INFLATION*

2022 was marked by record inflation, which generated exceptional additional costs of over €200m in our processing activities:

+ 130% for energy, i.e. an additional cost of €98m,
+ 19% for packaging, i.e. an additional cost of €47m,
+ 21% for ingredients, i.e. an additional cost of €28m,
+ 10% for logistics costs, i.e. an additional cost of €23m,
+ 10% for indirect charges, i.e. an additional cost of €10m,

Concerning the price of milk, the war in Ukraine has led to supply issues for cereals, fertilisers, etc. The result has been an explosion in production costs for livestock farming, which is weighing on European collection. Drought and heat waves that followed in the spring and summer also generated price increases for dairy farms. The IPAMPA*/Cow's milk index grew 18.7 % between 2021 and 2022.

In this inflationary and unstable context, Sodiaal's price of milk increased by €74**/KL (€414/KL) over the year, a necessary and expected development for our members. Our Cooperative faced a wall of inflation of almost €500 million, impacting our economic balance in 2022. This situation has required constant monitoring to improve our product mix.

**The IPAMPA is the purchase price index for agricultural production. It covers all agricultural production and monitors trends in the prices of goods and services used by farmers in their agricultural business (https://idele.fr/detail-article/visualisez-lindice-ipampa-sur-idelefr)*
***Price of milk (€/1,000L), average reference price, A/B 38/32, including all bonuses & qualities.*

AREA 03 > *SUCCESSFULLY CONDUCT SALES NEGOTIATIONS*

To pass on record inflation, an initial price increase of Consumer Products was negotiated in application of the Egalim Act2. Applicable on 1st March.

However, the lag effect, linked to the time lag in the application of price increases by French distributors penalised our economic equilibrium, putting a strain on our Cooperative. To deal with this, the first negotiation was followed by two others, outside the legislative framework. One, in response to the Government's intervention at the end of February 2022, after the start of the war in Ukraine, to be applied on 1 July 2022. Then the other, at our initiative, which began in September 2022 in response to the drought and the increase in gas and electricity prices, to be applied on 1 November 2022.

Our sales teams worked relentlessly and these three successive rounds allowed the Cooperative to finish the year with a slightly positive result. Finally, Entremont, Yoplait and Candia, our historic and affordable brands, performed well and gained market share.

AREA 04 > *MAKE SECURITY A PRIORITY*

In 2021, we made the theme of a safe and healthy working environment a major priority for our Cooperative.

In 2022, we continued to set up our Safety First approach (DIX Plan).

We are constantly improving the safety of our equipment and support for sites at risk. In 2022, accidents were down 2.1 points compared to 2021, reaching an overall work accident frequency rate (Tf2i) of 21.2. Excellent results were also recorded by our ultra fresh (drop from 24.7 to 15.4 at Yoplait) and ingredients (from 31 to 26.3) activities.
We are committed to reaching ambitious, but essential targets: (work accident frequency rate below 10 in 2026) and all teams are committed to pursuing the deployment of the three pillars of our safety strategy:

- determination and leadership,
- a safe and healthy working environment,
- the fundamentals of the safety management system.

The health and safety of our employees is not an option. We are all concerned and act collectively to work in safe and healthy environments.



ADD VALUE TO EACH LITRE OF MILK PRODUCED BY OUR MEMBERS

AREA 05 > *CONFIRM OUR CSR PATH*

Every day, we are committed to improve our organisation and reduce our impact. This responsibility is part of our strategic priorities and structures our CSR policy with all our internal and external stakeholders. Since the creation of our Cooperative, we have had a collective commitment to the best of milk.

In 2022, our Dairy Horizons (Horizons Laitiers) CSR plan continued to be rolled out and was enriched with new initiatives.
Upstream, we continued to promote Cooperative life and to support member farmers (setting up of young farmers, deployment of animal welfare and carbon assessments).

We also initiated two approaches on agricultural employment and biodiversity, which will be rolled out in 2023.

For our Production activity, we reinforced our responsible procurement policy through the Supplier Relationship and Responsible Purchasing (RFAR) labelling approach, we signed the national pact on plastic packaging and defined a new objective to reduce water consumption on our sites by 25% from 2019 to 2030 (in 2022, we reduced it by 14% compared to the reference year). Finally, the approval of our carbon-reduction targets within the framework of the Science Based Targets initiative reflects our determination to contribute to limiting global warming to well below 2°C, as set out in the Paris Agreement. Concerning our internal Community, we are now aiming to hire 25% of our trainees and work-study students in 2025 (14% in 2022) and have set up mandatory CSR training for our management-level staff. Additionally, we continued to promote employee shareholding, which grew by 2 points to 22% of employees with shares.

All of our initiatives and actions can be found on pages 28 to 41, along with the evolution of our key indicators on page 30.

FUNDING RELATED TO CSR CRITERIA

After initial Schuldschein financing in 2020, over half of our financing is now indexed on CSR criteria. The indicators tracked by our investors are the following (goals for 2026 vs. 2019):

- the establishment of 1,000 new member farmers,
- the completion of two “animal welfare” audits per farm, to verify compliance in relation to 16 indicators drawn up by the dairy inter-professional organisation,
- reduction of the carbon footprint of the upstream dairy sector.



ADD VALUE TO EACH LITRE OF MILK PRODUCED BY OUR MEMBERS

2022 RESULTS

Sodiaal's EBIT is €7.5m, a drop of €2.6m compared to 2021. We managed to maintain a balance in a very unstable environment between inflation (costs in our operations and on our industrial sites) and the late application of price increases into our accounts. This result includes a revaluation of the price of milk of €74/1000L over the period.

Sodiaal's consumer products were affected by record inflation. However, the price revaluations obtained after the three rounds of sales negotiations and the growing value of all categories contributed, with the integration of Yoplait, to an increase in turnover.

Consolidated accounts

- Consolidated income €5,527 million (€4,668 million in 2021)
- EBITDA: €148.4 million (€132.1 million in 2021)
- Earnings before interest and tax: €7.5 million (€10.1 million in 2021)

**Price of milk (€/1000L), average reference price, A/B 38/32, including all bonuses & qualities.*



Investment dynamic

The investment dynamic in 2022 continued to build on the momentum of 2021, reaching €105m, with a focus on the development of our high added-value activities, the renovation and upgrade of our industrial facilities, the improvement of our competitiveness and of our CSR impact.

This budget has thus enabled a number of high-profile projects to be rolled out.

Growth around our different ranges:

- for our cheese business, the continued development of our raclette production capacity and development to produce organic Emmental in Malestroit (Morbihan),
- the diversification of our protein product range with the launch of two new dairy ingredients (WPC80 and WPC35), the start-up of a new animal feed packaging workshop in Chasseneuil-du-Poitou (Vienne) and consolidation of our production capacity in Carhaix-Plouguer (Finistère) and Port-sur-Saône (Haute-Saône),
- the launch of new milk products at Candia,
- the start-up of growth projects for existing ranges and for new products, at Yoplait.

Upgrading our facilities:

- strong investment for employee safety with plans to adapt our facilities,
- the continuation of the project to upgrade our infant milk factories in Doullens (Somme) and Montauban (Tarn-et-Garonne), in particular to better respond to the Chinese market,
- modernisation of our cheese factory – production and maturing of Comté AOP - in Courlaoux (Jura),
- the diversification of our ingredient production in Guingamp (Côtes-d'Armor),
- modernisation of our dairies in Awoingt (Nord) and Vienne (Isère).

Continuation of our Performance and CSR transformation plans:

- four high-temperature heat pumps to more efficiently manage our energy in our most energy-consuming plants,
- investments to reduce our losses or to recycle our raw material,
- the development of new lines at Yoplait to develop 100% recyclable packaging for the British market,
- adaptation of our production facilities to introduce attached lids on bottles, in compliance with forthcoming regulatory obligations (European directive on single-use plastics, coming into force in 2024).

Information systems:

- the continued integration of Yoplait in Sodiaal International computer systems,
- deployment of our benchmark IT model.

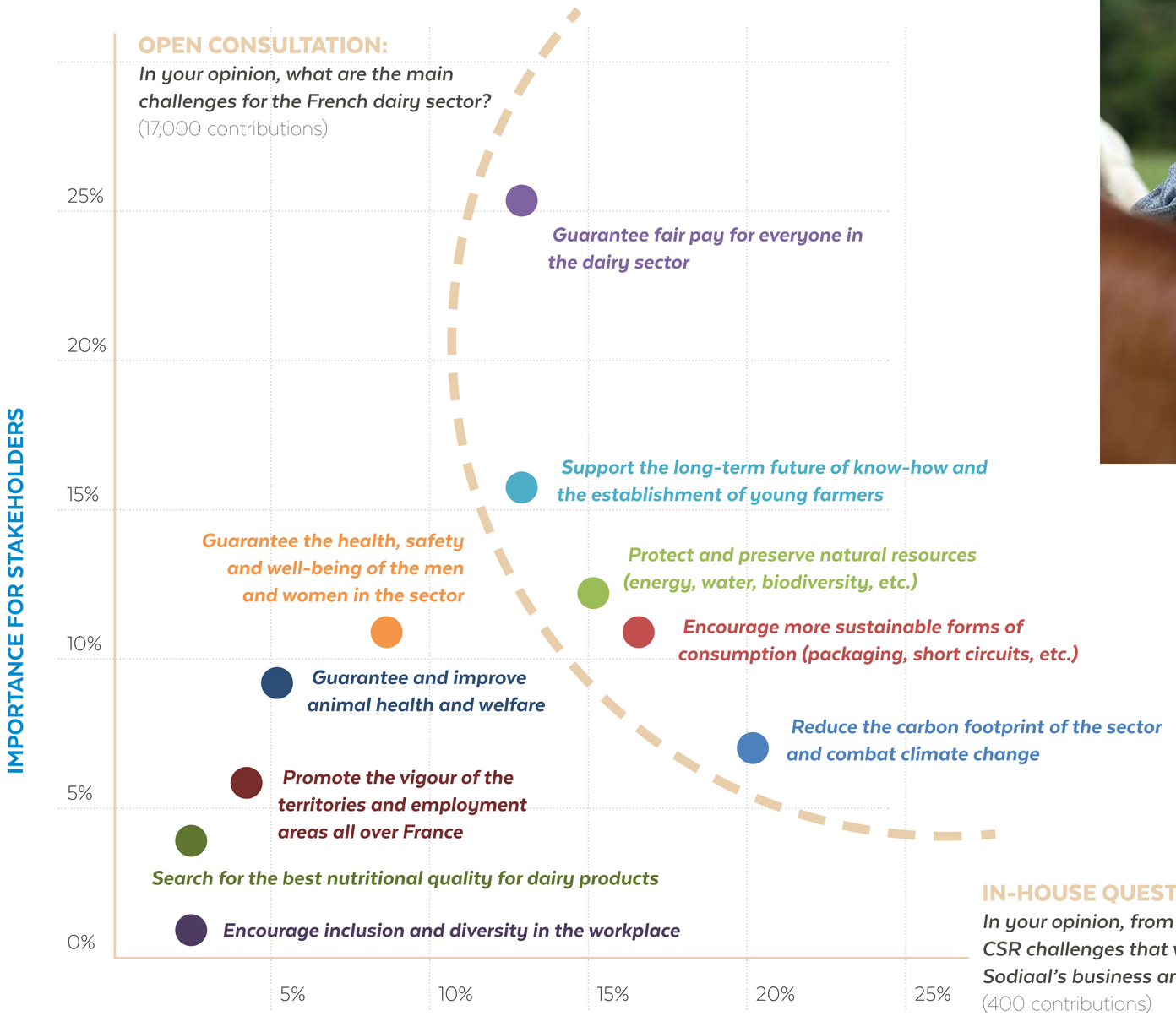


OUR MATERIALITY MATRIX DRAWN UP BY OUR STAKEHOLDERSS

Our materiality matrix was updated in 2021 following the cross-referencing of the results of the major consultation and a survey conducted among Sodiaal top managers.

***Five key topics stand out as priorities (see matrix opposite)**:*
These elements, consistent with our CSR commitments (model of sharing value fairly and transparently, help for young farmers, work on reducing energy consumption and water resources, recyclable packaging, etc.), allow us to identify the areas in which we particularly need to develop our action plans and communicate on our progress.





IN-HOUSE QUESTIONNAIRE:
In your opinion, from the list below, which are the CSR challenges that will have the greatest impact on Sodiaal's business and activity in the coming years ?
(400 contributions)

OUR CSR GOVERNANCE DESIGNED TO GET OUR ENTIRE ORGANISATION ON BOARD

The CSR roadmap is defined and implemented at several levels

CSR coordinators or managers are identified in each branch to analyse societal and market expectations (customers and consumers), define specific areas of commitment and innovation and deploy a suitable action plan.

Central and strategic steering is conducted by the Group Communication and CSR department, allowing us to consolidate the commitments and actions of the various activities, to cross-reference them with cross-functional regulatory requirements and the expectations of external stakeholders and investors. Group guidance may be provided when applicable.

Steer the implementation of action plans in the various business lines

BUSINESS LINE EXECUTIVE COMMITTEE

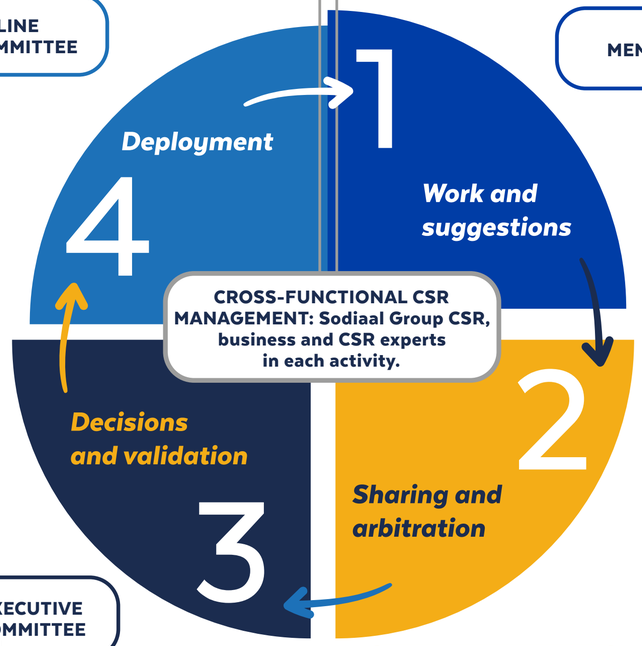
MEMBERS' HUB

The Members' Hub may be mandated to work on specific topics related to the upstream dairy sector and life in the cooperative.

The safety and environment managers, supported by different managers depending on the organisation – safety, energy, etc. – ensure the coordination and operational monitoring of safety and environmental matters at the level of the production sites and administrative headquarters and thus contribute fully to the CSR roadmap of each activity

SAFETY & ENVIRONMENT TEAMS (Water, Energy, Procurement, etc.)

THEME-BASED TEAMS AND BUSINESS EXPERTS



JOINT TRADE ORGANISATIONS INCLUDING FRANCE TERRE DE LAIT

Coordination is also ensured with the representatives of the joint trade organisations (elected or trade contributors), particularly within the framework of the France Terre de Lait corporate social responsibility plan.

BUREAU AND/OR BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

Strategic decisions are taken by the Executive Committee, Bureau or Board of Directors depending on the subject. A yearly presentation takes stock of the past year and defines priorities for the coming year. A Bureau member is appointed as the permanent point-of-contact for CSR issues.

WORKING GROUPS

Various working groups and steering committees meet several times a year to ensure cross-functional (across business lines) or subject-based (nutrition & naturalness, safety, packaging, HR, climate, carbon, biodiversity, energy, water, etc.) coordination and feed into the group's strategy.

MD AND CHAIRMANSHIP

The group CSR manager reports monthly to the Managing director and Chairman on the progress of the roadmaps and to guide decisions.

SODIAAL, STAKEHOLDER IN THE DAIRY SECTOR

France Terre de Lait is the corporate social responsibility plan written and deployed by the joint trade organisation for the dairy sector, the CNIEL. It is the largest collective initiative of the French dairy sector in terms of sustainable development.

This sector plan, which is a genuine progress initiative, is based on four performance areas and eight commitments:

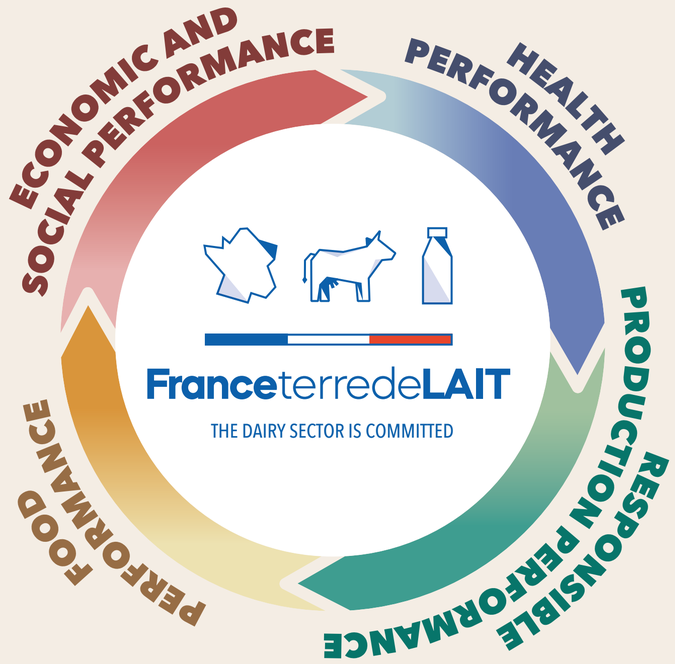
- **Economic and social performance:** so that each person can make a living from their profession
- **Health performance:** because consumer trust is our priority
- **Responsible production performance:** to guarantee animal welfare and to protect the environment
- **Food performance:** to be part of a responsible consumption approach

These commitments embody the priorities of the dairy sector up to 2025 and are in line with the UN's 17 sustainable development goals with the aim being to "guarantee quality, healthy and good dairy products while preserving natural resources, in a sustainable production model, remunerative for the actors who produce and market them".

Sodiaal is an active participant in developing and bringing this plan to life, and rolls it out and even expands on it within its own organisation and cooperative sector.

TO ENSURE THAT EACH PERSON CAN MAKE A LIVING FROM THEIR PROFESSION

TO BEING PART OF A RESPONSIBLE CONSUMPTION APPROACH



BECAUSE CONSUMER TRUST IS OUR PRIORITY

TO GUARANTEE ANIMAL WELFARE AND TO PROTECT THE ENVIRONMENT

OPEN THE WAY FOR NEW DAIRY HORIZONS



A WORD FROM

We have just completed a year that was particular in many ways. Despite this unprecedented economic and geopolitical situation and its significant consequences both for our members and for our production facilities, Sodiaal managed to maintain its position in the sector and its commitments to create value for our raw material, milk, in an increasingly responsible way.

We managed to rise to these challenges collectively thanks to the strength and uniqueness of our cooperative model: giving preference to the long-term, that of generations of farmers. Thanks to this strength, we are constantly adapting our organisation to make it a model for the future and to better meet the challenges of society and the environment.

Our place in the dairy sector and in the food of French people commits us to always do better, in collaboration with all of our stakeholders, first and foremost by responding to the collective interest.

This determination to act and to rise to these challenges exceeds our financial performance! In terms of Corporate Social Responsibility, 2022 for Sodiaal was marked by major progress, with the ongoing improvement of our projects, new stages such as the alignment of our carbon trajectory with the Paris Agreement, and new objectives concerning in particular reducing water consumption in our plants.

These achievements are the fruit of the efforts of each of our member farmers and employees. We can be proud of this and encouraged to continue our efforts to explore new avenues and to shape New Dairy Horizons.
I hope you enjoy reading Sodiaal's Non-Financial Performance Report.
.

Frédéric Chausson, Director of External Relations and Sustainable Development

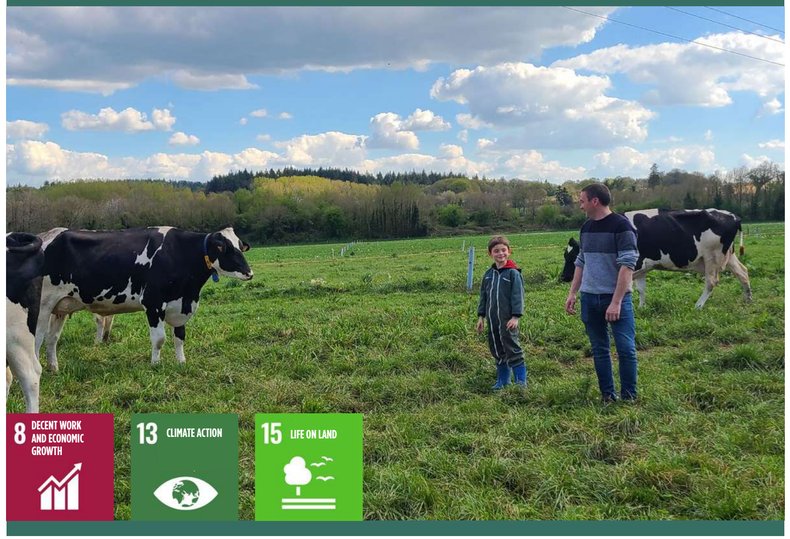


OUR CSR COMMITMENTS IN 3 AREAS

An integrated CSR approach from upstream to downstream, in line with UN Sustainable Development Goals

Built around three pillars, our CSR approach covers our entire chain of value, from our members' farms to the consumer. It covers our main challenges, in response both to economic, environmental & societal impact analyses and to the expectations of our customers, consumers, partners and stakeholders in the broadest sense.

1 FUTURE-FOCUSED FARMS



- **Good for humans:** creating and sharing value, establishment of young farmers, territorial life, progress approach
- **Committed to the environment:** climate, biodiversity, resilience and autonomy
- **Respect for animals:** health, welfare, prevention

2 PRODUCT PROVIDING THE BEST OF MILK



- **Provide the best for our consumers:** quality, nutrition and naturalness
- **Reduce our environmental footprint:** energy, water, packaging, food waste
- **Set up a responsible purchasing policy**

3 A PROUD AND COMMITTED COMMUNITY



- **Put people at the heart of our organisation:** safety, support and quality of life at work
- **Boost pride and community spirit**
- **Develop talent:** careers, training, integration of young people

1 FUTURE-FOCUSED FARMS

- FARMS THAT ARE GOOD FOR HUMANS
- FARMS COMMITTED TO THE ENVIRONMENT
- FARMS THAT RESPECT ANIMALS



1 FUTURE-FOCUSED FARMS

FARMS THAT ARE GOOD FOR HUMANS
FARMS COMMITTED TO THE ENVIRONMENT
FARMS THAT RESPECT ANIMALS

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4. Bring our collective to life in all regions of France ..... P. 45
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6. Encourage employment in the agricultural sector ..... P. 48

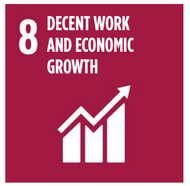
FARMS THAT ARE COMMITTED TO THE ENVIRONMENT ..... P. 50

1. Measure and reduce the carbon footprint of our farms ..... P. 50
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FARMS THAT RESPECT ANIMALS ..... P. 54

1. Assess animal welfare ..... P. 54
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KEY INDICATORS AND GOALS ..... P. 56







HORIZONS LAITIERS

1 FUTURE-FOCUSED FARMS

FARMS THAT ARE GOOD FOR HUMANS
COMMITTED TO THE ENVIRONMENT
FARMS THAT RESPECT ANIMALS

Present in 72 French départements, close to our members, our Cooperative acts to maintain the farms that make up the identity and vitality of the regions, to always add value to our members' milk, to accompany and support young farmers, to set up a resilient agricultural model that respects resources, to reduce the carbon footprint and to guarantee animal welfare in farms.

The unsettled economic and climate situation in 2022 sharply increased farmers' production charges, with inflation on inputs combined with drought and its consequences, particularly on the quantity and quality of fodder. Against this difficult backdrop, we continued to support our farmers and to promote Cooperative life.

Faced with sizeable challenges for our sector, our actions taken to support it are having a positive impact. With 945 young farmers already established, we are on target to exceed our target of 1,000 between 2019 and 2026. 24% of our milk complies with specific specifications (compared to 22% in 2021) and thus provides better pay for farmers. We have reduced the carbon footprint per litre of milk by 3.9% since 2019. La Route du Lait, our quality and sustainable development approach, includes the good farming practices charter, which has now been enhanced with an animal welfare module. In terms of animal care, the widespread use of «Animal welfare» assessments exceeds our target of 45% of farms audited, with 57% in 2022 thanks to the involvement of our dairy consultants.

Finally, the approval in 2022 of our carbon-reduction targets within the framework of the Science Based Targets initiative reflects our determination to contribute to limiting global warming to well below 2°C, as set out in the Paris Agreement.



To continue to improve support for member farmers, our Cooperative also initiated two approaches that will be rolled out in 2023:

- Vast work on agricultural employment with the aim of better tailoring support services to members' needs.
- Several studies analysing the consequences of our activities on biodiversity. They will help to better identify the efforts required to protect our ecosystems.

Our ambition

SUPPORT OUR FARMERS THANKS TO CONCRETE SOLUTIONS

1 FUTURE-FOCUSED FARMS





2022 Progress

24%
of our milk
complies with specific specifications

945
young farmers
already supported in setting up out of the 1,000 planned from 2019 to 2026

-3.9%
reduction in gross carbon footprint
per litre of milk by our member farmers since 2019

57%
of member farms
have already undergone an animal welfare assessment

TESTIMONIALS



Jean-Pierre FAUCON,
Farmer, Chairman of the Pays de la Loire region, CSR policy correspondent for the Cooperative

2022 was marked by drought in a large number of regions. In addition, the increase in our production costs related to the conflict in Ukraine, particularly for energy, fuel, fertiliser and nitrogen correctors, revealed the importance of our CSR policy. For some years now, we have been covering subjects that are at the heart of current affairs, such as energy savings for our facilities, water savings with fodder systems to optimise this resource, carbon storage by our meadows, or the interest of hedges for biodiversity. Adapting our farms will be the key to our resilience for tomorrow; our Cooperative must help us with these changes.



Florence MONOT,
Upstream Managing Director

Our Cooperative is fortunate to be present all over France, which enables us to supply our industrial facilities with quality milk. In every Sodiaal territory, our goal is to enable our members to remain active on their farms and to maintain our milk collection levels. Our collective challenges therefore concern ensuring the establishment of young farmers (the Sodiaal Box system supports our young members) and also supporting farmers to deal with the agro-ecological transition (reducing carbon footprint through assessments funded by the Cooperative, etc.). The issue of agricultural employment is also becoming increasingly important: without qualified staff, the long-term future of our dairy production is compromised. The Cooperative also supports «Manager Farmers» to recruit people and works through local partnerships to make staff available.

Encouraging RESULTS THAT ARE HELPING TO SET THE WHOLE SECTOR IN MOTION!

1 Share value fairly and transparently

Every day, our Cooperative collects and processes its member farmers' milk to create value in order to return it to them in a transparent manner. Fairness and solidarity are the pillars of our action and the way we operate. For us, every player in the chain must be paid fairly.

THREE WAYS OF SHARING VALUE

Sharing value and results: members' pay takes three forms:

- **the advance payment of milk paid every month,**
- **the remuneration of shares held by the members,**
- **the redistribution of our Cooperative's profits when approving the annual accounts.**

In addition to creating value for all the links in the chain, milk subject to specific specifications, such as organic milk, PDO [1] or pasture milk, contributes to better remuneration for farmers by adding value to the price.

THE ADVANCE PAYMENT OF MILK

In 2019, the Sodiaal Union Board of Directors, in consultation with farmer-members, developed a new, clearer formula to calculate the advance payment price of milk. It is indexed to public monthly indicators, representative of the value of the group's finished products and their proportion, as shown in the diagram opposite.

The application of this price mechanism is reviewed monthly by the Board of Directors, in particular taking into account production cost monitoring indicators such as "IPAMPA lait de vache" or the "MILC" index published by Idele [2].

PRICE OF MILK
(€/1,000L) actual rates, all premiums and all qualities included, incl. segmented milk and complementary remuneration
€447 /1,000 L

>> Price A

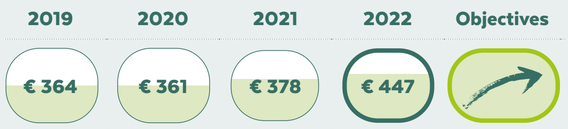
is the reference price and is the same for all producers. It represents nearly 90% of milk volumes sold by Sodiaal. Added to this price are premiums according to the richness of the milk produced (fat content, protein content, etc.) and its hygienic and sanitary quality.

>> Price B

is more volatile than price A. It tracks the prices of butter and milk powder (CNIEL indicator [3]). Like price A, it is the same for all producers. It represents around 10% of milk volumes. This price makes it possible to find a compromise between the motivation of some farmers to increase their production and the collective control of volumes. Every year, farmers have the opportunity to increase their volumes over and above what is provided for in their contract. After their application has been validated by the Board of Directors, depending on the company's industrial and commercial capacities, the additional volume is paid at Price B.

PRICE OF MILK

Price of milk (€/1,000 L)*



**Price of milk (€/1,000L), actual rates, all premiums and all qualities included, incl. segmented milk and complementary remuneration*

A new formula for the price of milk for 2023

Against the current backdrop of exceptional inflation, an overall review of the way volumes are managed and associated prices are allocated was initiated in 2022.

As of April 2023, milk payment methods are changing, with A and B prices being replaced by a single price. A new milk price formula will be put to the vote by the Board of Directors and the approval of the General Meeting to better take into account our members' production costs.

Increase in the price of milk in 2022

The price of milk reached a record in 2022. The price of milk paid to our member farmers increased by €74/1,000 litres in 2022 compared to the previous year[4]. However, this effort was not enough to cover extra costs due to inflation of inputs (+€61/1,000 litres at the end of November 2022). This is in addition to the increase in production costs experienced by farmers in 2021 (+€26/1,000 litres), which remained uncovered last year.

In terms of marketing, although the increase was particularly sharp for exports and on the dairy commodity markets (butter, milk powders, etc.), the lack of responsiveness from the domestic market meant that the higher costs incurred by our producers and our plants could not be covered. More than ever, sales negotiations are decisive to deal with this exceptional economic climate.

1. Protected Designation of Origin
2. Institut de l'Élevage (Farming Institute)
3.CNIEL: Centre national interprofessionnel de l'économie laitière (national joint trade organisation centre for the dairy economy)
4. +€74, increase per 1,000 litres of milk between 2022 and 2021 on the average reference price, A/B 38/32, including all bonuses & qualities

1 FUTURE-FOCUSED FARMS
FARMS THAT ARE GOOD FOR HUMANS

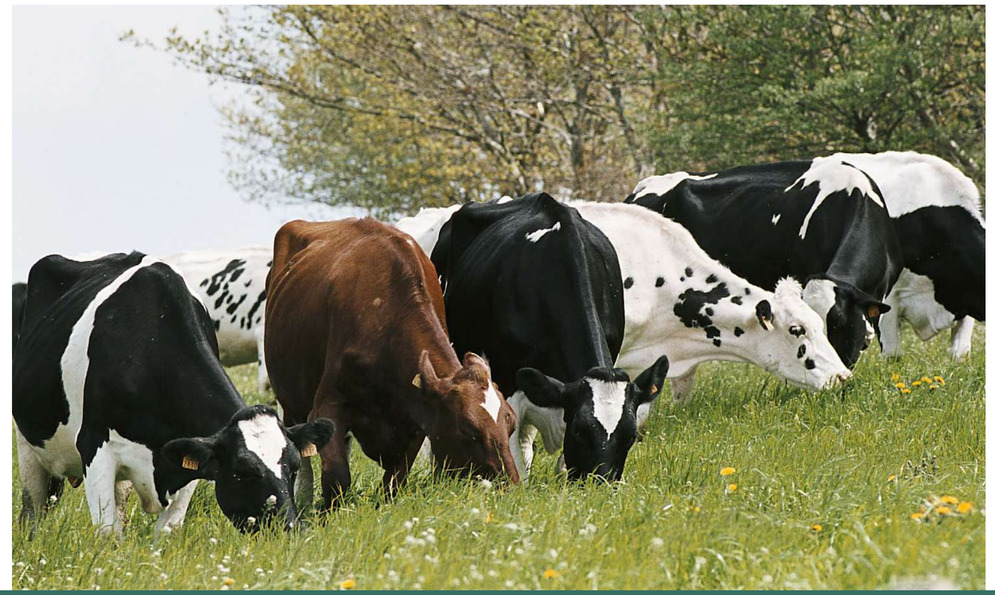
1 Share value fairly and transparently

REMUNERATION OF SHARES

Every year, the shares are paid according to the rate proposed by the Board of Directors and validated at the General Meeting. In 2022, €4,612,698.17 was paid back in the form of interest on share capital for the 2021 result.

SHARING THE COOPERATIVE'S RESULTS

The cooperative model offers additional remuneration to its members. Each year, when the accounts are approved, a third of the profits are reinvested in our Cooperative. The remaining two thirds are paid to members, half in dividends and half in share capital.



CREATION OF VALUE FOR COW'S MILK MEMBERS		
In €/1,000 litres	**2022**	**2021**
Average reference price A 38-32 incl. all premiums & qualities*	403	341
Average reference price B 38-32 incl. all premiums & qualities	511	333
Average reference price A/B 38-32 incl. all premiums & qualities	414	340
composition impact	19. 3	20.3
«premium» bonuses: bbc, Vlog, etc.	2.1	1.7
organic and PDO premiums	8.6	13.6
incl. M&T PDO capital gains	4.4	5.5
Price of whole milk, incl. all premiums and qualities	444	376
cash rebates to members	0.57	0.75
interest in shares*	1.3	1.0
Total yearly cash	446	378
capitalised rebates	0.64	0.75
TOTAL members' value	447	378

** all premiums and all qualities included; including the average value of specific premiums that our Cooperative pays to its members: Route du Lait premium, volume forecasting, etc. and the average impact of the payment for milk according to its hygienic and sanitary quality (germs, cells, butyric acid, etc.)*

Part of this redistributed value is provided by products made from milk with specifications. Thus, although only producers of these specific types of milk receive the supplement for segmented milk, the added value generated by the products made from these milks is redistributed jointly and severally in accordance with the 2/3 rule.

2 Create value with milk with specific specifications

Sodiaal collects 48 different types of milk, such as PDO (Protected Designation of Origin), organic, Bleu-Blanc-Coeur, pasture, from cows fed without GMOs (<0.9%), etc.
These milks, which are subject to particular specifications, meet a dual requirement: that of consumers seeking quality or products consistent with their values (environment, animal welfare, nutritional quality, etc.) and that of farmers who want to create value for their production. At Sodiaal, these different types of milk represent 24% of our collection.

Thanks to its actions in 2022, our Cooperative was able to improve the value of these segmented milks for the benefit of farmers by limiting the volume of downgraded milk, although this does not entirely offset the extra costs related to inflation. For example, for organic milk, the financial incentive of Sodiaal* to moderate production at the start of 2022 made it possible to reduce the volume of organic milk collected and therefore the volume of downgraded milk.

In the PDO sector, sales drives increased the volume of PDO cheeses sold and therefore the volume of milk sold at the PDO price.
The cost-of-living crisis and the drop in demand for organic products is threatening the development of these high-quality milks. We have to continue our communication efforts to the end consumer so that price is no longer the main decision-making factor and the purchase becomes a committed act.

** The financial incentive of Sodiaal neutralised the impact of the downgraded organic price for farms involved in the scheme, thus giving the farmer a choice in their strategy:*
• Either produce and have 10% of their production paid with a 10% discount on the organic price
• Or reduce their production by 10% and be paid the organic price for all of their production (system working from a 3% reduction in order to avoid windfall effects and up to 10%)

OVERVIEW OF ACTIONS TAKEN BY SODIAAL IN 2022 to support and develop milk with enhanced specifications

LABEL	2022 CONTEXT	ACTIONS TAKEN	OBJECTIVE
Organic milk	**Controlled collection** **Drop in demand for organic products**	• Downgrading of 10% of organic milk volumes in the first half of the year, to maintain a balanced economic equation. • Measure to reduce production from February to June • Continuation of the «Le Bio pré de vous» progress plan: promotion of the approach (external communication) and first return to a customer with a price guaranteed at €525/1,000 litres from the fourth quarter	• **Preserve the value of organic milk** • **Search for the best possible value**
GMO-free milk	**Reassessment of the cheese branch in this segmentation**	• Reassessment of contracts in three successive waves in the East region (June-August and December 2022) • Reassessment of the Guingamp area in October	• **Adapt to the market**
Bleu-Blanc-Cœur Milk	**Awareness-raising and sales promotion with the backing of committed farmers**	• Presence of farmers at events (Salon International de l'Agriculture in Paris, SIRHA in Lyon, U supermarket stores, Sodiaal professional days with farm visits, etc.)	• **Develop sales volumes and accompany the launch of the new professional range** • **Improve profitability of the sector by increasing the rate of use of the resource**
Pasture milk	**Re-qualification of the Guingamp V-log/GMO-free and grazing zone into a single grazing criterion**	• Reassessment of initial contracts and signing of a new grazing contract	• **Adapt to the market**
Mountain milk	**A third of Sodiaal farmers are based in the mountains**	• Launch of a study to set up the PDO label with partners from the Massif Central region	• **Add value to the milk paid to mountain farms**

1 FUTURE-FOCUSED FARMS

FARMS THAT ARE GOOD FOR HUMANS

2 Create value with milk with specific specifications

PDO MILK

Sodiaal is a major player in milk PDOs. Our Cooperative acts to ensure the long-term future and development of these sectors, which are of vital importance to France's regions and heritage. They contribute to maintaining the rural fabric, preserving regional landscapes, protecting traditional know-how and production methods, the diversity of the terroirs and flavours.

In particular, Sodiaal is the leading producer of Cantal PDO, Fourme d'Ambert PDO, Bleu d'Auvergne PDO, Tomme Noire and Tomme Mixte des Pyrénées, Brie de Meaux PDO, Emmental Grand Cru Label Rouge and Emmental Français, Gruyère PGI, the second producer of Munster PDO, Raclette and Roquefort PDO and the leading maturer of Comté PDO.

Our three companies at the service of PDOs

les fromageries occitanes – Auvergne · Roquefort · Pyrénées

Fromages d'Auvergne, des Causses et des Pyrénées

FROMAGERIES BLÂMONT

Fromages d'Alsace et d'Ile de France

MONTS & TERROIRS – De merveilleux fromages

Fromages de Franche-Comté et de Savoie

Our cheeses awarded!

GOLD MEDAL
(Concours Général Agricole 2022)
Roquefort PDO La Pastourelle
Cantal PDO Entre-Deux Pasteurisé
(made in our cheese dairy in Saint-Mamet)

.....

GOLD MEDAL
(Concours international de Lyon 2022)
Brie de Meaux PDO
matured in rye straw
Cantal PDO Entre-Deux Pasteurisé

.....

BRONZE MEDAL
(Concours annuel PDO Munster 2022)
Munster PDO dairy products



Greater flexibility in managing the flows of milk ingredients

At the end of 2022, Sodiaal set up a new entity in its organisation, the ATL department (Allocation & Trading of Dairy Raw Materials), for greater flexibility in managing the flows of milk ingredients. Directly reporting to the Executive Board, it replaces the Dairy Equation Department. It aims to get the best possible value out of raw materials, including these segmented milks, by allocating them to specific channels, in optimum quantities, to the right distributors and markets. This will also make it possible to remain responsive to our customers' expectations, the seasonal nature of the production and market volatility.

«Le Bio Pré De Vous»: going further than organic

In 2022, our 800 organic dairy farmers committed to an ambitious progress approach with the definition of their own reference frame, "Le Bio Pré De Vous", which is more demanding than the AB (organic farming) label. These new specifications provide in particular for more grazing days (minimum 180 days per year), food based on 100% French and local plant proteins, animal welfare assessments (see BoviWell assessment on page 54), and investment in more energy-efficient or water-efficient equipment. Our brands Candia, Entremont and Nactalia are proud of this commitment through their organic range.

SEGMENTED MILKS

% of segmented milk with enhanced specifications

2019	2020	2021	2022	Objectives
19%	21%	22%	24%	↗

3

Encourage young farmers to start up

In 10 years, France has lost 20% of its farms, according to the latest general farming census (2020). The trend is at risk of increasing, due to an ageing population (in 2021, 48% of dairy farmers were over 50)[1]. The renewal of the generations and the setting up of new farm workers are therefore vital for the future of French agriculture.

At Sodiaal, the number of dairy farms decreased by 5.8% between 2021 and 2022. This change is due to the decline in agricultural activity, but also the regrouping of livestock farmers, resulting in a smaller drop in volumes collected (-2.4% between 2021 and 2022).
Encouraging vocations, promoting transmission, training new generations, offering support in taking over farms, etc. Sodiaal is active every day to ensure the future of the sector. The future of the dairy sector is being built with young farmers.

1,000 NEW YOUNG FARMERS BY 2026

Sodiaal supports young farmers in financial, technical and organisational matters. Our aim is to support the installation of 1,000 young farmers between 2019 and 2026. At the end of 2022, our Cooperative had exceeded its goal, with 945 young farmers having set up since 2019, of which 149 in 2022 [2].

945 young farmers
set up since 2019

Goal of 1,000
by 2026

THE SODIAAL BOX

This programme, set up in 2014, combines financial aid to set up (up to €10,000), additional production volume allocation (up to 300,000 litres) and technical and human follow-up.

1. Source MSA-BDNI – Institut de l'Elevage (GAL 2022)
2. Provisional data based on files received at the end of December 2022; it will be updated at the end of 2023 with files received during the year.

Allow holidays and training

In 2022, the Cooperative created a new system to allow young farmers to take leave of their farm for training or holidays. Beginning in January 2023, this system finances the actual costs of replacement for up to seven days for leave or training.

Sodiaal Young Farmers Days 2022: the return!

The regional and national Young Farmers days and study trips aim to create links and provide information to new farmers. On 28 June 2022, Sodiaal brought together 150 young farmers from all over France for its annual day in the Massif Central region. Alongside dairy consultants and regional elected representatives, they were able to share their points of view and discover good practices.



1 FUTURE-FOCUSED FARMS

FARMS THAT ARE GOOD FOR HUMANS

3 Encourage young farmers to start up

candia
On n'a jamais fini de grandir

EntreMont



CANDIA HELPS YOUNG FARMERS

Over €140,000
already paid into solidarity funds for young farmers thanks to the milk carton
since October 2021

WITH CANDIA AND ENTREMONT, CONSUMERS ARE SUPPORTING YOUNG FARMERS

Launched in October 2021, the Candia milk carton to help young farmers invites consumers to support the Cooperative's commitment: for each milk carton purchased, five centimes are paid to Sodiaal Box. Over €140,000 has already been paid into the solidarity fund for young farmers since this milk carton was launched, i.e. around €480 per young farmer. The milk carton received the best innovation prize in the milk department in 2021 and 2022.

Similarly, at the third edition of the ***"Autrement Coop"*** solidarity operation, over €15,000 was collected from the sale of Entremont products and paid into the Sodiaal solidarity fund for young farmers.

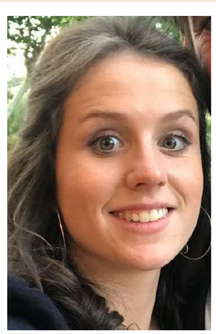
LOCAL YOUNG FARMERS DAYS WERE ALSO ORGANISED

In 2022, 10 days were organised with young farmers in all regions except Massif Central, where the national day was hosted. These events gave participants the opportunity to attend a presentation of Sodiaal Group and review the Sodiaal Box.
The days terminated with a tour of the plant or workshops based on topics related to one of our Cooperative's activities, such as agricultural supplies or micro-anaerobic digestion in the South-West.

CROSS TESTIMONIALS



Aymeric DUPRADEAUX,
Young Farmer in Creuse
It was really interesting to meet and talk with livestock farmers and consultants from other regions. I also found it very positive to be able to get to know the elected representatives in the sector and our Chairman, Damien Lacombe.
The factory tour gave me the chance to see how our milk is made into cheese, to understand the entire product manufacturing chain and how value is added to our milk. I really enjoyed being able to taste the cheese made from the Cooperative's milk.



Lucie BESSE
Human Resources Manager
Les Fromageries Occitanes in Saint-Flour
Two hundred young farmers from all over France discovered the charms of Auvergne and the specificities of milk production related to PDO cheeses. Every year, Sodiaal invites young farmers to take part in two friendly days of encounters and exchanges.
In 2022, Fromagerie de Saint-Flour hosted this event. It was a great opportunity for farmers and employees to share experiences and an example of the strength of our collective in developing and building a Sodiaal community around its ambassadors, brands and products.

YOUNG FARMERS

Number of young farmers set up since 2019

2019	2020	2021	2022	Objectives
273	547	726	945	1,000 over the period 2019-26

4 Bring our collective to life in all regions of France

Our Cooperative's teams and elected representatives are present alongside farmers in every region to organise meetings, strengthen ties, explain current matters and the cooperative strategy, train and come together around today's and tomorrow's challenges. Creating and maintaining these collective dynamics is at the heart of our mission.

In 2022, Sodiaal reinforced its support for local initiatives by allocating a dedicated budget to each region. The goal is to tailor actions as closely as possible to the needs of the regions.

REGIONAL EVENTS

Each region organises its local life with meetings and moments of sharing throughout the year. The elected representatives are responsible for these local events, with the support of Sodiaal Union teams. The "winter meetings" organised each year between November and March are moments for sharing and exchanging on our Cooperative's news, good practices and the challenges of each region. In 2022, Sodiaal organised over 90 winter meetings.

The regions also programme theme-based days (for example on quality, equipment, etc.). Some take place in farms and involve external experts. In regions where it is relevant, Sodiaal encourages and co-funds membership of technical and economic groups facilitated by the BTPL (Bureau Technique de Promotion Laitière).

Other meetings bring together farmers who produce milk with particular specifications (organic, Bleu-Blanc-Cœur, PDO). Some regions also organise Quality Challenges which highlight the three best farms in terms of milk quality criteria.



TESTIMONIAL BY AN ELECTED REPRESENTATIVE

Clément COUSSEMENT,

Producer in Oise

I took part in the foundation course in 2021, then in the level 1 course at the School for Elected Representatives, which ended in autumn 2022 in Vienne. I really enjoyed meeting the MD, the BU Managing Directors (Candia, Entremont) and the Chairman of the Cooperative. The preparation evenings with elected colleagues, trainees and facilitators were also highlights.

This taught me:
To objectively analyse information received, to look at things from the Coop's common point of view rather than from the point of view of your own farm. How to acquire methods/tools to speak out and structure your speech. On the personal level too, to take a step back with my partner and my employee. We were also able to create a network: thanks to a WhatsApp group with participants, we got to know other regions, other systems.

THE SCHOOL FOR ELECTED REPRESENTATIVES

Our elected representatives are farmers above all else, with new responsibilities that go with their mandate. Sodiaal organises training courses for them, to develop their skills and help them take on their new responsibilities more effectively: history and operation of cooperatives, legal notions, financial analysis, public speaking, knowledge of sectors and the market, study trips, etc.

Three cycles are offered depending on the role and background of the elected representatives: a «newcomers» cycle, a long in-depth cycle in two levels and Sénèque training organised by La Coopération Agricole. In 2022, this School for Elected Representatives trained around 50 members.

49 ELECTED representatives trained by the School for Elected Representatives

4 Bring our collective to life in all regions of France

"EVERYONE AT THE COOPERATIVE"?

To introduce our Cooperative, show off the wealth of our farms and the job of the dairy farmer, Sodiaal set up the "Everyone at the cooperative" network with 80 voluntary farms to welcome the public. In 2022, Sodiaal organised around 20 visits for employees and professionals.

Feedback is very positive, and the sharing of experiences has helped promote understanding of the professions throughout the chain. We are continuing to expand this network by giving employees the chance to visit farms during induction days for management-level staff, or during discovery days, before extending the scheme to the general public in the years to come.

DETECT SITUATIONS OF DISTRESS

We have set up a prevention scheme to strengthen our relations with our farmers: each new Sodiaal Union employee receives useful information on how to deal with distress signals detected in a farmer. This information, contained in a welcome booklet, refers in particular to the MSA hotline, Agri'écoute. Our dairy consultants, who are in regular contact with our farmers, are trained in managing difficult situations (conflict, detection of distress on the farm, etc.).

The training takes place over two days, with scenarios to help dairy consultants adopt appropriate behaviour and reflexes for each case. The dairy consultant can alert different organisations, such as the MSA, so that it can propose, for example, days off for the farmer with a replacement service, or Agri'écoute for psychological support.



5 Lead an ambitious progress approach

La Route Du Lait
Démarche Développement Durable Sodiaal

83%
of our member farms implement GOOD PRACTICES
that go above and beyond the Good Farming Practices Charter (stages 2 and 3 of La Route Du Lait)

100% OF OUR FARMERS ARE COMMITTED TO LA ROUTE DU LAIT

Launched in 1998, La Route Du Lait is the name given to our approach to continuous improvement of farming practices in terms of quality and sustainable development. 100% of our producers are committed to it, along with our 66 dairy consultants. Changing with the times, this approach covers seven key themes and includes the sector's societal changes: traceability, health, animal welfare, food, hygiene and quality of the milk, social sustainability, the environment, etc.

La Route du Lait is based on the joint trade organisation's «Good Farming Practices charter». Since its new version in 2022, it now includes an animal welfare assessment. At Sodiaal, 57% of farms benefited from this assessment between 2019 and 2022 (see page 54 «Assess animal welfare»).

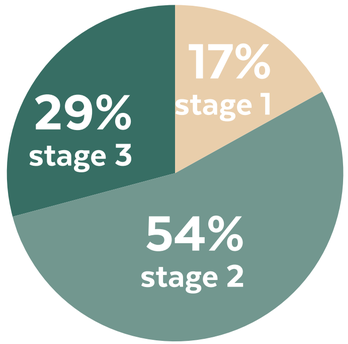
THE ROUTE DU LAIT IN 3 STAGES

The scheme has three stages, each with progressive requirements. They chart the good practices implemented by the farmers and encourage them to improve. La Route Du Lait represents a robust quality management system certified by AFNOR according to standard NFV01-007.
Stage 1 corresponds to the Good Farming Practices Charter validated by the Comité National de l'Elevage, grouping together dairy and meat farmers.

Stages 2 and 3, specific to Sodiaal, contain 15 criteria in addition to the Good Farming Practices Charter. Our Cooperative pays a premium to farmers at stages 2 and 3 of La Route Du Lait of €1.5 and €3 respectively per 1,000 litres of milk.

Every three years, our Cooperative's dairy consultants assess the farmers. During these audits, an action plan is drawn up with a view to improve elements scored as «cannot be validated» or «room for improvement».

	Stage 2 (superior)	Stage 3 (enhanced)
Hygiene and quality	Compliance with high standards of practice, particularly concerning the use of cleaning and disinfection products.	Enhanced and regular hygiene and quality practices.
Feeding	Feeding solutions that favour animal welfare and are positive for the image of the sector (no palm oil, for example).	Precise knowledge of the geographic origin of feed purchased for cows (France and/or Europe or outside Europe).
Sustainability	Good practices for personal safety on farms. Carbon footprint self-diagnosis (SelfCO2). Regular updating of livestock information via La Route du Lait Connectée.	Enhanced safety practices for people working with animals. Security equipment for dairies (fight against intrusion, damage, etc.).



Proportion of farmers in stage 1, 2 or 3 of La Route du Lait

Support our member-farmers towards stages 2 and 3 of La Route du Lait

To encourage farmers to go beyond the Good Farming Practices Charter, our Cooperative wanted to increase the premium for stages 2 and 3 by 50%, to €1.50 and €3 per 1,000 litres of milk (compared to €1 and €2 initially). Therefore, a farmer who produces a yearly average of 450,000 litres could receive an extra €225 at stage 2 and €450 at stage 3.

FUTURE-FOCUSED FARMS

FARMS THAT ARE GOOD FOR HUMANS

5 Lead an ambitious progress approach

Dairy consultant, an essential role for farmers

Distributed among eight regions, the 66 dairy consultants liaise between members and the Cooperative. Their role is essential: they inform farmers on the price of milk, guide them in managing the hygiene and quality of their milk and carry out La Route du Lait audits.

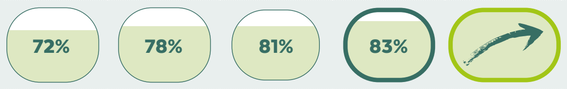
LA ROUTE DU LAIT CONNECTÉE

With La Route Du Lait Connectée, farmers can enter information about their farm on-line (herd, buildings, milking facilities, area, etc.). The SelfCO2 self-assessment, incorporated into this tool (see «Measure and reduce the carbon footprint of our farms» on page 50), allows our Cooperative to improve its knowledge of its members and to have a reliable database that is updated yearly.

At the end of 2022, 83% of our members were at stages 2 and 3 of La Route du Lait and therefore go above and beyond the regulatory requirements and good practices of the sector (Good Farming Practices Charter).

LA ROUTE DU LAIT

% of Sodiaal member farms at stages 2 and 3 of La Route du Lait



6 Encourage employment in the agricultural sector

Livestock farming is a demanding profession: it requires time to look after animals and to produce quality milk. The issues of organising work and labour for farmers are growing and are risk factors for the long-term future of farms.

To meet its members' requirements in the best possible way, our Cooperative surveyed 273 farmers in 2022. The survey revealed difficulties in hiring, finding qualified staff, and their need for support in managing staff.

FOUR MAJOR AREAS HAVE BEEN EXPLORED TO MEET THESE NEEDS:

- **training (of staff, to improve qualifications, and farmers in management),**
- **the creation of employer groups, in conjunction with local structures,**
- **support in finding labour,**
- **reinforcement of regional actions on these subjects.**

This approach, launched in 2022, will be stepped up in the coming years.



1 FUTURE-FOCUSED FARMS COMMITTED TO THE ENVIRONMENT



Our members' farms are fully integrated within their territory and interact strongly with their environment: farmers are constantly striving to protect their primary working tools: nature, the soil and animals. Farmers are the first to observe climate changes. They adapt their work to the fields; the care and food given to their livestock is in line with the seasons, conditions and local ecosystems (soil, relief, climate, fauna and flora).

Climate change has many consequences for farm management. The 2022 drought illustrated the difficulties: reduction of available fodder, decrease in milk production per animal and therefore income, consequences on animal welfare, uncertainty about the future, etc.

In addition, through emitting greenhouse gases, livestock farms contribute to global warming (ruminants belch methane from enteric fermentation).
The transformation of practices to reduce these emissions is central to the actions carried out by livestock farmers.

The Cooperative raises farmers' awareness and supports them in understanding and reducing their carbon footprint with the use of practical tools and programmes. At Sodiaal, 91% of greenhouse gas emissions come from the purchase of items and services (milk, milk ingredients, other ingredients, packaging, etc.). Milk purchased from the farmers represents 60% of the group's total carbon. footprint. Dairy farming also has many positive contributions that we want to develop and promote: maintenance of landscape, biodiversity habitats, carbon storage, production of renewable energy, etc...

THE LARGEST GROUP OF FRENCH DAIRY FARMERS TO JOIN THE SCIENCE BASED TARGETS INITIATIVE

By joining the global Science Based Targets initiative, Sodiaal is committed to reducing its greenhouse gas emissions, in agreement with work by the IPCC and the Paris Agreement. To reach our new objective of reducing the gross carbon footprint per litre of milk by 20% between 2019 and 2030, we have to support all of our members in this approach. To do this, we offer solutions tailored to each farm, with preference for multi-benefit solutions (income, quality of milk, biodiversity, animal welfare, etc.).

OBJECTIVE

20%
REDUCTION OF GROSS CARBON FOOTPRINT
per litre of milk
between 2019 & 2030

Our Cooperative has invested over one million euros in three years to help its farmers achieve greater sustainability: implementation of assessments, training of dairy consultants, support within the framework of the Low Carbon Label, data analyses, etc. Investing in these transition subjects is a way of supporting our farmers in the long-term and ensuring the long-term future of the sector.

The global Science Based Targets initiative

The Science Based Targets initiative (SBTi) is an international organisation born from the collaboration between the United Nations Organisation (UN), the World Resources Institute (WRI), the Carbon Disclosure Project (CDP) and the NGO WWF (World Wide Fund for Nature).

It helps businesses speed up their decarbonisation trajectories by setting targets to reduce their carbon footprints in line with the latest recommendations from scientists. Within this framework, our Cooperative undertakes to reduce the absolute value of its greenhouse gas emissions by 30% between 2019 and 2030 on scopes 1 & 2, on the one hand, and scope 3 on the other hand, with a target set to -20% per litre of milk produced by Sodiaal members. (See also «Reduce our environmental footprint», P64)

1 FUTURE-FOCUSED FARMS COMMITTED TO THE ENVIRONMENT

1 Measure and reduce the carbon footprint of our farms

3 concrete tools to drive our progress: Reduce greenhouse gas emissions and improve carbon storage.

MEASURE AND RAISE AWARENESS

74% of Sodiaal livestock farms carried out a SelfCO2 assessment in 2022

MANAGE REDUCTION

1,500 assessments carried out over 2020 and 2022

700 additional assessments followed by a carbon action plan planned by the end of 2023

MONETISE EFFORTS THROUGH CARBON CREDITS

320 FARMERS

COMMITTED to the approach (on the three calls for projects)

PART OF: La Route du Lait; La Ferme Laitière Bas Carbone – The Low-Carbon Dairy Farm; Ministère de la Transition écologique – Ministry for the Ecological Transition

Our Cooperative encourages its members to carry out a yearly self-assessment, called SelfCO2. This is based on the farm's characteristics (distribution of farmland, livestock, equipment, farming practices, etc.). The tool assesses each farm's greenhouse gas emissions, carbon storage in its soils, and other elements of its ecological footprint.

In 2022, 74% of members filled in the questionnaire. The aggregation of this data is an essential tool for the Cooperative to assess the ecological impact of farms and monitor the effects of the action plans undertaken to decarbonise livestock farming.

In 2022, Sodiaal adapted its carbon footprint calculation method to make it even more reliable. Extrapolation of the results to total litres, corrected for fat and protein content, makes it easier to compare with national results and confirms that reducing the carbon footprint and improving milk quality are progressing hand-in-hand.

Reduce the gross carbon footprint per litre of milk by 20%

Sodiaal has set itself the target to reduce the gross carbon footprint per litre of milk produced by its farmer-members by 20% between 2019 and 2030, i.e. reduce emissions directly from livestock farming. Note that this target does not take into account the capacity of our farms to increase carbon storage via soil, hedges or meadows, which our Cooperative encourages. This carbon storage, which partly offsets gross emissions, is accounted for separately in order to ensure that the effort to reduce greenhouse emissions from livestock farming remains at the forefront.

6,680 complete **self-assessments** carried out in 2022

I.E

74% OF FARMERS

ESTIMATE CARBON FOOTPRINT WITH THE SELFCO2 TOOL

The SelfCO2 tool, developed by Idele (Livestock Farming Institute), is integrated into the La Route du Lait Connectée (see page 47). With this tool, farmers can make a simplified environmental assessment of their farm. It calculates the carbon footprint of their farm and their score in relation to similar farms, as well as key indicators, such as nurturing performance or contribution to biodiversity. To encourage livestock farmers to complete it, our Cooperative pays a premium to producers who fill in La Route du Lait Connectée including the SelfCO2 (up to €100/year).

ABOUT **1,500** **CAP'2ER LEVEL 2 ANALYSES** carried out between 2020 and 2022

700 ADDITIONAL ANALYSES planned by the end of 2023

MANAGE THE REDUCTION WITH CAP'2ER LEVEL 2 ANALYSES AND CARBON PLANS

(CAP'2ER: Automated Calculation of Environmental Performance for Responsible Farms)

In addition to the SelfCO2 tool, which is a simple and homogeneous way of carrying out assessments, other, more advanced systems can be used to undertake specific action plans. CAP'2ER, also developed by Idele, consists of an audit conducted by a technician and co-building an action plan with the farmer adapted to their farm, based on 150 items of data. Sodiaal is rolling out CAP'2ER level 2, with level 1 moving closer to SelfCO2.

Sodiaal is developing ways to offer technical and financial support to committed livestock farms, by acting on levers such as animal rations or effluent treatment. For example, the implementation of a micro-anaerobic digester and associated practices (scraping slurry, spreading digestates) makes it possible to reduce by 15% the carbon footprint of eligible farms which meet certain characteristics in terms of volumes and animal housing.

1 FUTURE-FOCUSED FARMS COMMITTED TO THE ENVIRONMENT

1 Measure and reduce the carbon footprint of our farms

REWARD EFFORTS WITH THE LOW CARBON LABEL OF THE MINISTRY FOR THE ECOLOGICAL TRANSITION

Launched in 2019, the Low Carbon Label certifies Carbon Credits that can be offered on the voluntary carbon market. This approach is backed by the Ministry for the Ecological Transition and Territorial Cohesion and based on the validated France Carbon Agri methodology, which quantifies the impact of new farming practices on carbon footprint. Each tonne of carbon avoided will correspond to a carbon credit generated at the end of the period.

320
LIVESTOCK FARMERS ***are engaged in the approach*** (over the three calls for projects)
MAKING US ***one of the most invested players in the sector***

The five-year programme comprises three successive stages: an initial CAP'2ER assessment, implementation of reduction actions and a final assessment. The farmers are accompanied by consultant bodies to define the most relevant actions for their farm (grazing, hedges, feeding, anaerobic digestion, etc.). Thanks to the emission reductions achieved, farmers will be able to sell carbon credits, thus generating a source of financing to encourage the climate transition of farms.

Raise our dairy consultants' awareness of climate change

Sodiaal is raising awareness of climate issues among its dairy consultants: by the end of 2023, 100% of them will have taken part in a Climate Fresk involving agricultural supplies and equipment consultants. From 2023, our Cooperative will train some of its diary consultants in carrying out the CAP'2ER® level 2 assessment.

CROSS TESTIMONIALS



Alexandre CARLES,
***South-West Dairy Consultant**:*
I have visited around 10 farmers who have conducted a level 2 CAP'2ER assessment to review the implementation of the resulting carbon action plan. These visits were also the opportunity for me to talk about «farmers' welfare», an important point because feeling happy at work also contributes to profitability! I would like to highlight two examples of implementations observed that combine these two subjects:

- *the one-year extension of temporary meadows, which increases carbon storage while saving time spent labouring the soil;*
- *work on the growth of heifers aged 0-6 months to reduce the calving age thanks to a milk taxi that makes work easier and saves time!*



Damien BARUS,
***Livestock Farmer in Pyrénées Atlantiques**:*
As livestock farmers, we have a front-row seat to measure the consequences of global warming on our environment. Everyone has a role to play in trying to limit them. Starting a carbon audit with the CAP2ER assessment means measuring the impact of my activity and identifying ways of reducing greenhouse gas emissions. It's also the opportunity to develop my system to make it more resilient and autonomous. A path is taking shape and the measures envisaged should have a favourable economic impact while significantly reducing the carbon footprint of my farm: it's purely positive!

LOW CARBON

% of Sodiaal member farms that have conducted a SelfCO2 self-assessment in the year

2019	2020	2021	2022	Objectives
61%	70%	72%	74%	85% by 2025

Change in the gross carbon footprint per litre of milk from our member farmers since 2019

NA	-0.3%	-3.1%	-3.9%	-20% by 2030

This table corresponds to the calculation method adopted in 2022 and which will prevail in the future.

According to the previous method and in the scope considered until 2021, the net carbon footprint of our upstream dairy business, including the carbon footprint of the milk collection, has reduced by 4.7% since 2019, in line with our trajectory, set at -10% by 2026.

1 FUTURE-FOCUSED FARMS COMMITTED TO THE ENVIRONMENT

2 Make a positive contribution to carbon storage and biodiversity



Dairy cattle herds and farmers' work to maintain the land play an essential role for the diversity and wealth of the landscapes. Meadows, hedges, slopes, trees and waterways all make a major contribution to agro-ecology: refuges for biodiversity, shade, erosion limitation, protection against the wind, etc. They create micro-climates favourable to livestock and to endemic fauna and flora. The practice of grazing encourages plant diversity, maintains the soil and makes use of less fertile or difficult-to-access land.

They are essential levers for preserving biodiversity, protecting the environment and storing carbon.

This is why we want to promote this daily work to maintain nature carried out by our farmers: the Selfco2 assessment makes it possible to estimate carbon storage per litre of milk and to monitor the biodiversity areas maintained by our farmers.

In 2023, several studies will converge which will better highlight the impact of agricultural practices on biodiversity. Two assessment tools, Agribest (LCA Ouest) and Biotex (Idele), have been tested on several farms and could provide a concrete base for disseminating best practices according to the livestock farming system.

The evaluation of the carbon storage capacity of farmland, in particular meadows, is expected to undergo significant change in the years to come. In fact, this data is the subject of methodological updates and a draft regulatory framework at European level.

LOW CARBON AND HIGH BIODIVERSITY

Carbon storage (meadows, hedges) (kgCO2eq/L)

2019	2020	2021	2022	Objectives
0.088	0.082	0.087	0.092	↗

% of UAA (utilised agricultural area) of Sodiaal member farms in equivalent hectares of biodiversity (permanent meadows and hedges):

62%	61%	63%	64%	↗

1 FUTURE-FOCUSED FARMS COMMITTED TO THE ENVIRONMENT

3 Increase the resilience and autonomy of farms



Climate change is already affecting farms, particularly during episodes of drought and heatwave, which disturb the welfare of the animals and reduce the production of fodder. Adapting the farms and practices to these upheavals to increase the resilience of livestock farms is a strategic short, medium and long-term issue for Sodiaal.

ADAPT CONDITIONS AND FARMING PRACTICES

With our agricultural supply and equipment offer, we propose solutions to our farmers to limit the impacts and improve animal welfare, for example: equipment to improve ventilation and cool livestock buildings; food supplements; energy-efficient equipment to chill the milk; fodder production solutions to contribute to the food autonomy of the farms; water treatment; animal hygiene and building hygiene.

FODDER AND PROTEIN AUTONOMY

Fodder and protein autonomy for farms reduces their dependence on soy imports while ensuring balanced and quality rations for the animals. It can also be a lever for reducing carbon footprint, because it encourages grazing, carbon storage in meadows and the cultivation of pulses, which reduces the use of nitrogen-based fertilisers.

Sodiaal encourages the production of fodder on the farm and the use of proteins produced in France or in Europe. The agricultural supply offer can be adapted to propose solutions to farmers, such as mixtures of fodder species including pulses. In addition, in partnership with food producers in each region, we are studying alternative soy-free rations adapted to each type of farm and based on grazing, using alfalfa, protein crops (lupin, peas, broad beans), rape or farm cereals.

DURALIM: FOR SUSTAINABLE FOOD FOR LIVESTOCK

Since 2018, Sodiaal has taken part in the national Duralim initiative, which brings together around one hundred French participants, from raw material producers for animal feed, to retailers, including manufacturers of livestock feed. The aim is to achieve 100% of sustainable raw materials for animal feed by 2025, by including a non-deforestation and non-conversion target for soy supplies.

85% of a cow's feed comes from the farm

According to the Observatoire de l'alimentation des vaches laitières françaises (observatory on the food of French dairy cows), a French dairy cow eats on average 20.8 kg of dry matter per day, broken down as follows:

- **7.1 kg** of corn silage
- **3.5 kg** of fresh grass
- **2.9 kg** of grass silage and haylage
- **2.1 kg** of energy and production concentrates
- **2.3 kg** of nitrogen concentrates
- **1.9 kg** of hay
- **0.8 kg** of diverse fodder
- **0.2 kg** of minerals



This ration changes with the seasons (the proportion of fresh grass increases during grazing periods with a peak in the spring). Over 80% is produced on the farm.

Source: What do French cows eat? Observatoire de l'alimentation des vaches laitières françaises, taken from Res'alim® data from farms monitored by the FCEL network, 2021 data.

1 FUTURE-FOCUSED FARMS RESPECT FOR ANIMALS

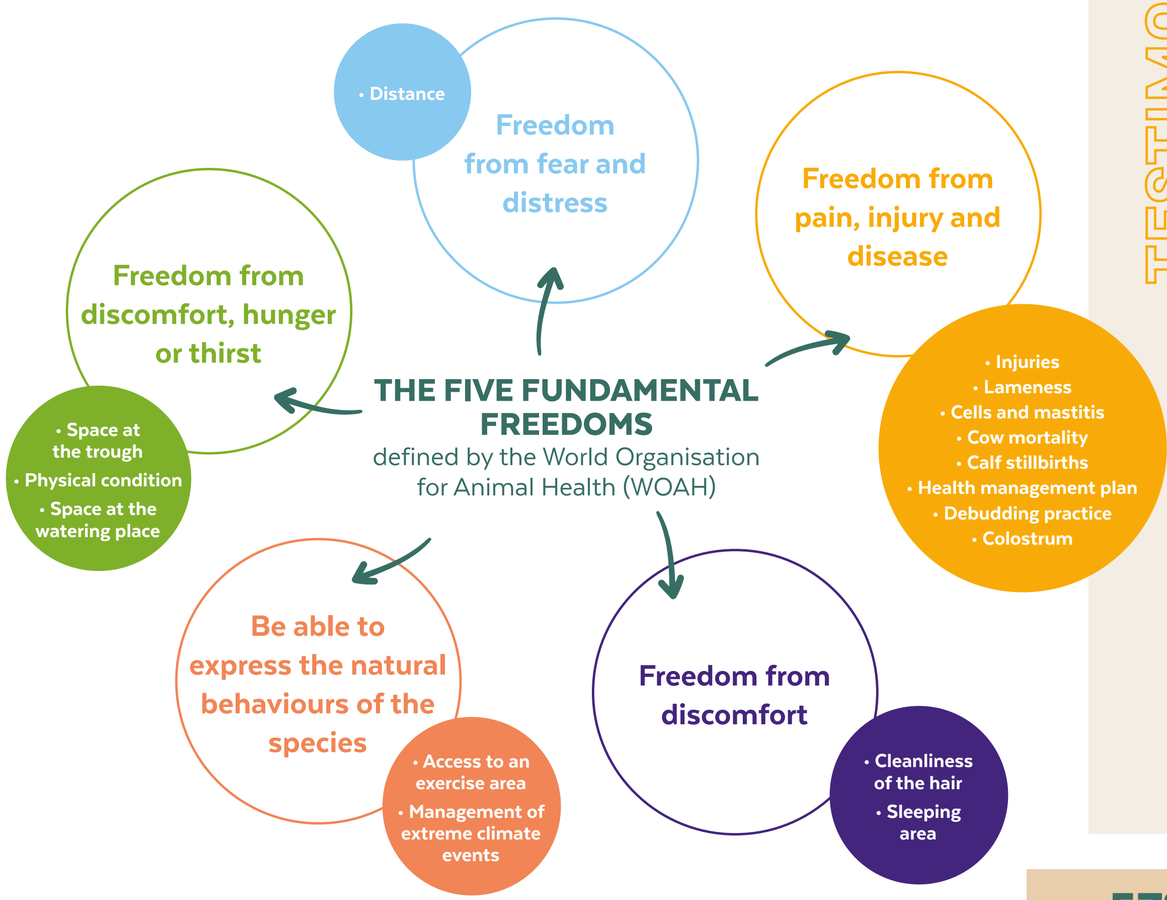
1 Assess animal welfare

Being a farmer means being passionate, particularly about animals. Our farmers are very concerned about the health and welfare of their animals.

Since 2020, we have rolled out the new joint trade organisation reference frame in Sodiaal farms to assess animal welfare in dairy farms. Since the start of 2022, this assessment has been included in the new Good Farming Practices Charter and therefore in our continuous improvement approach, La Route Du Lait (stage 1) (see page 47).

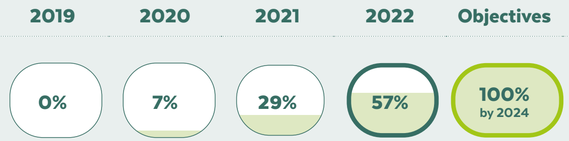
Called BoviWell, this reference frame was created with the dairy joint trade organisation in collaboration with many players, including Idele and the Confédération Nationale de l'Elevage (CNE). It is based on 16 indicators covering the five fundamental freedoms defined by the World Organisation for Animal Health (WOAH). Both an assessment and action tool, it highlights good practices and concrete points for improvement in each farm. Dairy consultants help the producer define and implement an action plan.

Thanks to a high level of involvement from our dairy consultants, who are all trained to roll out this standard, 57% of our farms had carried out an animal welfare assessment at the end of 2022. We are therefore on track to reach our target of 100% by 2024 and thus fully contribute to the Social Responsibility approach of the dairy sector, France Terre de Lait (see page 32).



ANIMAL WELFARE

% of Sodiaal member farms that have carried out an animal welfare assessment



57%
of farms
assessed in 2022

Objective
100%
in 2024

TESTIMONIAL

Nicolas LAUDE,
Livestock farmer in Sarthe

Animal welfare is a daily concern!

Boviwell is an assessment tool to draw up an inventory of practices (watering, restraint, etc.) and then open up discussion between livestock farmers and consultants. Looking in from the outside, consultants help us to take a step back from our practices, and they can share good practices observed in other farms. It gives us ideas on how to optimise our own organisation.

1 FUTURE-FOCUSED FARMS RESPECT FOR ANIMALS

2 Develop alternative observation and prevention practices

In parallel, we are constantly seeking new practices or solutions to improve animal welfare and reduce the use of antibiotics.

INNOVATE IN ANIMAL NUTRITION

We are developing new formulas with our animal nutrition subsidiary, Bonilait, to help our animals better withstand heat, strengthen their immunity or improve their digestive welfare. We are also striving to define new behavioural indicators that reflect the well-being of young animals and that will allow this dimension to be further integrated into farm management in the future.

EXPERIMENTATION: DEVELOP ALTERNATIVES TO ANTIBIOTICS

The aim of the research and development project carried out jointly by Biodevas and INRAE to prevent pathologies using Neolac plants is to develop and scientifically validate natural solutions to prevent mastitis.

By strengthening the animal's general immunity, the occurrence and seriousness of mastitis cases are reduced, which leads to a reduction in the use of antibiotics and improves animal welfare.

One hundred farms in our network are taking part in the experiment to test the solutions on their herds. All the results generated by the size of this experimental panel will make it possible to reliably determine the effectiveness of the solutions according to the various types of farms and to more accurately measure the economic benefit for each producer. It is hoped that this will lead to a 30 to 50% reduction in antibiotic and synthetic inputs, better milk quality and a definite financial gain.

In fact, for a single farm, the occurrence of mastitis represents an average annual cost of €5,000 to €7,000. (Idele, 2014)

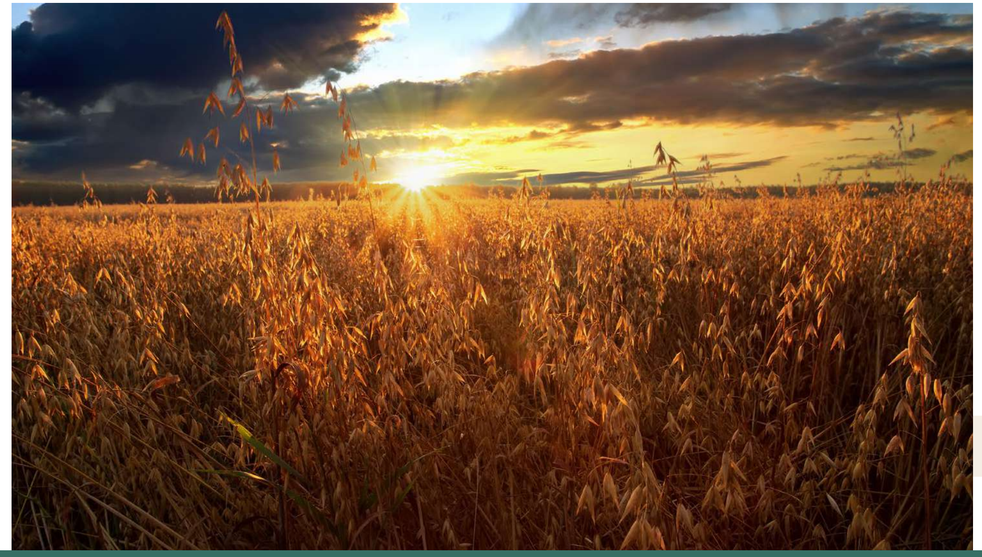
TESTIMONIAL



Line PATARD
Dairy Consultant

The Boviwell assessment allows us to talk with the farmer about their practices.

It involves taking a tour of the farm with the farmer. This is an important phase, in an environment that encourages discussion and leads to other subjects (lameness, for example, which has a direct link with milk production). It's also the opportunity for the farmer to transmit their passion for their animals, which is one of the reasons of my job. Finally, it allows us to see various production systems and technical solutions to adapt to new climate conditions that are affecting milk production in particular. Then we can relay best practices to other farms that we have monitored.



FUTURE-FOCUSED FARMS

Key indicators and goals

Creation of value

OUR AMBITION	INDICATORS	2019	2020	2021	2022	Objectives	Path
CREATE AND SHARE VALUE IN A FAIR AND TRANSPARENT WAY	Price of milk (€/1,000L)[1]	€ 364	€ 361	€ 378	€ 447	↗	✓
	% of segmented milk with enhanced specifications	19%	21%	22%	24%	↗	✓

1. Price of milk (€/1,000L), actual rates, all premiums and all qualities included, incl. segmented milk and complementary remuneration

Young Farmers

INDICATORS	INDICATORS	2019	2020	2021	2022	Objectives	Path
SUPPORT RENEWAL OF THE GENERATIONS	Number of young farmers set up since 2019	273	547	726	945	1,000 over the period 2019-26	✓

La Route du Lait

OUR AMBITION	INDICATORS	2019	2020	2021	2022	Objectives	Path
LEAD AN AMBITIOUS PROGRESS APPROACH	% of Sodiaal member farms at stage 2 and 3 of La Route du Lait	72%	78%	81%	83%	↗	✓

Animal welfare

OUR AMBITION	INDICATORS	2019	2020	2021	2022	Objectives	Path
GUARANTEE THE HEALTH AND WELL-BEING OF LIVESTOCK	% of Sodiaal member farms that have carried out an animal welfare assessment	0%	7%	29%	57%	100% by 2024	✓

Low carbon and high biodiversity

OUR AMBITION	INDICATORS	2019	2020	2021	2022	Objectives	Path
MEASURE AND REDUCE THE CARBON FOOTPRINT OF OUR UPSTREAM DAIRY SECTOR	% of Sodiaal member farms that have conducted a SelfCO2 self-assessment in the year	61%	70%	72%	74%	85% by 2025	✓
	Change in the gross carbon footprint per litre of milk from our member farmers since 2019	NA	-0.3%	-3.1%	-3.9%	-20% by 2030	✓
ENCOURAGE CARBON STORAGE	Carbon storage (meadows, hedges) (kgCO2eq/L)	0.088	0.082	0.087	0.092	↗	✓
HAVE A POSITIVE BIODIVERSITY FOOTPRINT	% of Utilised Agricultural Area of Sodiaal member farmers in equivalent hectares of biodiversity (permanent meadows and hedges)	62%	61%	63%	64%	↗	✓

2 PRODUCTS PROVIDING THE BEST OF MILK

- PROVIDE THE BEST FOR OUR CONSUMERS
- REDUCE OUR ENVIRONMENTAL FOOTPRINT
- ADOPT A RESPONSIBLE PURCHASING POLICY



2 PRODUCTS PROVIDING THE BEST OF MILK

PROVIDE THE BEST FOR OUR CONSUMERS
REDUCE OUR ENVIRONMENTAL FOOTPRINT
ADOPT A RESPONSIBLE PURCHASING POLICY

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HORIZONS LAITIERS

2 PRODUCTS PROVIDING THE BEST OF MILK

PROVIDE THE BEST FOR OUR CONSUMERS
REDUCE OUR ENVIRONMENTAL FOOTPRINT
ADOPT A RESPONSIBLE PURCHASING POLICY

Dairy products have an essential and unique role in our diets throughout our lives. From local cheeses to specific nutritional ingredients, from delicious desserts to the simplest recipes, our ambition is to provide the best of milk for our consumers while reducing our environmental footprint.

The approval of our targets by the Science Based Targets initiative marks additional progress in the reduction of our carbon footprint. Our Cooperative is thus committed to continuing and stepping up its actions to achieve a 30% drop in its greenhouse gas emissions between 2019 and 2030. We have already recorded a 16% drop in our direct emissions between 2019 and 2022 (scopes 1 & 2).

At the production stage, our levers for action concern reducing energy and water consumption, making increasingly responsible purchases and limiting the impact of packaging.

Within this framework, we have defined a new target to reduce water consumption in our plants by 25% between 2019 and 2030. We have achieved a 14% reduction since 2019.



We are committed to a Supplier Relationship and Responsible Purchasing (RFAR) labelling process, led by the Ministry of the Economy, to better integrate environmental and social issues.

We are continuing our action for the eco-design of our packaging, particularly in terms of research and development, to offer reduced, more renewable and recyclable packaging. We are aiming for 100% of recycled packaging for our brands sold in France by 2025. We are currently at 73% in 2022.

Our ambition

PROVIDE THE BEST OF MILK THANKS TO GOOD, HEALTHY PRODUCTS AND WITH A REDUCED FOOTPRINT

2 PRODUCTS PROVIDING THE BEST OF MILK





2022 Progress

-16%
carbon footprint reduction from our direct emissions since 2019
(energy used in plants and milk collection - scopes 1 & 2)

-18%
carbon footprint reduction from our indirect emissions since 2019
(purchases of dairy materials, ingredients, packaging, logistics, etc. - scope 3)

14%
in water savings
by all of our plants since 2019

73%
of our packaging
for brands sold in France are recyclable in 2022



TESTIMONIAL

Chantal CAYUELLA,
Ultra fresh R&D Director

The reintegration of Yoplait in Sodiaal has enabled us to align our CSR ambitions with key challenges. When we defined our strategy, we committed to a transformative CSR approach focused on biodiversity. We want to incorporate a CSR dimension into all of our actions: sourcing, production, nutrition, naturalness, packaging and logistics. This approach, rooted in the purpose of Yoplait «to cultivate what is essential together» brings together all of our teams and our partners and communities.

Encouraging results

THAT CONTRIBUTE TO ADDING LASTING VALUE TO OUR MEMBERS' MILK

2 PRODUCTS PROVIDING THE BEST OF MILK

PROVIDE THE BEST FOR OUR CONSUMERS

1 Ensure exemplary quality every day

Our first responsibility towards our customers, suppliers, partners and consumers is the quality of our products. All member farmers and employees contribute to this and this culture of quality, which is shared by all, is a constant focus of attention.

Our teams demonstrated their responsiveness in 2022, with the harmonisation of quality standards at Yoplait, the adaptation of our production to dairy resources, and optimal management of energy and water. In collaboration with the water, energy and performance teams, the quality teams supported projects to reduce water consumption following summer restrictions enforced by authorities, and to replace raw materials that are in short supply.

Our Cooperative also boosted awareness of all of its teams by organising several in-house operations.



QUALITY IN ACTIONS

BONILAIT
First quality village with the participation of partner cleaning companies.
Subjects covered: good personal hygiene practices,
cleaning and disinfecting of equipment.

CANDIA
Awareness-raising workshops, events and educational games on
the 10 golden rules of food quality and safety.

NUTRIBIO
Quality escape game on one of the sites.
(operation to be repeated and extended to all sites in 2023)

SIÈGE (PARIS)
Raising employees' awareness through the recreation of a shop department
with our Cooperative's brands to improve knowledge
of health risks and their economic consequences.

SODIAAL FROMAGES
Training of managers via a module on the culture of quality
(tools to promote quality in the field, with targets to reach).

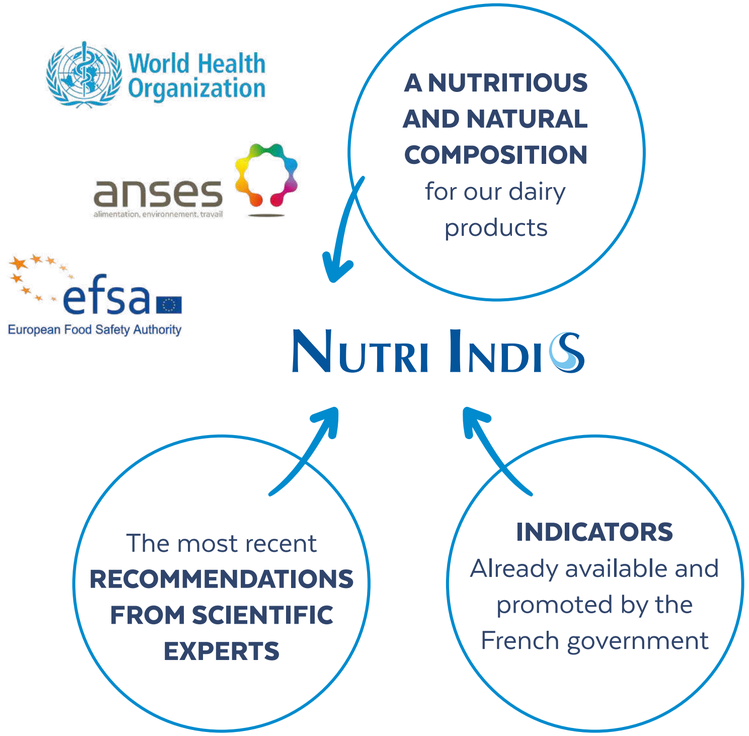
2

PRODUCTS PROVIDING THE BEST OF MILK

PROVIDE THE BEST FOR OUR CONSUMERS

2

Develop nutritionally balanced and simple products



Since 2019, our «Nutrition and Naturalness» charter has defined three objectives: adequate nutritional intake, clear nutritional information, reasoned use of ingredients and additives. This charter, which is valid for each of our business sectors and brands, precisely determines the targets to achieve.

OBJECTIVE 1 - ADEQUATE NUTRITIONAL INTAKE

Sodiaal has developed an internal nutritional index, Nutri IndiS, to finely assess the nutritional quality of products depending on consumer targets (adults, children, infants, etc.). This tool enables R&D teams to improve or develop recipes that best meet each consumer's nutritional needs.

This index for infant and adult populations incorporates the Nutri-Score along with the latest recommendations by scientific authorities and experts.

After deploying the "Nutri IndiS" on drinking milk, milk beverages and infant formulas in 2019 and 2020, Sodiaal applied it to cheeses in 2021 (over 500 products).

Ranges	Move towards	Reduce	Increase or improve
Drinking milk and milk beverages	> the latest portion recommendations > reasonable use of supplements (omega 3 and 9, vitamin B9)	> carbohydrates, with particular attention to added sugar	> the intrinsic qualities of milk (for example, calcium) > vitamin D content
Infant formulas	> quality proteins and fats > a balance of essential fatty acids > additional active ingredients with a recognised effect	> protein content	> saturated fatty acids > lactose
Cheeses	> the latest portion recommendations	> salt	> the intrinsic nutritional value of cheese (protein, calcium, vitamin A)

Nutritional goals defined thanks to our internal index, Nutri Indis, for the three product ranges studied

2 PRODUCTS PROVIDING THE BEST OF MILK PROVIDE THE BEST FOR OUR CONSUMERS

2 Develop nutritionally balanced and simple products

OBJECTIVE 2 - CLEAR NUTRITIONAL INFORMATION

Our Cooperative regularly disseminates scientifically-validated information to its employees in information letters and publications. They are all available on our on-line training platform. In 2022, we also digitised our training modules for wider internal dissemination.

OBJECTIVE 3 - REASONABLE USE OF INGREDIENTS AND ADDITIVES

Our objective: to simplify our recipes and move towards more naturalness. Since 2019, we have analysed all the additives used or that may be used in our recipes, on the basis of our discussions with experts from ANSES (French national agency for food, environmental and occupational health and safety) and EFSA (European Food Safety Authority), while remaining attentive to our consumers' demands. Our Research and Development teams thus have access to a knowledge base of over 100 additives to make an informed choice of their use, substitution or removal.

Clean label
Sodiaal fromages solutions

When milk minerals improve our cheese recipes

Euroserum has developed a patented innovation to isolate the minerals in milk. The ingredient resulting from this process, Sicamelt, has a three-fold advantage. It favourably replaces E additives corresponding to emulsifying salts in processed cheese recipes. It offers additional value to whey, and therefore our farmers' milk, and it helps to reduce waste, in particular phosphorous. This ingredient is part of a «Clean Label» approach.

TESTIMONIAL

Corinne SALGUES,
Engineer, R&D Development Department, Candia La Talaudière

Candia's R&D has developed a new range of flavoured milk beverages that display the Nutriscore A (launched in April 2023).
It took one and a half years of development to reduce added sugar and find the right flavour balance between milk, cocoa powder and natural flavourings. The project required many tests (bench tests, 12 pilot tests and three industrial tests, and one consumer test on 150 children). Colourant and preservative-free (UHT treated), just like the entire Candia range, these milk beverages target new consumers with healthy but delicious products.

Less sugar, salt and additives

Our brands act to reduce the content of added sugar, particularly in products for babies (Nutribio) and children (Candy'up or Petits Filous). In 2022, our teams improved the yoghurt recipe of the Petits Filous range to reduce the sugar content and propose new beetroot and carrot drinking yoghurt. Entremont grated cheese has never contained additives. The Râpé Trio Gourmand and Râpé Spécial Pizza are now additive-free too. Nutribio is reinforcing the naturalness of its added nutritional ingredients.



2

PRODUCTS PROVIDING THE BEST OF MILK

PROVIDE THE BEST FOR OUR CONSUMERS

3

Responsible purchasing

Responsible purchasing plays a central role in Sodiaal's CSR policy. It must reflect our cooperative model and contribute favourably to environmental and social issues. In 2022, Sodiaal stepped up its action by committing to the RFAR (supplier relations and responsible purchasing) approach of the French Ministry of the Economy. This continuous improvement approach has already led to significant progress (see opposite).

Purchases concern above all our member-farmers' milk, but also the ingredients, products, packaging and services in our chain of value: agricultural raw materials (sugar, fruits, etc.), services and equipment for production, logistics services and external services.

Despite major disruptions to our supply chains in 2022 (Covid, war in Ukraine, inflation, etc.), our Cooperative continued to develop its ecosystem of lasting and committed partners.

On the road to RFAR labelling

The RFAR (Supplier Relations and Responsible Purchasing) certification process, backed by ISO 20400:2017, marks further progress in our responsible purchasing policy, with the definition of a three-part action plan: reinforced CSR governance and management, improved relationships with suppliers and training of buyers in CSR issues. Thus, in terms of governance, we have updated our responsible purchasing charter, drawn up a map of the environmental, social, human rights and ethical risks of our purchasing and set up a compliance committee. Concerning the improvement of relations with suppliers, we are working towards an equitable relationship (review of payment time-frames, implementation of a mediator, etc.). We are continuing to assess our suppliers against CSR criteria, in particular via the EcoVadis platform. This year, the number of targeted supplies has been expanded with a campaign to integrate strategic suppliers to extend the scope covered.



Yasser BALAWI
Group Purchasing Director

2022 saw a major acceleration in our responsible purchasing approach, in particular in preparation of the RFAR label. We have structured our organisation, appointed a mediator for our suppliers and conducted an in-depth review of our issues and risks. This process is a solid base that we have used to define ambitions, priorities and a precise action plan for the next three years.

TESTIMONIAL

We are reinforcing the awareness and training of our buyers: two days of training in responsible purchasing, annual training on ethics, «flash» training on specific subjects. The buyers incorporate CSR issues into their everyday practices.

RESPONSIBLE PURCHASING

Number of strategic suppliers assessed by EcoVadis

2019	2020	2021	2022	Objectives
NA	54	246	342	Maintain and support

Average score of suppliers assessed by EcoVadis (/100)

NA	62	60	64	Maintain everything while expanding the scope

2 PRODUCTS PROVIDING THE BEST OF MILK

PROVIDE THE BEST FOR OUR CONSUMERS

3 Responsible purchasing

EXAMPLES OF ACHIEVEMENTS IN 2022 BY PURCHASING CATEGORY:

Logistics:
In 2022, pooling of the storage platform in Le Havre led to a reduction of 400 tonnes of CO2, particularly through on-site packing and the removal of empty transport containers. Also, optimising the location of platforms by limiting the number of km travelled led to a reduction of around 200 tonnes of CO2 in 2022. In addition, the entry into service of vehicle B100 for collections saved nearly 500 tonnes of CO2.

Tertiary:
- In 2022, regarding our temporary jobs, we achieved a rate of hiring workers from the disabled sector of 2.3% (vs. 1.5% in 2021).
- We rolled out a strategy to electrify Sodiaal's vehicle fleet and, at the end of the year, the electrification rate of the vehicle fleet was 18%.

Ingredients: Our strategy is to convert our ingredient purchases to more responsible purchasing channels:
- **Palm oil**: In 2022, the Sodiaal group, on behalf of its subsidiaries, made a commitment to support the sustainable palm oil sector via the RSPO* round table, for Bonilait, Eurosérum and Nutribio. This is a first step to improve the traceability of palm oil purchased.

We aim to achieve 100% of RSPO Mass balance-certified supplies for our Nutribio infant nutrition business by 2024.
- **Beet sugar** : Since 2021, 100% of the beet sugar purchased by the Cooperative is of French origin – despite a tense market (shortage, drop in beet production, etc.).
- **Cocoa**: 30% of the tonnage purchased in Sodiaal Group comes from a sustainable channel (Yoplait volumes). This will be 45% in 2023 (Nutribio volumes) and we are aiming for 100% by 2024 (Candia volumes).

**Round table on Sustainable Palm Oil, trademark number 4-1495-23-100-00*



TESTIMONIAL

Kong-Bla VANG,
Buyer - Transport category

Committing to a Responsible Purchasing approach enables us not only to develop new skills, but it also adds a new dynamic to our activities and our relationships with our stakeholders and external partners, beyond the economical aspect.
Uniting our business partners around common goals and seeking value by proposing solutions that take into account the environmental impact, while securing our activities, are part of our priorities to reach our ambitions.

Defining objectives for each category

Energy and Technical	Logistics	Ingredients	Tertiary	Packaging
Energy mix, renewable energies, etc.	Platforms, downstream transport, etc.	Sugar, palm oil, cocoa, etc.	Supplies, travel policy, temporary staff, etc.	Reduce weight, improve recyclability, etc.

2

PRODUCTS PROVIDING THE BEST OF MILK

REDUCE OUR ENVIRONMENTAL FOOTPRINT

1

Reduce our carbon footprint

The approval of our targets by the Science Based Targets initiative marks additional progress in the reduction of our carbon footprint. Sodiaal is thus committed to continuing and stepping up its actions to achieve a 30% drop in its greenhouse gas emissions between 2019 and 2030.

To do this, we are taking action to reduce the carbon footprint of our plants and the milk collection (scopes 1 and 2) on the one hand, and indirect emissions (related to purchasing milk and ingredients, packaging, logistics, etc.) on the other.

MEASURE OUR CARBON FOOTPRINT
Our Cooperative measures its greenhouse gas emissions across the entire chain of value according to the GHG Protocol method (see note on methodology, page 91).

Objective
-30%
between 2019 and 2030

CARBON FOOTPRINT

Change of carbon footprint Scopes 1 & 2

2019[1]	2020[1]	2021[1]	2022	Objectives
NA	-1%	-8%	-16%	-30% by 2030

Change of carbon footprint Scope 3

NA	-5%	-12%	-18%	-30% by 2030

**Figures adjusted retroactively to take into account adjustments in the scope*

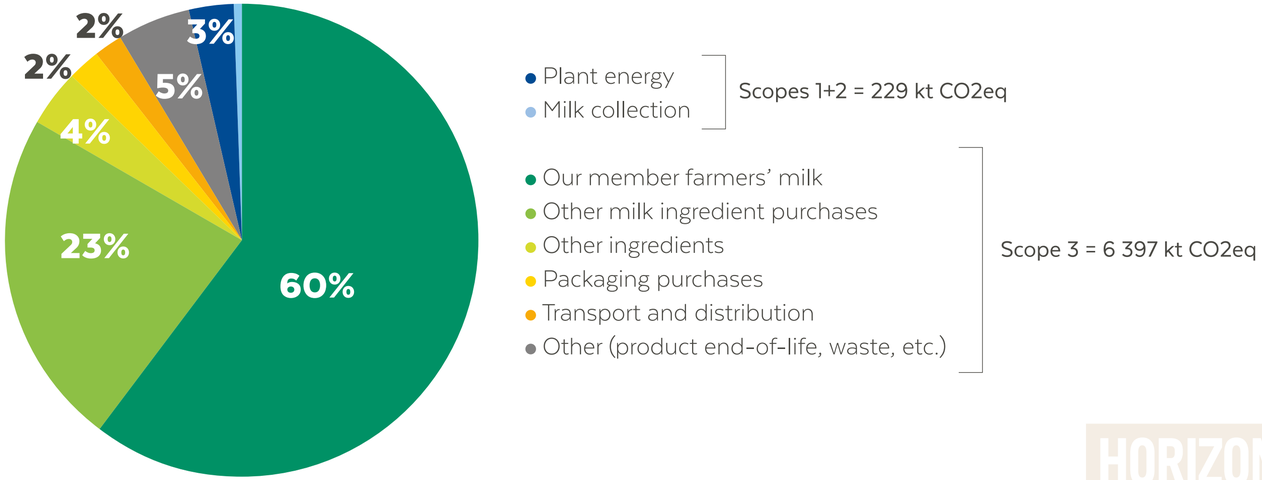


TESTIMONIAL

Camille VALAY,
Group CSR Officer

One of the successful challenges of 2022 was to submit our decarbonisation path to an observer as demanding as the Science Based Targets. Our commitments were able to be made public subject to presenting an action plan and initiatives that were technically and economically realistic, enabling us to achieve the announced path. This collective work is a first step. We now need to deliver on our promises and continually update our list of initiatives to achieve even more ambitious targets.

Breakdown of the main items of our Cooperative's carbon footprint (gross emissions, GHG Protocol method)



2 PRODUCTS PROVIDING THE BEST OF MILK

REDUCE OUR ENVIRONMENTAL FOOTPRINT



1 Reduce our carbon footprint

REDUCE THE CARBON FOOTPRINT OF THE MILK COLLECTION

We strive to reduce fuel consumption:

- **by optimising rounds**
- **by providing suitable equipment, meeting the latest standards (73% of our semi-trailers are fitted with an electric milk pumping system, for example)**
- **by training our drivers in eco-driving**

SINCE 2015, WE HAVE THUS REDUCED OUR CARBON FOOTPRINT FROM THE MILK COLLECTION BY 13%

Since 2021, we have converted some of our fleet to Oleo100 biodiesel, a renewable biofuel made from 100% French rapeseed. It reduces CO2 emissions by 60% compared to diesel. Out of a total of 193 lorries, 13 have already been converted and we are planning to have 30 lorries converted by the end of 2024.

REDUCE THE CARBON FOOTPRINT OF OUR PLANTS

Our Cooperative continually seeks to reduce its energy consumption on its sites and its environmental impact, by improving energy performance and integrating environmental criteria in its industrial choices. These fundamental actions are taking place against a backdrop of deteriorating energy conditions due to inflation and fears of load shedding or rationing.

OVER 500 ENERGY SAVING PROJECTS IN OUR PLANTS

Internal audits conducted by our plants since 2015 have identified over energy-saving 500 projects. In particular, they concern the renewal of equipment, optimisation of energy processes and flows, heat recovery and the development of renewable energies (biomass boilers, photovoltaic panels, etc.). Each project receives financing and their CO2 gains are identified. Our 30% reduction target is therefore reflected in our plants by concrete projects that are regularly assessed, analysed and adapted in line with our CSR policy.

OUR ENERGY PERFORMANCE STRATEGY IS BASED ON:

- **reducing the energy requirements of industrial processes (infrastructure optimisation, investment in more efficient technologies)**
- **optimising energy flows (optimised management, energy recovery)**
- **developing renewable energies (biomass, photovoltaic panels, etc.).**

BETWEEN 2019 AND 2022, THE CARBON FOOTPRINT OF OUR PLANTS DECREASED BY 16%, THANKS TO:

- **the completion of several large-scale energy-saving projects,**
- **the adoption of good energy performance practices,**
- **the installation of more efficient and lower-carbon production tools.**

Goal	Decarbonise processes and energy	Recovered and saved energy	Renewable energies
Energy-saving projects in our plants	> introduction of energy management systems on the sites of Awoingt (2022), Loudéac, Port-sur-Saône, Le Mans (ISO 50 001 certification)	> installation of cold recovery units on the sites of Lanobre and Saint-Mamet > replacement of two cooling units with a new 100% ammoniac machine room in Loudéac (saving of 3,600 MWh of gas per year) > renovation of the boiler room in Montauban-de-Bretagne (saving of 4,300 MWh of gas per year)	> five biomass boilers in Chasseneuil, Saint-Flour (Bonilait), Awoingt (Candia), Montauban-de-Bretagne (Entremont), Port-Sur-Saône (Eurosérum), to substitute natural gas. The decarbonised steam is used in processes (concentration, drying, sterilisation, etc.) > improved use of biomass boilers

Example of energy-saving projects identified and implemented by our plants

2 PRODUCTS PROVIDING THE BEST OF MILK

REDUCE OUR ENVIRONMENTAL FOOTPRINT

1 Reduce our carbon footprint



Governance - Creation of the Energy Unit

To gain in agility and bring economic and environmental performance together, Sodiaal has created an Energy Unit, reporting jointly to the Operational Performance and Purchasing Departments. This new organisation encourages a broad and forward-looking vision of energy issues to develop high-impact projects to reduce emissions, improve energy efficiency or diversify and secure the energy mix.

AT THE SAME TIME, THE DECREASE IN PRODUCTION VOLUMES HAS ALSO ENCOURAGED THIS REDUCTION

Our aim is to reduce greenhouse gas emissions by 30% between 2019 and 2030. To go further, an action plan will be established to achieve a 50% reduction by 2030 and invest an additional budget of over one million euros to accelerate the projects with the highest impact.

REDUCE OUR INDIRECT EMISSIONS

Sodiaal also acts to reduce its indirect emissions, those linked to its chain of value, such as the purchase of milk and ingredients, packaging, logistics services, product end-of-life, etc.

Concerning the carbon footprint of milk, we are aiming for a 20% reduction per litre of milk between 2019 and 2030. To reach this target, our Cooperative is rolling out a set of actions to measure this carbon footprint (SelfCO2, Cap2ER, Low Carbon Label), co-develop action plans with farmers and explore new practices, technologies and equipment (animal rations, effluent management, agro-ecological infrastructures, etc.). (See: Measure and reduce the carbon footprint of farms, page 49).

REDUCE
OUR GREENHOUSE GAS EMISSIONS

- 16%
scopes 1 and 2
between 2019 and 2022

-18%
scope 3
between 2019 and 2022

For its other purchases (other dairy ingredients, packaging, logistics services, etc.), Sodiaal is assisting its partners in reducing their carbon footprint, in line with its targets.

REDUCE OUR ENVIRONMENTAL FOOTPRINT

2 Improve our water management

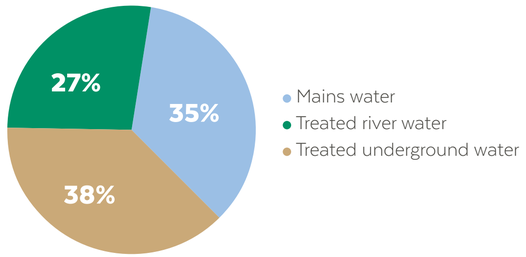
With more and more periods of drought, water, a resource essential to our activity, needs to be preserved more than ever. Our goal is to reduce our water consumption by 25% between 2019 and 2030 thanks to a concrete and quantified action plan resulting from projects identified in the plants.

The results are encouraging, with a 14% reduction already achieved since 2019. At the same time, we are working to improve the quality of the water we discharge.

Our sites use three different sources of water: mains water, treated underground water and treated river water. Climate change and its consequences are requiring us step up our vigilance regarding the availability of the resource and the sustainability of our use of natural resources. Conflicts of use, or even shortages, are likely to increase in the coming years. We took exceptional measures last summer, to the point of reorganising production to consume less water.

Total water consumption on our processing sites in 2022 : 13.1 million m3 of water.

Breakdown of the water sources on our processing sites in 2022



Washing operations are the main source of water consumption. They are essential to ensure the greatest health quality and to reduce microbiological risks. With the recent intensification of health crises (Covid, food crises), teams are facing the dual challenge of reducing consumption while meeting the highest quality and hygiene standards.

TESTIMONIAL



Laurent THUUS,
Director of the Candia plant in Clermont Ferrand
Every employee on the site is made aware of wasting water in their daily actions. To go further, in 2018 we used the Agence de l'Eau to conduct an audit. The following year, we invested €630,000 over three years (including €300,000 of grants from the Agence de l'Eau), installed meters and identified areas in which we could make savings. Since then, management software has supported the approach, and our rinsing cycles are optimised, which is the main area of consumption. Water from second tank rinses is now recovered for the next first tank rinses. We were ahead of the authority's request by signing the Rational Water Use Plan (PURE) in July 2022. In 2019, the site consumed 330,000 m3 of water per year; we are aiming for a 60% reduction by 2025.

EXAMPLES OF LEVERS DEPLOYED ON OUR SITES

- **qualification and optimisation of clean-in-place (CIP),**
- **installation of remote meters with a warning system to rapidly intervene in the event of deviations from a standard,**
- **in-depth audits by experts,**
- **optimisation or renewal of materials,**
- **raising teams' awareness of good daily practices,**
- **setting up working groups to identify avenues for saving water.**

At the same time, the decrease in production volumes has also encouraged this reduction.

Reuse of water from the concentration of dairy matter

The plants in our Cooperative discharge more water than they withdraw, because our milk processing activity generates water from the concentration of dairy matter. Our goal is to use this water in full. For this, we are working with the dairy joint trade organisations (ATLA and ABEA*).

This progress will allow us to reduce our consumption of mains water or underground water. Current regulations do not allow us to use 100% of this water. However, the draft decree on reusing waste water in the agri-food industries could unlock this significant lever for water savings.

**ATLA: Association de la Transformation Laitière Française (French Dairy Processing Association)*
**ABEA: Association des Entreprises Agroalimentaires Bretonnes (Breton Association of Agri-food Companies)*

REDUCE OUR ENVIRONMENTAL FOOTPRINT

2 Improve our water management

Sodiaal Fromages	Candia
150,000 m³ of water saved yearly since 2019 (equivalent to the annual consumption of a town with 2,800 inhabitants) > meters and alarms to react in the event of abuses > searching for water leaks > raising awareness of staff > optimisation of washing > closed technical water circuits > commitment from four Breton sites to the ECOD'O approach by CCI Bretagne (assessment, action plan, discussions, research into new solutions, etc.) > planned: reuse of all water from the concentration of dairy matter (planned savings: 300,000 m3 per year).	**Reduction of water consumption of 37% in four years (i.e. 126,000 m³ saved since 2019)** Optimisation of cleaning of butter production lines via: > reduction in water volumes for intermediate and final rinsing > recovery of final rinsing water for pre-washing > continuous supervision of water consumption
Yoplait	**Nutrition & Ingredients**
25,000 m³ of water saved per year (forecast) (Monéteau plant) > planned: reuse of water contained in permeate (whey produced when making Petits Filous, water from the concentration of dairy matter) to supplement the water in the cooling towers.	**Reduction in water consumption of 20% in 2022 (Bas-en-Basset plant)** > optimisation of production and washing cycles > treatment and reuse of water from evaporation condensates during drying > continuous improvement approach: study of new projects

Example of energy-saving projects identified and implemented by our plants



QUALITY OF DISCHARGES INTO THE NATURAL ENVIRONMENT

We are very attentive to the quality of the water we discharge. Our production site teams strive daily to monitor, analyse and improve all water discharge quality indicators. Discharged water is treated at the production sites' own waste water treatment plants or those of their local authorities.

Samples are taken frequently, often daily, to be analysed by external and internal laboratories. The results are monitored and interpreted by our expert teams on-site, depending on the local context.

-14%
DECREASE IN OUR SITES' WATER CONSUMPTION since 2019

Objective -25% by 2030

WATER FOOTPRINT

Change in water consumption on our production sites compared to 2019

2019[1]	2020[1]	2021[1]	2022	Objectives
NA	-3%	-8%	-14%	-25% by 2030

** Figures adjusted retroactively to take into account adjustments in the scope*

2

PRODUCTS PROVIDING THE BEST OF MILK

REDUCE OUR ENVIRONMENTAL FOOTPRINT

3

Create eco-designed packaging

We continually act to reduce the environmental impact of our packaging, from their design to their end-of-life, by adopting the 3R principle: Reduce, Reuse, Recycle.

RE DUCE
USE
CYCLE



73%
OF OUR BRANDED HOUSEHOLD PACKAGING sold in France is recyclable at the end of 2022.

Objective 100%
by 2025

In 2022, 73% of our packaging for our brands sold in France is recyclable (vs. 74% in 2021). This slight decrease is due to the withdrawal of an Entremont reference, which was recyclable.

One of our main challenges is to develop a recycling branch for polystyrene packaging, which represents a significant proportion of Yoplait products, incorporated into our scope of consolidation.

OUR COOPERATIVE PURSUED ITS ACTIONS IN 2022:

- **Creation of the Strategic Packaging Committee for a concerted long-term approach and definition of a quantified strategic plan,**
- **Signature of the National Pact on plastic packaging, with commitments in line with the AGEC law (Anti-waste for a Circular Economy),**
- **Definition of complementary indicators (weight of packaging, incorporation of recycled materials, etc.)**
- **Creation of the circular economy manager job with a cross-ranging role**

REDUCE

- Eliminate problematic or unnecessary packaging,
- Optimise the weight of the materials used,
- Seek renewable alternatives.

Example: at Candia, integration of 50% of recycled plastic in shrink-wrap film for the Grand Lait range.

RECYCLE

- Improve recyclability,
- Integrate recycled matter, raise consumer awareness of how to correctly sort waste,
- Improve the effective recycling rate

Example: Yoplait: Development of a polystyrene recycling channel with Consortium PS25

REUSE

- Reduce the amount of packaging by testing alternative consumption modes, such as using reusable packaging or opting for non-packaged goods.

Example: Candia, Sodiaal Fromages, Yoplait: R3PACK European research project for the reuse and substitution of plastic

PACKAGING

% of our own-brand recyclable household packaging sold in France

2019[1]	2020[1]	2021[1]	2022	Objectives
ND	74%	74%	73%	100% by 2030

**Figures adjusted retroactively to take into account adjustments in the scope*



TESTIMONIAL

Florian TROHAY,
Circular economy coordinator for packaging at Sodiaal

At Sodiaal, the diversity of the packaging formats and materials used to protect our products for consumers does not prevent us from meeting the same sustainability issue. We have to make packaging part of a circular economy while minimising its environmental impact. To do this, we have defined a collective approach around a 3R strategy: Reduce, Reuse, Recycle and ensure that this diversity does not get in the way of our single goal.

REDUCE OUR ENVIRONMENTAL FOOTPRINT

4 Combat food waste

Our Cooperative supports French and European goals to reduce food waste by 50% between 2015 and 2030. Combating food waste is everybody's business, to act to use resources fairly, reduce greenhouse gas emissions and give value to everyone's work.

To do this, we classify and structure the various sources of waste and material losses at Sodiaal group level.

THE GOAL FOR 2023 IS TO FORMALISE A GENERAL INVENTORY IN ORDER TO BE ABLE TO SET REDUCTION TARGETS ACROSS THE ENTIRE CHAIN OF VALUE AND FOR EACH ENTITY, WITH FOUR PRINCIPLES AS A GUIDE:

- **avoid the destruction of products**
- **control and optimise losses at manufacturing level**
- **use products unfit for human consumption in animal feed and anaerobic digestion**
- **raise awareness of consumers and employees.**

Our Cooperative model helps our member farmers to get the most out of their milk across the entire chain to avoid raw material losses.

Upstream, by collecting all milk from all our members, we avoid waste from production. Then, our processing activities have the particularity of being complementary, meaning that we use all milk by-products.

For example, whey from the production of cheese is recovered to be processed into powder (Eurosérum), in order to be used internally for infant and adult nutrition (at Nutribio and Candia) or animal feed (at Bonilait). The matter can therefore be exchanged from one branch to another to ensure it is reused and to optimise flows.



TESTIMONIAL

Nathalie MOLINA,
Logistics Director – Yoplait

The challenge for the Yoplait supply chain is to ensure that all of our products are delivered in compliance with strict contractual conditions and in particular in compliance with our products' use-by dates. Our customers have high standards: on average our products have a minimum lifespan of 17 or 18 days, with a total lifespan of 30 days when they leave the plants. We are also constantly adjusting our schedule in order to minimise losses, and we monitor the situation daily. In 2022, we reduced our unsold products by 30%. Our aim is for zero unsold products.



PRODUCTION AND MILK COLLECTION	SUPPLY CHAIN	DONATIONS
> **Reduction of waste** > **Charter of good practices for members and drivers** > **Health testing in the milk tank** before it is put in the tanker > **Additional health testing upon arrival at the plant to avoid** contamination and the risk of loss	Reduction of material losses and waste of finished products in our sites, plants and warehouses **Yoplait :** Partnership with discounters, **donations to food banks** **Signs to draw attention to products** with short dates for use by employees in Boulogne	Donations to food banks (360 tonnes donated in 2022) **Candia :** **266,000 litres donated in 2022** **Eleveurs :** **2.2 million litres of milk donated** to Restos du Coeur and food banks

2 PRODUCTS PROVIDING THE BEST OF MILK

Key indicators and goals

Water footprint

OUR AMBITION	INDICATORS	2019[1]	2020[1]	2021[1]	2022	Objectives	Path
PROTECT WATER RESOURCES	Change in our sites' water consumption since 2019	NA	-3%	-8%	-14%	-25% by 2030	✓

1. Figures adjusted retroactively to take into account adjustments in the scope

Carbon footprint

OUR AMBITION	INDICATORS	2019[1]	2020[1]	2021[1]	2022	Objectives	Path
REDUCE OUR CARBON FOOTPRINT	Change in scope 1 & 2 carbon footprint since 2019	NA	-1%	-8%	-16%	-30% by 2030	✓
	Change in scope 3 carbon footprint since 2019	NA	-5%	-12%	-18%	-30% by 2030	✓

1. Figures adjusted retroactively to take into account adjustments in the scope

Packaging

OUR AMBITION	INDICATORS	2019[1]	2020[1]	2021[1]	2022	Objectives	Path
ECO-DESIGN OUR PACKAGING	% of our own-brand household packaging sold in France that is recyclable	ND	74%	74%	73%	100% by 2030	≈

1. Figures adjusted retroactively to take into account adjustments in the scope

Responsible Purchasing

OUR AMBITION	INDICATORS	2019	2020	2021	2022	Objectives	Path
ASSESS AND SUPPORT OUR STRATEGIC SUPPLIERS	Number of strategic suppliers assessed by EcoVadis	NA	54	246	342	Maintain and support	✓
	Average score of suppliers assessed by EcoVadis	NA	62	60	64	Maintain everything while expanding the scope	✓



3 A PROUD AND COMMITTED COMMUNITY

- PUT PEOPLE AT THE HEART OF OUR ORGANISATION
- BOOST PRIDE AND COMMUNITY SPIRIT
- DEVELOP TALENT



3 A PROUD AND COMMITTED COMMUNITY

PUT PEOPLE AT THE HEART OF OUR ORGANISATION
BOOST PRIDE AND COMMUNITY SPIRIT
DEVELOP TALENT

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2. Be a disability-friendly company . . . . . P. 80
3. Move gender equality in the workplace forwards . . . . . P. 81

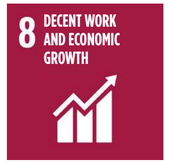
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3 A PROUD AND COMMITTED COMMUNITY

PUT PEOPLE AT THE HEART OF OUR ORGANISATION
BOOST PRIDE AND COMMUNITY SPIRIT
DEVELOP TALENT

It is important for us to guide and strengthen our community of farmers and employees on a daily basis. This cohesion is the basis of the strength, appeal and performance of our company.

Employee shareholding is one of the levers of this. We conducted our third membership campaign in 2022. Since it was launched in 2020, 1,588 employees have chosen to become shareholders in their Cooperative, alongside the 16,055 member farmers. Blandine du Haut Cilly, Dairy Raw Materials Planning Manager, was elected to the Board of Directors to represent all employees who have subscribed to shares in our Cooperative and who have thus become non-cooperative members.

This community of destinies is also reflected in diversity and professional equality. In this respect, our Group Disability agreement defines two priorities: the inclusion of disabled employees and keeping them in work. We have defined a policy to increase diversity in our decision-making activities and bodies. Digitisation of our human resources management processes is continuing. We ensure, in particular, that it addresses everyone, and are therefore continuing our efforts to increase the number of connected employees.

In 2022, our Cooperative had to carry out major industrial restructuring in our Milk-Cream-Butter and Ingredients activities. We did this with the constant aim of supporting the employees concerned, both from a psychological point of view and to help them construct their professional future within or outside of the Group.



The measures were the subject of agreements signed by the trade unions and approved by the DREETS*. For one of the two sites, our active search for a buyer will result, at the end of 2023, in the creation of a new activity that will create jobs and a future for the region.

** Direction Régionale de l'Economie, de l'Emploi, du Travail et des Solidarités*

Our ambition

FARMERS AND EMPLOYEES, A COMMON DESTINY!

3 A PROUD AND COMMITTED COMMUNITY





2022 Progress

-2.1 pts
for accidents
in 2022, compared to 2021, reaching an overall work accident frequency rate (Tf2i) of 21.2%

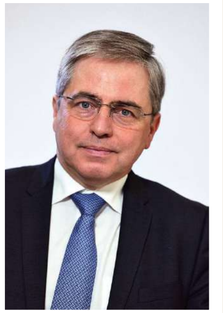
22%
of employees
hold a stake in the Cooperative's capital, i.e. +2 points compared to 2021

63%
of employees are proud
to work for Sodiaal*

77%
of employees
received training (+4 points compared to 2021)

** internal survey conducted on employees*

TESTIMONIAL



Philippe HERVIEUX,
Director of Group Human Resources

Being a community at Sodiaal means playing together:
a united collective to meet the challenges of the economic climate and the challenges of the transformation of the dairy sector,
a collective open to inclusion and diversity, aware of its social and societal role,
a collective that learns from each other by giving priority to sharing skills internally
a collective proud of its impact and committed to satisfying its stakeholders.

It means sharing and living strong human experiences between members and employees every day.

Encouraging results

CONTRIBUTE TO REINFORCING OUR COLLECTIVE

3 A PROUD AND COMMITTED COMMUNITY

PUT PEOPLE AT THE HEART OF OUR ORGANISATION

The Sodiaal Attitude defines our managerial culture, and more generally the mindset of our Cooperative: be open, give meaning, dare to speak and listen, be demanding, develop accountability.

We base the continuous improvement of quality of life at work, and the health and safety of everyone on this collective commitment. Diversity is the strength of our Cooperative. We want to give everyone their place, regardless of their gender, origin or disability. In this respect, we have two main priorities: to be a more disability-friendly company and to advance professional gender equality.

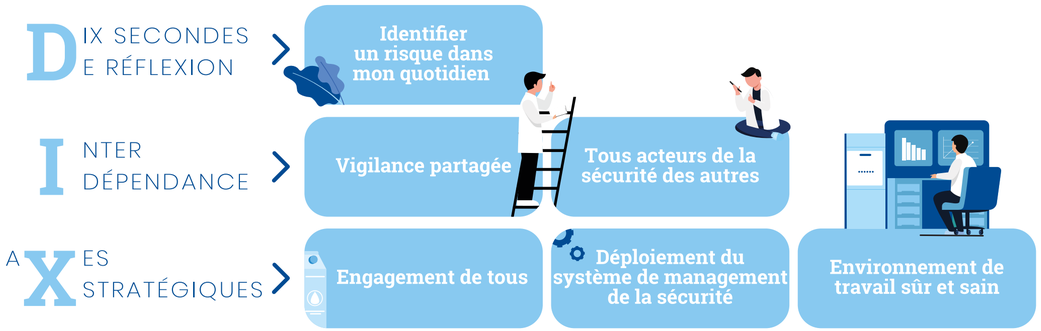
1 Safety, moving towards “0 accidents”



Our employees’ safety is an absolute priority. All employees are aware and involved, so that this concern is shared at every level of our cooperative.

Our goal is to reach a workplace accident rate below 10 in 2026. Our safety strategy is based on three areas: commitment from everyone, deployment of our safety management system and making equipment and workstations safe.

The goals and strategy are implemented in the different entities and factories. Each site must define its own action plan and priorities. To better inform and motivate our employees, we have created a graphic, “Goal: below 10”, which we are disseminating internally.



EXAMPLE OF ACTIONS IN 2022 IN TERMS OF SAFETY TO REACH 0 ACCIDENTS

Commitment of everyone to the safety culture

Coopérative
Production and dissemination of a film to each employee on safety

Sodiaal Fromages
Individual appraisal for each employee with definition of individual action plans

Yoplait
Training in behavioural safety visits, risk identification

Ingredients and Nutrition
Additional training for people conducting behavioural safety visits

Candia
Continuing to identify risks and raise awareness among management boards and teams

Safety management system

Sodiaal Fromages
Development of the safety culture as soon as temporary employees take up their post

A safe and healthy working environment

Groupe Sodiaal
Inventory and intervention action plan for each activity in the Group’s secure areas

Ingredients and Nutrition
Exhaustive inventory of machine and equipment risks on all sites, start-up of corresponding action plans

Candia
Same approach planned for 2023; working groups on machines with risk of entanglement

Sodiaal Fromages
Safety actions with significant investments on the sites of Sainte-Catherine and Montauban

3 A PROUD AND COMMITTED COMMUNITY

PUT PEOPLE AT THE HEART OF OUR ORGANISATION

1 Safety, moving towards “0 accidents”

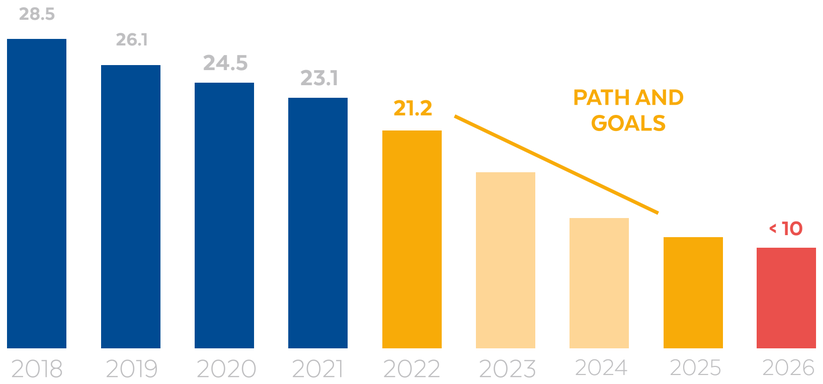
STEADY REDUCTION IN ACCIDENTS AT WORK

Our continuous improvement approach to safety is bearing fruit: the frequency of workplace accidents has been decreasing steadily since 2018, thanks to the dedication of our teams, identification of risks and discussions in the field for greater care.

Although some business lines reached record low levels, we were not able to reach the target we set in 2022 (accident frequency rate with or without lost time for employees and temporary employees below 20). In 2022, work accident frequency rate (TF2i) was 21.2, down by 2.1 points. We are aiming for 17.5 in 2023.

In 2022, a serious accident on one of our sites reminded us the extent to which safety remains a major issue for our Cooperative.

FOCUS on TF2i: number of accidents with and without lost time / number of hours worked x 1,000,000 concerning permanent and temporary employees



WORKPLACE ACCIDENT FREQUENCY RATE

Goal:

BELOW 10 IN 2026

HEALTH - SAFETY

Accident frequency rate, including temporary staff

2019[1]	2020[1]	2021[1]	2022[2]	Objectives
26.1	24.5	23.1	21.2	< 10 by 2026

1. historic Sodiaal scope
2. Sodiaal scope including Yoplait



TESTIMONIAL

Julie SEGUIN,
HSE Manager for the Yoplait plant in Monéteau

To make sure everyone is involved, the site has introduced several tools. The risk-hunting week in May, for example, brought to light 461 risks. The teams’ responsiveness to collectively solve issues makes all the difference. If a few minutes are needed to stop the machine and take stock, then so be it! At Monéteau, we halved our work accident frequency rate (TF2i) to 12.5 at the end of the year. We want to quickly reduce this further to below 10 and to remain at that level until the end of 2023.

3 A PROUD AND COMMITTED COMMUNITY

PUT PEOPLE AT THE HEART OF OUR ORGANISATION

2 Be a disability-friendly company

Our proactive policy has two components: encourage recruitment and integration of new employees with disabilities, and retain in employment our employees who develop a disability during their career. Our actions are part of our Group Disability agreement, signed in 2020.

In 2021, our employment rate of people with a disability was 6%, in compliance with legal obligations. Our goal is to go beyond this level.

RECRUIT AND INTEGRATE

Since 2021, we have been taking part in the Salto scheme which encourages the professional insertion of people with disability in industry, with work placements and work-study contracts. It puts applicants and disability-friendly companies in relation with each other. We take part in dedicated trade shows and forums and we have access to the CV library of applicants. In November 2022, we also took part for the second year in a row in the national operation, Duoday, during European Week for the Employment of People with Disabilities.

The principle is to welcome people with disabilities who share the day with one of our volunteer employees. The goal is one of discovery and to get to know each other better. 26 duos were formed. We are generalising the use of the **"Entreprise handi-accueillante" (disability-friendly company)** label on our job offers and communications.

Entremont - Tour of the plant for secondary school pupils with disabilities

In partnership with the SESSAD in Loudéac (support service for children with disabilities), the Entremont site in Loudéac once again opened its plant to a group of secondary school pupils with disabilities. The purpose of the tour is to introduce the agri-food world and our professions to this audience. This meeting, which was very rewarding, aroused keen interest in the production and maintenance professions.

agefiph

MAINTAIN IN EMPLOYMENT

In March 2021, we signed an agreement with Agefiph (fund management association for the insertion of disabled people) which gives us technical and financial support to accompany people with disabilities. We also opened a free and anonymous direct hotline, **«Sodiaal Infos Handicap»** accessible by phone and e-mail, to answer questions from our employees, disability contacts or managers, and accompany them in their disability-related procedures.

RAISE AWARENESS, SHARE

We develop tools to inform our employees about our schemes:

- an educational capsule on our Group Disability agreement has been available in the «Sodiaal et moi» personal space since 2021,
- an information campaign (leaflets, posters, etc.) to reach «non-connected» employees,
- **the «Sodiaal Infos Handicap» direct line,** accessible to all staff (employees, managers, points of contact, disability relays, etc.) to receive answers, by phone or e-mail (sodiaalinfoshandicap@lbdeveloppement.com).

As part of the Disability, Inclusion and Diversity agreement, we have extended the CESU (universal service employment voucher) to employees who are parents of children with a disability.

6%
of employees with a disability

HOTLINE
01 48 01 90 95
SODIAALINFOSHANDICAP@LBDEVELOPPEMENT.COM
Pour vous, vos collègues ou encore un proche, des professionnels répondront à toutes vos questions sur le thème du handicap.

INCLUSION AND DIVERSITY

% employment rate of people with a disability

2019[1]	2020[1]	2021[1]	2022[2]	Objectives
6.9%	6%	6.3%	to be provided	> 6% each year

1. historic Sodiaal scope
2. Sodiaal scope including Yoplait

3 A PROUD AND COMMITTED COMMUNITY

PUT PEOPLE AT THE HEART OF OUR ORGANISATION

3 Move gender equality in the workplace forwards

Our Cooperative takes action for greater equality in the proportion of women and men, within its teams and decision-making bodies. Women represent around one third of the overall workforce. Our goal is to reach this proportion in the decision-making bodies, which for some means doubling the number of women.

Our strategy is based on these principles of action: recruit; involve managers; remunerate and de-gender certain social benefits; communicate and raise awareness on stereotypes; develop personalised support.

We are targeting as a priority the community of top-level executives, in which only 20% were women in 2022, a proportion we consider too low compared to the 44% of female managers. Our goal is to have one third of women in this group by 2025. Our actions will also target certain activities or business lines that are still inadequately balanced (with over 90% of men or women).

OUR AIM TO MOVE TOWARDS GREATER EQUALITY IN THE REPRESENTATION OF WOMEN AND MEN IN OUR PROFESSIONS IS REFLECTED CONCRETELY IN THESE ACTIONS:

RECRUIT FOR GREATER EQUALITY

When recruiting new employees with the same technical and behavioural skills, the choice between candidates favours the gender least represented in the profession concerned. In 2022 we renegotiated professional equality agreements. The issue of gender diversity is an important topic in our relations with schools.

INVOLVE MANAGERS

Twenty volunteers among senior executives, from all group entities and branches, took part in workshops to share and develop good practices. The working groups began in autumn 2022 with proposals for priority actions to be integrated into the 2023 gender diversity strategy.



Isabelle CARRÉ,
Director of the Eurosérum Bas-en-Basset plant and participant in the "Lait talentueuses" programme:

This co-development path was beneficial at various levels because it gave me the opportunity to;

- *Share difficulties encountered, gain perspective and consider solutions*
- *Discuss issues transparently with people outside of my structure*
- *Share experiences with my peers, both on the profession and responsibilities*

The all-female format of this session helped to build trust and transparency more quickly by allowing certain vulnerabilities to show.

TESTIMONIAL

REMUNERATE AND DE-GENDER CERTAIN SOCIAL BENEFITS

Within the framework of professional equality agreements, our Cooperative continued its exchanges with its social partners on these matters, in order to develop in 2023 a benefits package based on gender diversity and support for parenthood.

INTERNAL COMMUNICATION AND AWARENESS-RAISING

In 2022, our Cooperative took several internal communication actions to raise awareness of its teams and senior executives: distribution of professional equality indexes, presentation of the current situation and of the diversity policy to the wider community of senior executives (200 people); distribution of the Webinar **«#Dans ma Coop»** dedicated to gender diversity and including testimonials.

DANS MA COOP SODIAAL

3 A PROUD AND COMMITTED COMMUNITY

PUT PEOPLE AT THE HEART OF OUR ORGANISATION



3 Move gender equality in the workplace forwards

DEVELOP PERSONALISED SUPPORT

The «Lait talentueuses» programme, launched in June 2022, offers six-months' support from certified coaches to talented management-level women, identified by managers and the Human Resources Department. It aims to develop women's leadership within the Group, by raising awareness of their strengths, their limiting beliefs and highlighting external constraints and enablers. The programme will be repeated in the coming years, the idea being to create and lead this network of female talent.

THE PROFESSIONAL EQUALITY INDEX OF OUR COMPANIES IS CLEARLY PROGRESSING

This index, which measures the professional equality of our companies, has improved since 2020. In 2022, 71% of our activities had an index of above 85 (50% in 2021 and 50% in 2020). The three Yoplait companies incorporated into the 2022 calculation are all above 85.

20%
OF WOMEN
in the community of top-level executives
in 2022

Goal 1/3
by 2025,
a rate representative of the group's workforce

However, we must continue our efforts. Three companies increased their score in 2022 (they were below the threshold of 85 in 2021) thanks to their actions. One company moved above the threshold in 2022. By 2025, we are aiming for 100% of our entities to have an index of above 85.

It has been a legal obligation for companies with over 50 employees to calculate the professional equality index since 2018. This score, calculated out of 100 points, takes into account the pay gap between women and men, the gap in yearly pay increases and promotions, pay increases when returning from maternity leave, and parity among the ten highest earners.

INCLUSION AND DIVERSITY

% of our activities with a professional equality index >85%:

2019[1]	2020[1]	2021[1]	2022[2]	Objectives
79%	50%	50%	71%	100% by 2025

% of women in the community of top-level executives:

2019[1]	2020[1]	2021[1]	2022[2]	Objectives
ND	ND	20%	20%	1/3 by 2025

1. historic Sodiaal scope
2. Sodiaal scope including Yoplait

3 A PROUD AND COMMITTED COMMUNITY

BOOST PRIDE AND COMMUNITY SPIRIT

Our Cooperative develops actions to boost the pride of belonging of its employees and farmers, bring the community to life through meetings, create links, collaborate on joint projects and recognise our successes.

1 Measure and nurture a pride of belonging

63%
of employees are proud to work for Sodiaal

Since 2020, our Culture Coop barometer has measured our employees' perceptions of their company, its strategy, management and quality of life at work. It guides us in our actions.

Conducted for the second time this year, the rate of participation has risen sharply: 40% of employees took part in the survey, i.e. 2,550 people, compared to 17% for the previous edition.

In detail, the welcome given to new employees, the accessibility of management, the attention paid to respecting the home-work life balance, the safety of the working environment and diversity stand out as strong points and are the best perceived. The lowest scores concern the feeling of knowing the group's strategy, **pride of belonging or recommending the company as an employer.** They reflect the extraordinary nature of the 2022 financial year and guide our priority targets.

78% say that their manager is accessible
77% say they work in a safe environment
76% say they are considered fairly
72% of new employees feel welcomed
63% are proud to work for the Sodiaal Cooperative

Our Cooperative in 20 portraits of farmers and employees

Carried out in 2022, «Dans ma Coop» is a series of 20 portraits of farmers and employees. It highlights the wealth and diversity of the people who are the strength of our Cooperative. From Johan, Candia butter-maker in Clermont-Ferrand, to Sylvia, farmer and cooperative member in Tarn, via Justine, dairy consultant at Sodiaal Union, or Théo, packaging line operator at Bonilait in Chasseneuil du Poitou, these portraits relate a day in their professional life. They are distributed to employees and on our social media to promote the specific features of each profession.





3 A PROUD AND COMMITTED COMMUNITY

BOOST PRIDE AND COMMUNITY SPIRIT

1 Measure and nurture a pride of belonging

Examples of actions to support company cohesion carried out by Candia in 2022

CANDIA

OCTOBRE ROSE : charity run

Around one hundred employees ran for charity: to fight breast cancer and advance research.

(the Odysséa race in Paris, KempeR'Ose in Quimper, Scintillante in Lyon, La Sainté Rose in La Talaudière, La Féminine in Pau, La Marche Rose in Clermont-Ferrand).

CANDIA PARIS

QUALITY OF LIFE AT WORK WEEK IN JUNE 2022

Employees at the head office of Candia Paris were able to enjoy a week of sports and well-being activities: massages, stretching, yoga, etc.

CANDIA CLERMONT-FERRAND

ADVICE ON HEALTH PRACTICES AT CANDIA

The Clermont-Ferrand butter dairy brought in a nurse to advise teams on health practices when working 3*8 shifts.

Yoplait, team and farmers proud to be 100% part of our Cooperative

2022 was a year of construction for Yoplait, guided by the ambition to create within Sodiaal a project that gives meaning to the teams and creates value for farmers. Many initiatives were implemented to instil a culture that encourages collaboration, transparency and involvement of everyone: participation of Yoplait teams and their families in product tests, meetings with consumers to better understand their purchasing motivations, co-construction workshops to feed into the corporate strategy, time to share the Yoplait project with all of the teams. This collaborative approach fosters the commitment of our teams, who are proud to support the French dairy industry within a cooperative group. The commitment of Yoplait teams is measured quarterly. Between February 2022 and January 2023 the score increased by 12 points.



COMMITMENT AND PRIDE

% of employees who responded positively to the statement "I am proud to tell others that I work for this company":

2019[1]	2020[1]	2021[1]	2022[2]	Objectives
ND	70%	70%	63%	↗

1. historic Sodiaal scope
2. Sodiaal scope including Yoplait

3 A PROUD AND COMMITTED COMMUNITY

BOOST PRIDE AND COMMUNITY SPIRIT

2 Develop a community spirit

Sharing information and the cooperative model, being able to participate in our Cooperative's capital and project, opening and showing off our farms in a spirit of networking are the action levers we use to reinforce the community spirit between employees and farmers.

«ALL CONNECTED» CAMPAIGN

Sharing information is an essential ingredient for the sense of belonging of our community, and digital channels have become part and parcel of life. With the **«All connected» campaign,** we have collected nearly 400 e-mail addresses, increasing the rate of connected employees by 9%. At the end of 2022, over 70% of our employees were «connected», receive our information and have access to our on-line services. Half of our employees do not have a work e-mail address, but they can give us their personal address.

OUR EMPLOYEES AS SHAREHOLDERS

In November 2020, we opened the share capital of our Cooperative to our employees, with the main goal being to consolidate our community of farmers and employees. At the end of our third membership campaign in spring 2022, 1,588 employees had chosen to join our Cooperative, which represents 22% of eligible employees (compared to 20% in 2021). Since 2021, governance has incorporated a new section to represent them: the Salariés Associés Sodiaal, with 24 employee shareholders. Blandine du Haut Cilly, dairy materials planning manager, was elected to the Board of Directors to represent non-cooperative employee shareholders. Subscription campaigns will take place each year at the same time as the profit-sharing and incentive campaigns, in mid-April.

«EVERYONE AT THE COOPERATIVE», THE NETWORK OF FARMS OPEN TO THE PUBLIC

To introduce our Cooperative, show off the wealth of our farms and the job of the dairy farmer, we set up the "Everyone at the cooperative" network with 80 voluntary farms to welcome the public. In 2022, around 20 visits were organised to welcome the press and professionals, before extending the scheme to the general public in the coming years.



Fabien SEZNEC,
Operator at Eurosérum

I became a member of Sodiaal with the first subscription campaign in 2021. Through this commitment, I wanted to support the Cooperative and learn more about its bodies. Elected as a voting representative for the Employee Shareholders Section, I take part in the General Meeting of our Section with the presentation of the annual results and directions, and I vote on the resolutions. I am very happy to play a more active role in our Cooperative's development.

TESTIMONIAL

PROFESSIONAL DAYS FOR OUR CUSTOMERS

Our **Sodiaal Professionnel** (out-of-home catering) teams are keen to show the cooperative model to their customers by organising professional days. On the programme: tour of farms and plants to explain our professions, our sectors and promote our Cooperative. Since 2021, we have organised around 10 professional days with our customers (Sodexo, Compass, l'Economat des Armées, CNOUS, local authorities, etc.). We are continuing this approach in 2023 with six days already programmed.

In the same vein, at Candia, farmers and employees come together during in-store events to talk about their experience and present the cooperative model and Sodiaal products to consumers, thus strengthening upstream and downstream links. 160 in-store promotions took place in 2022.

22% OF ELIGIBLE EMPLOYEES are shareholders, i.e. 1,588 employees (compared to 20% in 2021)

63% OF EMPLOYEES say they are proud to work at Sodiaal (40% of employee took part in the survey)

COMMITMENT AND PRIDE

22% of employees are shareholders :

2019[1]	2020[1]	2021[1]	2022[2]	Objectives
NA	15%	20%	22%	↗

1. historic Sodiaal scope
2. Sodiaal scope including Yoplait

3 A PROUD AND COMMITTED COMMUNITY

DEVELOP OUR TALENTS

The quality of our products and the performance of our Cooperative rest on our employees' skills. Providing a high-quality welcome for trainees and work-study students, recruiting young talents and providing further training for our employees are our priorities for developing the talents of our Cooperative.

1 Encourage diversified careers

We want to offer our employees development opportunities within our Cooperative, in accordance with the projects and skills of each one.

Nearly half of our jobs are thus filled internally (40% in 2022, 46% in 2021). Each quarter, the mobility committee brings together our Human Resources professionals to discuss vacant positions and employees identified in succession plans.

2 Encourage the integration and employment of young people

2021 | FRANCE
HappyIndex® Trainees alternance
Avis certifiés | ESG
choose mycompany®

HappyTrainees: 83% of our trainees and work-study students recommend us

Since 2021, Sodiaal has been working with Happy Trainees via an annual anonymous survey sent to all students in the Group (work-study students and trainees for over 3 months, all courses combined) to collect feedback on their professional experience in our Cooperative. In 2022, we again received the Happy Trainees label, which is proof of the quality of our welcome: 83% of the students recommend us and our score is 3.83/5.



TESTIMONIAL



Clément SOUFFAY,
Manager of Milk Production and Processing at Renard Gillard in Courtenay

I'm from the Jura region and I'm very familiar with the model of Comté cheese dairies, which are organised as Cooperatives. The social model of the Sodiaal Cooperative is in line with my beliefs, so it was only natural for me to choose Entremont Malestroit for my four-year work-study programme (diploma in agricultural engineering and Specialised Masters). My tutors trusted me, gave me responsibility for managing major projects, such as the segmentation of organic and pasture milk. I then joined Renard Gillard in Courtenay as Manager of Milk Production and Processing and I am now delighted to work on the production of Brie de Meaux PDO!

3 A PROUD AND COMMITTED COMMUNITY

DEVELOP OUR TALENTS

2 Encourage the integration and employment of young people

14%
of trainees & work-study students **EMPLOYED**
in 2022

Objective
25%
by 2025

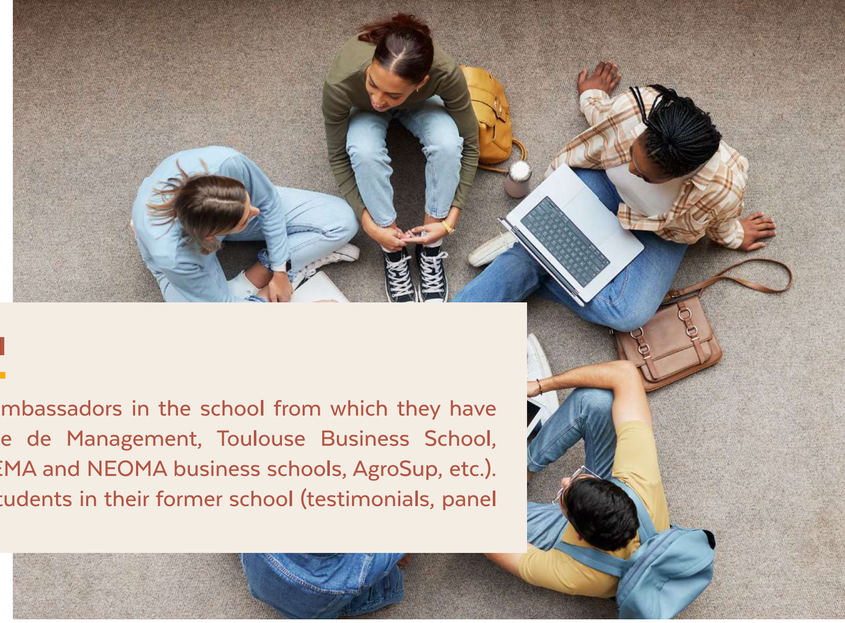
Every year, we take on 400 trainees and work-study students. We endeavour to welcome them in the best conditions, to offer them an initial professional experience that is educational and rewarding, and make them want to join our Cooperative. Our goal is to recruit 25% of our trainees and work-study students in 2025. This figure was 14% in 2022.

Present in various employment areas in every region in France, our Cooperative offers career opportunities in various dairy professions. The possibilities for development and mobility within our cooperative group are many: they can enrich their professional career by changing region, profession or sector, all while remaining part of our Cooperative.

- Recruiting its talents ensures the renewal and enhancement of the company's skills. Our recruitment needs are wide-ranging, covering various employment areas in France where our sites are located, and a wide range of professions that reflect the diversity of our activities and entities.
- Attracting these young talents requires raising awareness of our cooperative model, our values and our corporate project, in line with our employer brand and our diversity policy.

OUR STRATEGY IS BASED ON THESE ACTIONS:

- Reinforcing our partnerships with schools to raise awareness of our Cooperative, its professions and its growth prospects, and facilitating traineeships and apprenticeships (organisation of jobdating, open days, professional presentations, etc.)
- Promoting the subsidiaries and sites as local employers of choice (participation in job fairs, alumni participation in round tables, site visits, etc.).



Alumni ambassadors in their school

At Yoplait, 22 employees are company ambassadors in the school from which they have graduated (for example, Grenoble Ecole de Management, Toulouse Business School, Montpellier Business School, KEDGE, SKEMA and NEOMA business schools, AgroSup, etc.). They promote Yoplait and its brands to students in their former school (testimonials, panel member, etc.).

STUDENT INDUCTION

Sodiaal offers many moments and schemes to ensure that students are properly integrated into the company: welcome pack, presentation of the divisions, breakfasts, Group discovery day (by video or face-to-face in Paris), etc.

In 2021, our Cooperative set up the student mobility committee to encourage their employment in the Group after their work placement or work-study course and to anticipate our recruitment needs. Their profiles are shared within the human resources teams.

In spring, we organise Sodiaal Jobdating dedicated to work-study courses for our partner schools. In the form of grouped video interviews for each profession, the event enables students to discover our Cooperative and opportunities for work placements and work-study courses all over France.

EMPLOYMENT OF YOUNG PEOPLE

Rate of transformation of employment of young people

2019	2020	2021	2022	Objectives
ND	ND	ND	14%	25% by 2025

3 A PROUD AND COMMITTED COMMUNITY

DEVELOP OUR TALENTS

3 Reinforce and give value to expertise

77%
of our employees have been trained

30%
of our courses are organised internally

Convinced that ongoing training is an important performance lever, we are continuing our actions to offer our employees new opportunities to develop their skills. The proportion of our trained employees is continuously increasing: 77% in 2022 (compared to 73% in 2021).

For this, we use the Sodiaal Personal Training Account, which we promote to our employees. By contributing to their **Personal Training Account** as an employer, we encourage them to use it for their continuing training project. In 2022, we also opened a digital training platform, the Training Station, to offer our employees new opportunities to develop their skills (see opposite).

In addition, in-house training is an essential lever for maintaining our expertise: 30% of our courses are organised internally. In 2022, we created the first in-house Industrial Maintenance Technician course with the issue of 11 professional qualification certificates (see testimonial).

Sodiaal has five in-house schools, in addition to the **Campus Sodiaal**, to better train our employees in our professions. 250 in-house trainers, all experts in their profession, lead a training offer targeted to our business lines: drinking milk, cheeses, powders and ingredients, upstream, sales, management, quality, hygiene, processes, safety, environment and performance. This represents 150 training modules.

Develop skills with the Training Station

In 2022, Sodiaal launched the Training Station, a digital platform to develop our employees' skills in cross-ranging areas (interpersonal skills, management, digital culture, CSR, etc.). This fun, open-access platform with short modules offers a catalogue of over 2,000 courses. At the end of 2022, over 40% of registered employees had activated their account on the platform, and 20% of these connect every month.



TESTIMONIAL

Tony DENHEZ,
Technician / Metrology on the site of Awoingt (Candia)

My career path has given me new drive to continue the adventure. The company believes in me and offers career development opportunities. You can change, even when you're 40! It has boosted my self-confidence and enabled me to support my career plan, with developments and an increase in skills to boot. I also really appreciated this mini network formed with people I met from other sites! There are not many of these, and it's a reminder of how essential it is to share ideas with other colleagues!



3 A PROUD AND COMMITTED COMMUNITY

DEVELOP OUR TALENTS

3 Reinforce and give value to expertise

Qualiopi processus certifié

The Sodiaal training organisation received Qualiopi certification

At the start of 2022, the Group-integrated training organisation received the Qualiopi certification. It attests to the quality of processes implemented by Sodiaal for its diploma and certificate courses. Open to group employees, they are mainly built and led by our in-house trainers.

TRAINING TO SUPPORT OUR CSR APPROACH

We offer several training modules to support the development of our teams' skills in the field of CSR: our dairy drivers are trained in eco-driving to reduce fuel consumption and take part in reducing our carbon footprint; our dairy consultants are trained in the joint trade organisation standard to assess animal welfare; in 2023 we are beginning mandatory CSR training for all group management-level staff.

At the same time, we continue to deploy **the Climate Fresk:** this educational tool created by Cédric Ringenbach raises awareness of the causes and consequences of climate change, based on the scientific work of the IPCC (Intergovernmental Panel on Climate Change). It takes the form of a three-hour collective intelligence workshop. Over 700 employees have already taken part in it and nearly 30 employees have now been trained to roll out this tool in our business lines.

LA FRESQUE DU CL!MAT
Vous avez toutes les cartes en main



TRAINING

% of employees trained

2019[1]	2020[1]	2021[1]	2022[2]	Objectives
73%	67%	73%	77%	>2/3 each year

% of training courses provided by in-house training, in hours

30%	30%	31%	30%	1/3 by 2025

1. historic Sodiaal scope 2. Sodiaal scope including Yoplait

A PROUD AND COMMITTED COMMUNITY

Key indicators and goals

Health and safety

OUR AMBITION	INDICATORS	2019[1]	2020[1]	2021[1]	2022[2]	Objectives	Path
AIM FOR ZERO ACCIDENTS	Accident frequency rate, including temporary staff	26.1	24.5	23.1	21.2	< 10 by 2026	≈

1. historic Sodiaal scope
2. Sodiaal scope including Yoplait

Employment of young people

OUR AMBITION	INDICATORS	2019	2020	2021	2022	Objectives	Path
ENCOURAGE THE INTEGRATION AND EMPLOYMENT OF YOUNG PEOPLE	% of trainees and vocational students employed	ND	ND	ND	14%	25% by 2025	✓

Inclusion & diversity

OUR AMBITION	INDICATORS	2019[1]	2020[1]	2021[1]	2022[2]	Objectives	Path
BE A DISABILITY-FRIENDLY COMPANY	% of employees with disability	6.9%	6%	6.3%	to be provided	> 6% each year	✓
ADVANCE GENDER EQUALITY AT WORK	% of our activities with a gender equality index >85%	79%	50%	50%	71%	100% by 2025	NA
	% of women among top-level executives	ND	ND	20%	20%	1/3 by 2025	≈

1. historic Sodiaal scope
2. Sodiaal scope including Yoplait

Commitment & pride in the community

OUR AMBITION	INDICATORS	2019[1]	2020[1]	2021[1]	2022[2]	Objectives	Path
DEVELOP COMMUNITY SPIRIT AND PRIDE OF BELONGING	% of employees proud to work at Sodiaal	ND	70%	70%	63%	↗	NA
	% of employees with a stake in the cooperative's capital	NA	15%	20%	22%	↗	✓

1. historic Sodiaal scope
2. Sodiaal scope including Yoplait

Mobility & internal expertise

OUR AMBITION	INDICATORS	2019[1]	2020[1]	2021[1]	2022[2]	Objectives	Path
ENCOURAGE DIVERSIFIED CAREERS	% of jobs filled by professional mobility	ND	47%	46%	40%	50% by 2025	≈
DEVELOP AND GIVE VALUE TO INTERNAL EXPERTISE	% of employees trained	73%	67%	73%	77%	>2/3 each year	✓
	% of training courses provided by in-house training, in hours	30%	30%	31%	30%	1/3 by 2025	≈

1. historic Sodiaal scope
2. Sodiaal scope including Yoplait

NOTE ON METHODOLOGY

Scope covered by our indicators (verified by an independent third-party organisation). The reporting reference period for 2022 is from 01/01/2022 to 31/12/2022.

The environmental indicators have been adjusted retroactively to take into account adjustments in scope: retroactive integration of Yoplait and exit of Boncolac (excluding farms on which these changes in scope do not have any impact). Most of the social indicators include Yoplait since 2022, without retroactive updating.

Future-focused farms

FARMS THAT ARE GOOD FOR HUMANS

Indicator	Scope
PROPORTION OF VALUE-ADDED SEGMENTED MILKS	Value-added segmented milk volumes / Total volume of whole cow's milk paid to Sodiaal members. Segmented milk: milk receiving a premium/differential price compared to conventional milk (including CDO, PDO, organic, Les Laitiers Responsables, Bleu-Blanc-Coeur, milk from cows fed without GMO, etc.). Source: internal production management software «GIPS".
PROPORTION OF FARMS AT STAGES 2 + 3 OF LA ROUTE DU LAIT	Number of farms at stages 2+3 of La Route du Lait / Total Sodiaal farms. Scope: producer delivering whole cow's milk on 31/12/2022 (with an invoice on 31/12). Since 2022, stage 1 of La Route Du Lait includes the Good Farming Practices Charter, which has slightly modified the content of stages 1, 2 and 3 between 2021 and 2022. Source: monitoring file of La Route du Lait audits.
NUMBER OF YOUNG FARMERS SET UP PER YEAR	Number of young Sodiaal member farmers set up delivering whole cow's milk between 01/01/2022 and 31/12/2022. To be a young Sodiaal farmer, the following conditions must be met: • Be under 40 at the time of starting out; • 1st cow's milk facility; • Proof of an economic survey on the installation project; • Be a main affiliate of MSA; Source: Young Farmer application monitoring file. Update of the N-1 figure each year to take into account the time required to receive the supporting documents. The 2019 result will not be updated.

FARMS THAT PRESERVE THE PLANET

Indicator	Scope
SELFCO2 ASSESSMENTS CARRIED OUT IN THE YEAR	Number of farms at 31/12/2022 that had validated the SelfCO2 assessment between 01/01/2022 and 31/12/2022 / Total Sodiaal whole cow's milk farms at 31/12/2022. Source: SelfCO2 monitoring file.
CARBON FOOTPRINT OF MEMBER FARMERS PER LITRE OF MILK	Greenhouse gas emissions (tCO2eq), in relation to the volume of whole cow's milk and skimmed cow's milk, corrected for fat and protein content, paid between 01/01/2022 and 31/12/2022 (Sodiaal Union producers). Net carbon footprint = gross carbon footprint – carbon storage. Source: «SelfCO2 assessment" file for SelfCO2 results with extrapolation for farmers who did not carry out a SelfCO2 or for whom the data was inconsistent and internal pay software for the volumes of milk paid. .
CARBON FOOTPRINT FROM MILK COLLECTIONS	GHG emissions linked to the fuel consumed to collect the milk: total km travelled to collect whole and skimmed cow's milk (Sodiaal Union or outsourced) from 01/01/2022 to 31/12/2022 x CO2 emission factor (gCO2 /km travelled) calculated by Sodiaal/volume of cow's milk 2022. Source: data from on-board telematics (diesel consumption and km travelled) for the collection made by Sodiaal Union (own fleet and service providers).
CARBON STORAGE PER LITRE OF MILK	Kg of CO2 equivalent stored by Sodiaal farms/total volumes paid, corrected for fat and protein content. Farms delivering whole cow's milk between 01/01/2022 and 31/12/2022. Source: «SelfCO2 assessment" file for SelfCO2 results with extrapolation for farmers who did not carry out a SelfCO2 or for whom the data was inconsistent and internal pay software for the volumes of milk paid.
BIODIVERSITY MAINTAINED BY MEMBER FARMERS	Hectares of biodiversity maintained by Sodiaal whole cow's milk farms between 01/01/2022 and 31/12/2022. Results from SelfCO2 statements. Adjustment made when the total utilised agricultural area is less than the sum of the different areas declared. Source: "SelfCO2 assessment" file for SelfCO2 results

FARMS THAT RESPECT ANIMALS

Indicator	Scope
PROPORTION OF SODIAAL FARMS HAVING CARRIED OUT AN ANIMAL WELFARE ASSESSMENT	Number of farms having carried out a Boviwell assessment since the tool was made available (in 2020) up to 31/12/2022 / total number of Sodiaal farms delivering whole cow's milk at 31/12/2022. Source: Boviwell assessment monitoring file.

NOTE ON METHODOLOGY

Products providing the best of milk

Indicator	Scope
SCOPE 1 & 2 CARBON FOOTPRINT	Carbon footprint calculated according to GHG Protocol methodology, gross carbon footprint. > Energy consumption in plants: natural gas, fuel, diesel (excluding company cars), steam, purchased refrigeration, purchased compressed air, biomass, propane, butane, purchased CO2 and leaks of refrigerant fluids, multiplied by the emission factors of ADEME's carbon base (location-based method). Source: Tennaxia software, data from invoices, meter readings or estimations. > Milk collection (see scope and source above).
SCOPE 3 CARBON FOOTPRINT	Carbon footprint calculated according to GHG Protocol methodology, gross carbon footprint. The following categories are covered in the carbon footprint: **> Purchase of goods and services:** - Purchases of SU (Sodiaal Union) milk Source: internal pay software for the volumes of milk paid, specific emission factor from SelfCO2 assessments - Purchase of Third-party milk Source: Dairy report, emission factor of the dairy joint trade organisation - Purchases of ingredients (including whey), packaging, other inputs Source: Purchasing database, internal monitoring files, emission factors from the ADEME carbon base and an internal LCA for whey **> Upstream energy** Source: Tennaxia software, data from invoices, meter readings or estimations, emissions factors from the ADEME carbon base **> Waste generated in the plants** Source: Tennaxia software, waste register or estimations, emissions factors from the ADEME carbon base **> Professional travel** Source: Data transmitted by travel and expense managers. **> Downstream transport and distribution** Source: CO2 statements from carriers. Sampling of carriers (represents >80% of total transport turnover), then extrapolation to estimate the footprint corresponding to 100% of turnover). **> End-of-life of products sold** Source: Purchasing database and estimated food waste in households. The following categories are estimated because they are not significant in terms of carbon footprint and / or due to a lack of specific data being available: Fixed assets, commuting, franchises and investments (joint venture). The following categories are excluded due to Sodiaal's activity and/or a lack of specific data being available: Rented assets, processing of sold products, use of sold products, downstream rented assets, franchises, investments .

WATER CONSUMPTION ON PROCESSING SITES (M3)	Sum of water consumption on processing sites (excluding joint venture): mains water, underground water, source or river water. Source: internal monitoring dashboard, data from invoices, meter readings or estimations.
PROPORTION OF OUR RECYCLABLE OR REUSABLE PACKAGING (PRIVATE LABEL HOUSEHOLD PACKAGING SOLD IN FRANCE)	Tonnage of private label recyclable household packaging sold in France/tonnage of all private label household packaging sold in France. This concerns: Candia, Sodiaal Fromages, Nutribio and Yoplait. Eurosérum and Bonilait do not produce branded household waste and are therefore excluded from this scope. Packaging is considered recyclable if 1/ there is an active collection, sorting and recycling channel (information supplied by Citéo) and 2/ the conditions of recyclability dictated by the referral bodies are properly respected (Citeo / COTREP / CEREC / EPBP). Source: Citéo 2022 declaration (references sold between 1 January and 31 December 2022).
NUMBER OF STRATEGIC SUPPLIERS ASSESSED BY ECOVADIS	Evaluation of the CSR performance of strategic suppliers via the EcoVadis tool. The scope includes the EcoVadis evaluation with a validity period covering all or part of 2022. Source: Sodiaal supplier database and EcoVadis assessment forms.
AVERAGE ECOVADIS SCORE FOR STRATEGIC SUPPLIERS	Average score of strategic suppliers assessed. The scope includes the EcoVadis evaluation with a validity period covering all or part of 2022. Source: Sodiaal supplier database and EcoVadis assessment forms.

NOTE ON METHODOLOGY

A proud and committed community

Indicator	Scope
WORKFORCE	Workforce registered at the end of the month: number of employees (excluding interns) on open-ended contracts, fixed-term contracts and professional development contracts registered on the last day of the month (including suspensions), excluding temporary workers. The elements presented are a snapshot at the end of the month (the data is fixed and not updated over the past months in the event of retroactive entries). Scope excluding joint venture (JV). Source : TBM.
WORK ACCIDENT RATE	Employee frequency rate: work accident frequency rate 2 (Tf2i): number of workplace accidents with and without lost time 1,000,000 / Number of hours worked. Including employees and temporary employees. Scope excluding JV. Source : TBM.
% EMPLOYMENT RATE OF PEOPLE WITH A DISABILITY	The rate of employment of disabled persons complies with the rules of the compulsory annual declaration of employment of disabled workers, war-disabled and similar. The audit concerns data N-1. Source: information system of Sodiaal human resources
PROPORTION OF EMPLOYEES TRAINED	Number of employees trained / Total Group workforce at 31/12 in the reporting year. A trained employee is an employee who has carried out at least one training course in the reporting year. Reference data: assignments with “committed” or “completed” status on 1 March of year N+1, excluding professional development and work-study contracts (including courses by employees who left the company during the reporting year). Following a change of tool, e-learning courses are only accounted for when they have been completed, with retroactive updating of previous years to compare on a like-for-like basis. Sources: Sodiaal Group, SIRH Sodiaal and Yoplait training management tools.
PROPORTION OF TRAINING COURSES PROVIDED BY IN-HOUSE TRAINING	Number of in-house hours/Total number of hours. A training course includes all courses which are tracked in the Group training management tools. An in-house training course is a training course designed internally and/or led or co-led by at least one employee-trainer of the Group, without any minimum duration. Reference data: assignments with “committed” or “completed” status on 1 March of year N+1, excluding professional development and work-study contracts (including courses by employees who left the company during the reporting year). Following a change of tool, e-learning courses are only accounted for when they have been completed, with retroactive updating of previous years to compare on a like-for-like basis. Sources: Sodiaal Group, SIRH Sodiaal and Yoplait training management tools.
PROPORTION OF TRAINESS AND WORK-STUDY STUDENTS EMPLOYED	Number of work-study students (apprenticeship / professional contract and paid traineeships (more than 2 months)) taken on / total number of work-study students. The base of young people has been determined on the basis of the two-year school period (except for Yoplait for which the school period was one year this year), in order to include students who are taking a gap year or hired at the end of their studies. Source: information system of Sodiaal human resources
PROPORTION OF JOBS FILLED BY PROFESSIONAL MOBILITY	Number of new open-ended contracts filled by professional mobility / Total number of new open-ended contracts at 31 December 2021 of the reporting year. Professional mobility is a position with an open-ended contract filled by a person who is already a Group employee. Exclusion of temporary workers and trainees, counting new open-ended contracts only. Scope: all Group companies excluding JV. Scope France Source: information system of Sodiaal human resources
GENDER QUALITY INDEX	The index is calculated in compliance with regulations. Number of companies with a score above 85/total number of companies with an index that can be calculated. Out of a total of 15 French companies (excluding JV and Orlait), four have a non-calculable index. The calculation therefore concerned 11 companies. The goal has moved from 75 to 85 following a change in regulations. KPI updated in 2019, 2020 and 2021 to take into account this new objective of 85%. Boncolac has been released for 2019, 2020 and 2021. Yoplait was added in 2022. Source: information system of Sodiaal human resources
% OF WOMEN IN THE TOP 80 COMMUNITY	Number of women in the top 80 / Number of people in the top 80. The top 80 community includes the N12 and equivalent classification levels within the various companies in the scope concerned (no equivalence at Siffert-Frech Affineurs). Average contractual FTE, excluding JV Source : Zadig
PRIDE OF BELONGING INDICATOR	Number of “nearly always true” or “often true” answers / number of respondents to the statement “I am proud to tell others that I work in my company”. Source: Survey conducted on “connected” employees, without conditions of seniority, excluding JV, all contract types included.
QUALITY OF LIFE AT WORK INDICATOR	Number of “nearly always true” or “often true” answers / number of respondents to the question “Would I recommend my company as a good place to work to someone I like? ” Source: Survey conducted on “connected” employees, without conditions of seniority, excluding JV, all contract types included.
PROPORTION OF EMPLOYEES WITH A STAKE IN OUR COOPERATIVE	Number of employees with shares following the three profit-sharing and incentive campaigns out of the number of eligible employees. An employee is eligible if they have at least 3 months’ seniority in the company at the time the campaign is opened. Update at the end of 2022 on exits and early releases (early reimbursement of shares). Holders of Boncolac shares were until 31/12/2022.

COMPLIANCE

In 2022, Yoplait joined the group's «compliance» system.

a. Fighting corruption

1. PLEDGE

Sodiaal Group undertakes to comply with the obligations of the law 2016 1691, known as the Sapin 2 law, published in the Official Journal on 10 December 2016 and has implemented various means to prevent and fight corruption in any form. As defined by law, corruption means granting an advantage (money, promise, donations, gifts, removal of debts, under-invoicing, invitations, etc.): to a private or public person who can influence a decision, for them to perform or not perform an act connected to their activity or their function. Corruption, whether active (corrupting person) or passive (corrupted person) is prohibited. All corruption practices, including attempts, are forbidden and heavily punished by law (imprisonment, fine, disqualification from civil and civic rights in particular). The consequences of such practices on Sodiaal Group, especially in terms of business reputation and image, would be extremely harmful.

2. ACTION PLAN

Since 2016, Sodiaal has set up a full preventive system against acts of corruption. The Group code of conduct has established: a protective ethical warning system for whistleblowers; a strict framework for donations and sponsoring activities and a ban on financial support for political parties; a strict disciplinary regime concerning corruption practices a "gifts" policy that limits the amount to €60 per year and per person.

Actions have led to improve the understanding of and compliance with the rules established by the Code of Conduct: integration of the Code of Conduct in the rules of procedure; active communication by the Internal Control and Compliance Department, with the publication of awareness-raising comics in paperback format. The Internal Control and Compliance department works actively to limit the risks of corruption practices occurring through: establishing a Group-wide risk map; establishing efficient procedures to assess Sodiaal Group customers and suppliers; training systems (classroom or e-learning) for employees the most exposed to risk.

b. Data protection

1. PLEDGE

Sodiaal undertakes to comply with regulations in force in the field of personal data protection, both concerning its farmers and its employees, customers, suppliers and consumers.

2. ACTION PLAN

In order to comply with European requirements in the matter, Sodiaal Group has introduced a full personal data protection policy by:

- appointing a Data Protection Officer (DPO), who is also the Internal Control and Compliance Director
- implementing and digitalising several registers:
  - a processing register,
  - a register of violations allowing each employee to report an incident relating to the confidentiality, availability or integrity of personal data,
  - register of the CCTV devices on the sites,
- implementing procedures for the collection (and withdrawal) of consent available to individuals; wide dissemination of information concerning the exercise of individual rights (notably the right to oblivion); awareness-raising campaigns and e-learning for employees as well as specific training for managers.

c. Compliance with competition law

To prevent anti-competitive behaviour, Sodiaal Group has made a series of commitments, formalised in the Code of Conduct:

- appointment of an Internal Control and Compliance director, who is also DPO
- training of managers and raising awareness of staff
- implementation of training modules on competition law, including yearly training by e-learning,
- review of the rules of procedure with integration of the Code of Conduct,
- creation of a warning prevention system, inclusion in employment contracts of specific provisions concerning compliance with competition rules,
- monitoring information and participation in the whistleblowing system

d. Fight against tax evasion

The Fight Fraud Policy, in which we have added an appendix on the fight against tax evasion, was included in Sodiaal Group's Code of Conduct V3 at the end of 2022.

e. Respect for Human Rights. In view of our activities, we consider that respect for Human Rights is not a main CSR risk and does not need to be developed in this report.

f. Duty of Care. The V2 duty of care plan (updated yearly), which consists in identifying all risks of human rights, health, safety and environmental breaches that may arise in the Group's value chain, was included in the Sodiaal Group's Code of Conduct V2 at the end of 2021.

g. The Fight Fraud Policy was included in Sodiaal Group's Code of Conduct V2 at the end of 2021. An e-learning module was rolled out in 2022.

CHALLENGES AND ASSOCIATED POLICIES

Our CSR approach covers all the challenges associated with every stage of our chain of value. To ensure the long-term future of our Cooperative, for each challenge we implement policies and action plans to control and reduce our risks.

	CHALLENGES	IDENTIFIED LEVERS FOR ACTION	ASSOCIATED POLICIES	CSR COMMITMENTS	PAGES
FUTURE-FOCUSED FARMS	MAINTAIN FARMS AND THE EMPLOYMENT AREAS EVERYWHERE IN FRANCE	Search for the best outlets for our members' milk	· Value Plan launched in 2017 – reinforced in 2021 with the Value Boost plan - to improve the cooperative's performance and profitability · Milk value-adding strategy thanks to particular specifications.	Create and share value fairly and transparently	39
		Share value according to the principles of equity and solidarity between farmers and between regions specific to the Sodiaal cooperative model	· Transparent system to define the price of milk · Clear rules for dividing up the results of the cooperative (2/3 to member farmers, 1/3 reinvested)		
		Guaranteed milk collection from our member farmers	· Guaranteed collection from our producers, regardless of the geographical position of their farm, including in isolated or difficult-to-reach areas (mountain, etc.), subject to compliance with our Cooperative's quality rules		
	PREPARE THE FUTURE OF THE SECTOR	Accompany producers in a continuous progress approach	· "La Route du Lait" approach launched in 1998 consisting of 64 control points (regularly updated), audited on the basis of the AFNOR standard NF V 01-007 · Deployment of a connected platform to improve the knowledge of practices and support for our members · Premium paid to farmers at stages 2 and 3 of La Route Du Lait (€1.5 and €3 respectively per 1,000 litres of milk).	Lead an ambitious progress approach	47
		Installation of young farmers	· "Sodiaal Box" scheme comprising technical and financial support and allocation of volumes ·Organisation of the Sodiaal Young Farmers' community	Encourage young farmers to start up	44
	ENSURE THE RESILIENCE AND LONG-TERM FUTURE OF FARMS	Strive for protein self-sufficiency	· Member of the Duralim collective platform since 2018, which aims to reach zero deforestation for animal feed by 2025 · Partnership project to structure an alternative oilseed sector to soya (with Noriap and AgroSolution)	Increase the resilience and autonomy of farms	53
		Adapt to climate change	· Scheme to raise awareness and to support farms in the adaptation to climate change, particularly management of heat waves and droughts (buildings, food systems) · Voluntary support plan based on three tools: SelfCO2 (measure and raise awareness), Cap'2ER (manage reductions), Low Carbon Label (monetise efforts thanks to carbon credits) · Calculation of a specific Sodiaal emission factor in farms through the use of data reported in the La Route du Lait (SelfCO2) platform		
		Give value to and multiply agro-ecological services attributable to dairy farming	· Measure "biodiversity areas" (including meadows) and carbon quantities on our members' farms and increase awareness of good practices (SelfCO2)	Make a positive contribution to carbon storage and biodiversity	52
	GUARANTEE THE HEALTH AND WELFARE OF LIVESTOCK	Methodology to objectively assess and improve the health and welfare of cows	· Integration of the 16 criteria defined at joint trade organisation level in the La Route du Lait approach · Train all dairy consultants in animal welfare to gradually audit all of our farms	Assess animal welfare Develop alternative observation and prevention practices	54
		Reduce the use of antibiotics and develop prevention methods	· Raise awareness of alternatives to antibiotics		

CHALLENGES AND ASSOCIATED POLICIES

	CHALLENGES	IDENTIFIED LEVERS FOR ACTION	ASSOCIATED POLICIES	CSR COMMITMENTS	PAGES
PRODUCTS PROVIDING THE BEST OF MILK	ENSURE THE HEALTH AND SAFETY OF OUR CONSUMERS	Set up a quality management process throughout the chain	• In farms: standardised and audited “La Route du Lait” approach guaranteeing compliance with the Charter of Good Farming Practices (CBPE) and Sodiaal quality requirements	Lead an ambitious progress approach.	47
			• With regards to manufacturing processes and logistics: deployment and ongoing management of norms, standards and quality performance indicators	Ensure exemplary quality every day	61
		Ensure the nutritional quality of our products for the needs of each target population	• Group Charter with internal nutritional quality assessment index, above and beyond NutriScore • Gradual adaptation of this charter in each BU (“Nutrition & Naturalness” policy) to take into account the specifics of our different product ranges and to meet the needs of each target population.	Develop nutritionally balanced and simple products	62
		Make simple recipes	• Mapping of additives used, evaluation of their risk level (according to scientific data, society expectations and our customers’ opinions) and identification of reformulation opportunities and priorities to simplify recipes (depending on the challenges specific to each activity)		63
	FIGHT AGAINST CLIMATE CHANGE	Measure and reduce the use of resources on our sites and operations	• Evaluation of the Group’s carbon footprint (GHG Protocol methodology) to identify priority emission items and reduction levers • Carbon objectives validated by the Science Based Targets initiative (well-below 2°C path). • Plan to reduce energy consumption in our production sites (link with the performance part of our #Value Boost policy) • Optimisation of the emission items linked to our scopes 1 & 2 (energy consumption in our factories and from the milk collection)	Reduce our carbon footprint	66
	PROTECT NATURAL RESOURCES	Preserve the water resource	• Creation of a Water Committee, launch of a continuous improvement approach across all our business lines and industrial sites to manage the water resource as effectively as possible.	Reduce our water footprint	69
		Create eco-designed packaging	• Improvement of recyclability and consumer information on how to sort waste (elimination of materials disruptive to sorting, choice of materials, etc.) • Consideration of eco-design principles (weight optimisation, small elements, removal of problematic materials and unnecessary packaging) • Search for alternatives to virgin fossil plastic (renewable or recycled materials, non-packaged solutions or reuse)	Eco-design our packaging	71
		Limit food waste	• Collect all milk from our members and recover milk by-products • Launch of a cross-functional working group aiming to identify good practices, define reduction targets and the associated action plans	Fight food waste	72
		Knowledge and requirements of our supply chains	• Commitment to the Supplier Relations and Responsible Purchasing labelling process supported by the French Ministry of the Economy • “Responsible purchasing” policy with a breakdown of the Group’s CSR commitment themes on the scopes concerning our suppliers (ingredients, packaging, logistics, etc.) • Evaluation of the CSR performance of our strategic suppliers	Set up a responsible purchasing policy	64

CHALLENGES AND ASSOCIATED POLICIES

	CHALLENGES	IDENTIFIED LEVERS FOR ACTION	ASSOCIATED POLICIES	CSR COMMITMENTS	PAGES
A PROUD AND COMMITTED COMMUNITY	ENSURE THE HEALTH, SAFETY AND WELL-BEING OF OUR EMPLOYEES	Develop a daily safety culture	• "Safety first" policy implemented on a daily basis in all BUs to move towards zero accidents: analysis grid of workplace accidents and occupational illnesses, positive communication on shared vigilance, initiatives encouraging physical preparation before and during the shift, etc.	Safety, moving towards "O accidents"	78
		Be attentive to the expectations and perceptions of our employees	• In-house barometer covering the subjects of pride of belonging, respect for diversity and quality of life at work	Be more attentive and encourage quality of life at work	83
		Improve Quality of Life at Work	• Action plan managed by each BU according to the needs of each occupation and site: Great Place to Work groups, renovation of premises, team leadership, etc.		
	ENSURE THAT EVERYONE IS INCLUDED IN THE WORLD OF WORK, ON AN EQUAL FOOTING	Promote the inclusion and employment of people with disabilities	• New group disability agreement signed in 2020, in particular including membership to the SALTO platform to recruit new interns or work-study students with disabilities, organisation of a community of points of contact, agreement with AGEFIPH, etc.	Cultivate diversity	80
		Gender equality	• Calculation of the gender equality index with a view to improving it • Action plan currently being deployed for greater diversity in our management bodies.		
		Integration of young people	• Participation in the Happy Trainee survey to measure the rate of satisfaction of our interns and work-study students and work to improve it • Monitor the rate of recruitment of our interns and work-study students	Encourage the integration of young people	87
	ENCOURAGE THE FULFILMENT AND DEVELOPMENT OF EVERYONE'S CAREER	Lead a proud and committed community of employee farmers	• Initiatives to develop opportunities to meet, cohesion and community spirit: trade shows, factory tours.	Develop a community spirit Bring our collective to life in all regions of France Nurture pride of belonging	85
			• Opening up of share capital to employees to allow them to take part in the cooperative's governance	Develop a community spirit	85
		Develop and enhance career paths and know-how	• Strengthened communication on HR processes and systems: dedicated space on intranet, leaflets, quarterly committees, testimonial videos	Encourage diversified careers	86
			• Provision of training modules on the three priority subjects for the 2021-2023 period: CSR, improving performance and the management culture • Creation of a cross-sectional professional development pathway for industrial maintenance technicians • Training cycle for our elected representative farmers to support them in carrying out their responsibilities in the cooperative	Reinforce and give value to expertise	88

OPINION OF EY AND ASSOCIATES

SODIAAL UNION
FINANCIAL YEAR ENDING 31 DECEMBER 2021

Report of the independent third party on the verification of the consolidated non-financial performance statement

To the General Meeting,

In our capacity as an independent third-party organisation (third party) accredited by COFRAC,
(COFRAC Inspection accreditation, No. 3-1681, available on www.cofrac.fr) and member of the network of one of your company's (hereinafter "entity") statutory auditors, we conducted work aimed at providing a reasoned opinion expressing a limited level of assurance on the compliance of the consolidated non-financial performance statement for the financial year ending on 31 December 2022 (hereinafter, the "Statement") in line with the provisions of Article R. 225-105 of the French Commercial Code and on the truthfulness of the historical information (observed or extrapolated) provided pursuant to 3° of I and II of Article R. 225-105 of the French Commercial Code (hereinafter, the "Information") prepared in accordance with the entity's procedures (hereinafter the "Frame of Reference"), presented in the management report in application of the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Conclusion
On the basis of the procedures that we implemented, as described in the "Nature and scope of work", and the evidence we collected, nothing has come to our attention that causes us to believe that the consolidated non-financial performance statement is not in compliance with applicable regulations and that the Information, taken as a whole, is not presented fairly, in compliance with the Frame of Reference.

Preparation of the non-financial performance statement
The absence of a generally accepted and commonly used framework or established practices on which to base the evaluation and measurement of Information allows for the use of different, but acceptable, measurement techniques that may affect comparability between the entities and over time.

Consequently, the Information must be read and understood with reference to the Frame of Reference, of which the significant elements are presented in the Statement.

Limits inherent in the preparation of the Information
The Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and in the quality of external data used. Some information is sensitive to methodological choices, assumptions and/or estimates used for its preparation and presented in the Statement.

Responsibility of the entity
The Board of Directors is responsible for:
- selecting or establishing appropriate criteria to prepare the Information;
- preparing a Statement in compliance with legal and regulatory provisions, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies applied in view of these risks and the outcomes of these policies, including key performance indicators;
- implementing internal control procedures it deems necessary to enable the preparation of the Information that is free from material misstatements, whether due to fraud or error.

The Statement has been drawn up in application of the entity's Frame of Reference as mentioned above.

Responsibility of the independent third-party body
It is our responsibility, on the basis of our work, to provide a reasoned opinion expressing a limited assurance conclusion on:
- the Statement's compliance with the provisions of Article R. 225-105 of the French Commercial Code;
- the truthfulness of the historical information (observed or extrapolated) provided pursuant to 3° of I and II of Article R. 225-105 of the French Commercial Code, namely the outcomes of the policies, including key performance indicators, and the actions relative to the principal risks.

As it is our duty to provide an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information, as this could compromise our independence

It is not our responsibility to express an opinion on:
- the entity's compliance with other applicable legal and regulatory provisions (particularly in terms of duty of care and fight against corruption and tax evasion);
- the compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional standards
Our work described below was carried out in compliance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, the professional standards of the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this intervention in lieu of a verification programme, and the international standard ISAE 3000 (revised)[1].

1. ISAE 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information

OPINION OF EY AND ASSOCIATES

Independence and quality control
Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the profession's Code of Ethics. In addition, we have implemented a quality control system that includes the documented policies and procedures regarding compliance with applicable legal and regulatory texts, ethical requirements and professional standards.

Means and resources
Our work was carried out by five people and took place between September 2022 and May 2023 over a total duration of 10 weeks. To assist us with our work, we called on our specialists in the field of sustainable development and social responsibility. We conducted around ten interviews with the people responsible for preparing the Statement, in particular the Upstream, CSR, Segmented Milks, Performance, Packaging Research & Development, Purchasing and Human Resources departments.

Nature and scope of the work
We planned and carried out our work taking into account the risk of significant misstatement of the Information.

We believe that the procedures we used in the exercise of our professional judgement enable us to provide a limited assurance conclusion:

- we obtained an understanding of the activity of all the entities included in the scope of consolidation and an overview of the principal risks;
- we assessed the suitability of the Frame of Reference in terms of its relevance, completeness, reliability, neutrality and understandability, taking into consideration, where relevant, best industry practices;
- we verified that the Statement covers each category of social and environmental information set out in in III of article L. 225-102-1;
- we verified that the Statement presents the information required under II of Article R. 225-105 where relevant with regard to the principal risks and includes, where appropriate, an explanation of the reasons justifying the absence of the information required by the 2nd paragraph of III of article L. 225-102-1;
- we verified that the Statement presents the business model and a description of the principal risks associated with the activity of all entities included in the scope of consolidation, including whenever relevant and proportionate, the risks created by its business relationship, products or services, as well as policies, actions and results, including key performance indicators relating to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - evaluate the process to select and confirm the principal risks, as well as the consistency of the outcomes, including the key performance indicators selected, in view of the principal risks and policies presented, and
  - corroborate the qualitative information (actions and outcomes) that we considered to be the most important in Appendix 1 (page 100). For some risks (Responsible purchasing and Upstream) our work was conducted at the level of the consolidating entity, for other risks, work was conducted at the level of the consolidating entity and in a selection of entities listed here: the Bonilait namely the Chasseneuil-du-Poitou site, the Yoplait BU namely the Monéteau site, the Candia BU namely the Clermont-Ferrand site;
- we read the internal control and risk management procedures implemented by the entity and we assessed the collection process aimed at ensuring the completeness and truthfulness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important, presented in Appendix 1, we implemented:
  - analytical procedures consisting in verifying the proper consolidation of the data collected and the consistency of their changes;
  - tests of details based on sampling or other means of selection, to verify the proper application of definitions and procedures and reconcile the data with the supporting documents. This work was conducted on a selection of contributing entities listed here: the Bonilait, Yoplait and Candia business units, which represent together between 30% and 37% of the consolidated data for these tests (31% of workplace accidents with lost time, 30% of the workforce, 37% of water consumption and 40% of electricity consumption), including the sites of Chasseneuil-du-Poitou, Monéteau and Clermont, which together represent between 6% and 9% of the consolidated data for these tests (6% of the workforce, 8% of workplace accidents with lost time, 9% of water consumption and 9% of electricity consumption);
- we assessed the consistency of the entire Statement based on our knowledge of all of the entities included in the scope of consolidation.

The procedures implemented within the framework of a limited assurance assignment are less extensive than those required for a reasonable assurance assignment carried out according to professional standards; a higher level of assurance would have required more extensive audit work.

Paris-La Défense, 24 May 2023
The independent third-party body EY & Associés
Christophe Schmeitzky Associé, Sustainable Development 99

OPINION OF EY AND ASSOCIATES

SODIAAL UNION
APPENDIX 1: INFORMATION CONSIDERED THE MOST IMPORTANT

SOCIAL INFORMATION

Quantitative information (including key performance indicators)	Qualitative information (actions or results)
• Workplace accident frequency rate. • Proportion of employees with a disability. • Proportion of BUs with a gender equality index >85%. • Proportion of women in the top 80. • Employees' pride of belonging (via the Sodiaal commitment survey). • Proportion of jobs filled by internal mobility. • Proportion of employees trained. • Proportion of training courses provided by in-house training.	**Health and well-being (prevention of workplace accidents, support and listening for employees).** **Employees' development (skills, internal mobility and learning).** **Actions in favour of diversity and inclusion.**

ENVIRONMENTAL INFORMATION

• Carbon footprint scopes 1-2-3 including net carbon footprint of the farms and the milk collection. • Number of SelfC02 carried out. • Biodiversity hectares on the Utilised Agricultural Area. • Water consumption on processing sites. • Proportion of recyclable or reusable packaging	**Actions to reduce the carbon footprint of operations and support for farmers so that they can bring solutions to the climate challenge.** **Reduction of packaging.** **Management of the water resource.**

CORPORATE INFORMATION

• Proportion of farmers (LLR, organic, young farmers, global) who received an animal welfare assessment. • Number of young farmers set up. • Proportion of segmented milk providing value. • Proportion of farmers at stages 1, 2 and 3 of La Route Du Lait. • Farmers' pride of belonging (via Upstream survey). • Proportion of dairy consultants trained in animal welfare. • Proportion of Business Units that have formalised a nutrition and naturalness policy. • Proportion of strategic suppliers audited by EcoVadis or SEDEX. • Average EcoVadis score for strategic suppliers.	**Actions to encourage young farmers to set up.** **Actions guaranteeing milk collection in every area in France.** **Transparent practices and product origin.** **Improvement of nutritional quality and naturalness of the products.** **Responsible purchasing (lasting relationship with suppliers).**

SODIAAL

Coopérative Laitière Française

Thanks to all our farmers and employees for taking part in writing and illustrating this report.

Imprimé sur papier FSC

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