

BEL POLICY ON SUSTAINABLE PORTIONS



2023



CONTEXT AND CHALLENGES



At Bel, we want to act for a more sustainable food model, thanks to our unique portfolio anchored in our signature portion format which has many advantages:

- Preserving food quality and safety over long shelf lives, even sometimes without refrigeration
- Enabling as many consumers as possible to be able to enjoy the goodness of our products, offered in a practical format that can be easily transported
- Limiting excess consumption and offering consumers the right nutritional intake for their needs
- Helping reduce food waste, allowing our products to be consumed over a longer period compared to a family size package in which leftovers can spoil easily ([see Bel Charter to fight food waste](#))

Nevertheless, Bel bears responsibility for the environmental challenges posed by the use of individual packaging and, more generally, of the environmental impact of the raw material consumption and end-of-life management. These challenges are also driven by the evolution of regulations and consumer expectations as the portion can give the impression of over-packaging, even if *LCA*¹ on our packaging show that most of the time the impact of individual packaging is lower than that of the family pack. Although packaging accounts for only 5% of the Group's carbon footprint, we are fully aware that their production, use and end-of-life put a strain on natural resources.

That is why the Group is striving to limit the environmental impact of its packaging according to our BeLowCarbon strategy by taking an eco-design* approach throughout the life cycle of its products to find the right balance between the many perks of individual packaging and a sustainable management of packaging. Cutting down packaging emissions is an enabler [to achieve our “BeLowCarbon” goal, the ambitious Bel plan to align on the 1.5° trajectory, validated by the Science Based Target Initiative](#). Although we pay particular attention to portion format, the scope of this policy applies to all our packaging, comprised of 2/3 of paper/cardboard-based materials and 1/3 of aluminum and plastic. This policy covers all Bel branded packs whether manufactured in Bel's plants or outsourced*.



¹ All words in *italics* are explained in the Glossary at the end

* For mergers and acquisitions, a diagnostic must be done in each case to define the timeline to converge toward the Sustainable Portions Policy. The scope of the policy excludes joint ventures with minority participation and licensing activities operated by other companies.

BEL COMMITMENTS



Our ambition is to actively contribute to a *circular economy* from sourcing to end-of-life which means ideally to eliminate waste, circulate materials and regenerate natural ecosystems. We organize our commitments according to 5 Rs aligned with the butterfly diagram from the Ellen MacArthur Foundation² which illustrates the continuous flow of materials in a circular economy:



- “**Refuse**” unnecessary elements,
- “**Reduce**” the use of material,
- “**Reuse**” as much as possible,
- “**Restore**” resources by using recycled or renewable material,
- “**Recycle**” packaging waste.

Because at Bel, we believe that packaging challenges can only be met collectively, we are already involved in many coalitions of action bringing together product manufacturers, packaging stakeholders, NGOs or governmental institutions to drive positive changes across the 5R.



REFUSE

PURPOSE

Given the best packaging is the one that does not exist, the first step is to “refuse” *unnecessary packaging*.

LONG-TERM VISION

Minimal packaging prioritizing essential functionalities, and ultimately developing *bulk, refill, reuse offers*.

COMMITMENTS

- Eliminate *secondary plastic packaging* that does not serve to preserve the product by 2025
- Eliminate unnecessary packaging components by 2025
- Eliminate PVC/PVdC by 2025

EXAMPLES

OF HOW WE WALK THE TALK ON THESE COMMITMENTS

- The net used to wrap the Food Service’s Laughing Cow® micro-tubs was eliminated, saving 630 kg of plastic per year.
- The plastic bag used for the Babybel® Mini Rolls was eliminated and replaced with a recyclable bag made of 97% paper, saving 18 tons of plastic per year.
- On Boursin® tub, we removed the cardboard overwrap that was used only for visibility on shelf, thus reducing the packaging weight by 25% and enabling a reduction of 26 tons of cardboard on a yearly basis.

¹ All words in *italic* are explained in the Glossary at the end
² <https://ellenmacarthurfoundation.org/circular-economy-diagram>



REDUCE

PURPOSE

Once we have avoided any unnecessary packaging, we target to reduce our footprint through eco-design principles applied to all stages in the packaging life cycle, from design to end-of-life.

LONG-TERM VISION

Minimize the environmental impacts of each pack throughout its life cycle.

COMMITMENTS

- Each innovation or renovation project must follow systematically Bel eco-design procedure
- Ensure max 30% *headspace* in flexible pack by 2025
- Eliminate headspace that is not technically necessary by 2030
- Optimize the ratio pack/product by 2030 (need to define target and maximum by packaging type)

EXAMPLES

OF HOW WE WALK THE TALK ON THESE COMMITMENTS

- Since 2020, the Group is a member of the *Consumer Goods Forum (CGF)* Plastic Waste Coalition and pledged to comply with the Golden Design Rules by 2025 which include elimination of plastic overwrap and headspace reduction.
- We deployed an eco-conception training in development, marketing and purchasing teams.
- On our squeeze pouches, we are moving towards new plastic caps with 40% less plastic weight representing a potential saving of 1265 tons of plastic per year and leading to 20% less greenhouse gas emissions.
- On the Laughing Cow portions[®], we optimized the cutting of the aluminum foils leading to a reduction of 72 tons of aluminium and 873 tons of greenhouse gas emissions.
- On Boursin[®] portions, we eliminated the plastic layer of the box enabling a reduction of 8 tons of plastic per year and moved to a single component packaging enabling -33% reduction of carboard and -35% of greenhouse gas emissions.



¹ All words in italic are explained in the Glossary at the end

→ REUSE

PURPOSE

To encourage consumers to reduce usage of single-use packaging, we target to develop reuse, refill & bulk offers.

LONG-TERM VISION

Pioneer new bulk, refill or reusable solutions, a major technological & commercial challenge for pasty & fragile products with strict hygiene & preservation conditions, and gain learnings to scale them up in the future.

COMMITMENTS

- Test on the market different reuse / refill / bulk solutions on our core brands by 2027

EXAMPLES

OF HOW WE WALK THE TALK ON THESE COMMITMENTS

- We tested selling Mini Babybel® with only the wax coating in some Day by Day & Intermarché stores in France to collect learnings to develop the right proposition.
- Bel partnered with Danone, Lesieur and Famille Michaud Apiculteurs to launch the “Défi Vrac” coalition in France to work together on solutions to make bulk accessible on new categories of semi-liquid products such as honey, yogurts, mayonnaise, or spreadable cheese.

→ RESTORE

PURPOSE

Minimize our impact on the environment and on humans when sourcing packaging materials.

LONG-TERM VISION

As we want to reduce drastically plastic & aluminum materials from our packaging, we explore and prioritize alternatives using non-food-competition renewable, recycled or certified material. This will help reduce our carbon footprint and preserve natural resources.

COMMITMENTS

- Ensure no deforestation by using paper and cardboard materials made from recycled fibers or certified virgin fibers from sustainably managed forests
- As long as we use aluminum, ensure ASI certified purchases (*Aluminum Stewardship Initiative*) by 2025, and then move to ASI low carbon aluminum by 2030 (as it's the most carbon-intensive material we use at Bel)
- As long as we use plastic, achieve 25% recycled plastic content by 2030 (in average total Bel portfolio) to reduce the need for extracting the fossil fuels required to produce virgin plastic

¹ All words in italic are explained in the Glossary at the end

EXAMPLES

OF HOW WE WALK THE TALK ON THESE COMMITMENTS

- Bel has been engaged in ASI since 2017. ASI helps to improve business management practices in the aluminum industry related to social, environmental and traceability challenges.
- The Sablé-sur-Sarthe plant, which produces Kiri® aluminum portions, has been certified with the ASI performance standard and ASI chain of custody standard since June 2022.
- In Portugal, the Group's Limiano® brand is working on incorporating 50% post-consumer recycled plastic from recycled PET bottles in the packaging for its products.
- Already more than ¾ of paper/cardboard packaging is of certified origin or incorporates mostly recycled fibers.
- Boursin® plastic tub was replaced by a cardboard tub eliminating 79 tons of plastic and resulting in a reduction of 226 tons of greenhouse gas emissions per year.



PURPOSE

We want to optimize packaging end-of-life, encourage sorting and recycling by communicating clearly to consumers and by forging partnerships to develop packaging waste collection and recovery chains.

LONG-TERM VISION

Enable a circular economy where packaging doesn't go to waste and maximize the amount of packaging really recycled .

COMMITMENTS

- Bring to market 100% *recyclable-ready and/or home-compostable packaging* by 2030 with an intermediate goal of 90% by 2025
- Contribute to develop packaging waste recycling and recovery for the countries where we operate by promoting & joining EPR (*Extended Producer Responsibility*) initiatives in up to 12 countries by 2030
- Communicate clearly to consumers so that they can dispose of packaging properly with waste sorting information or end-of-life instructions on all packs by 2025

EXAMPLES

OF HOW WE WALK THE TALK ON THESE COMMITMENTS

- Bel is a signatory of the Ellen MacArthur Foundation and the CGF position papers to deploy EPR solutions. And through the CGF Plastic Waste coalition, we are already engaged in EPR initiatives in 7 countries.
- The Group is deploying progressively single-material thus recyclable compote pouches (vs. 2018 multi-material and non-recyclable model) also enabling a 30% reduction in GHG emissions arising from the pouch production.
- ComPack, an internal management tool using [Veolia CIRCPACK](#) database, enables us to monitor sorting rules around the world and helps Marketing teams to identify the instructions to be displayed on each pack.
- The Group was one of the founding companies of CITEO in France and is an active member of organizations working to improve the aluminum and steel waste processing through the CELAA (Club de l'Emballage Léger en Aluminium et Acier - Aluminum and steel lightweight packaging association) in France, AREME (Association for the Recycling of Light Metal Packaging and Items) in Belgium and Luxembourg, COAALI (Coalition pour le recyclage de l'aluminium et de l'acier léger - Coalition for Aluminum and Light Steel Recycling) in Spain and AIRE ("Alliance pour l'Innovation et le Recyclage des Emballages" (Alliance for innovation and recycling of packaging) in Morocco.

¹All words in italic are explained in the Glossary at the end

IMPLEMENTATION STRATEGY

TO ENSURE THE SUCCESS OF OUR PACKAGING AMBITION, WE RELY ON:

➔ Specific governance and dedicated teams to lead & monitor our progress. A Packaging Committee meets quarterly to monitor the mid- to long-term action plans, take prioritization decisions and follow progress on all KPIs behind the 5R working closely with marketing, development, purchasing, and a dedicated “Pack Transformation” team focused on developing new, groundbreaking packaging with a lower environmental impact.

➔ Training & efficient tools for collaborators

- The Group’s Eco-design Procedure provides all the guidelines for developers to design sustainable packaging from raw materials to end-of-life. Training modules on good eco-design practices are organized for development, marketing and purchasing teams, and workshops are held annually to share know-how.
- Specific tools have been developed to help teams comply with our commitments across the 5R:



Pack Scan:
an assessment grid systematically applied to all packaging put on the market to provide a score according to the degree of compliance with the Sustainable Portions Policy.



eQoPack:
an ecodesign platform that helps developers embed environmental sustainability within the packaging innovation process. Developed by Quantis, a global sustainability consultancy with LCA expertise, this tool makes it possible to simulate the impact of different packaging options and thus to make choices in line with the Group’s commitments.



ComPack:
it enables us to monitor sorting rules around the world of Bel products in different countries. It has been deployed internally for the Marketing teams to help them identify the instructions to be displayed on each pack.



Roadmap CSR:
phasing of innovation and renovation projects across the Group to organize the transition towards more sustainable packagings. Thanks to continuous monitoring of regulations, international guidelines & technologies, we are able to adapt to a fast moving environment.

- Finally, Bel organizes regular internal communication & events to drive awareness among all employees about packaging waste and encourage the responsible sorting habits including in our offices.



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GLOSSARY

ASI (Aluminium Stewardship Initiative) certification: A standard which sets requirements for the responsible production, sourcing and stewardship of aluminium, are globally applicable and encompass all stages of the aluminium value chain. It addresses business integrity, environment, including greenhouse gas emissions, wastes, water and biodiversity, but also human rights, including labour rights and occupational health and safety and rights for Indigenous peoples.

Bio-sourced material: A material made with plant-based sourcing (most of the time food co-products).

Bulk: Products stored loose, and not wrapped in separate boxes or containers.

Circular economy: A model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. In this way, the life cycle of products is extended.

Consumer Goods Forum (CGF): A CEO-led global organization bringing together consumer goods retailers and manufacturers, to help them collaborate alongside other key stakeholders, to secure consumer trust and drive positive change.

Eco-design: An approach considering environmental aspects at all stages of the product development process, striving for products which make the lowest possible environmental impact throughout the product life cycle.

Extended Producer Responsibility (EPR): A policy tool that extends the producer's financial and/or operational responsibility for a product to include the management of the post-consumer stage, in order to help meet national recycling and recovery targets. EPR policies thus generally shift the waste management cost or physical collection partially or fully from local governments to producers. Thus ensuring a reliable funding to develop efficient collection and sorting systems.

FSC: Forest Management Certification confirms that the forest is being managed in a way that ensures the protection of forest ecosystems and biodiversity, eradicating deforestation and illegal logging, supporting the livelihoods of forest communities, empowering Indigenous communities, abolishing modern slavery and ensuring transparent and traceable supply chains.

Headspace: The empty space within the package of a sealed product.

Home-compostable: The complete biodegradability for small waste in a garden compost

LCA: A methodology to measure the environmental impacts of a product or a service.

PEFC: The Programme for the Endorsement of Forest Certification, is a leading global alliance of national forest certification systems dedicated to promoting sustainable forest management through independent third-party certification to ensure that forest-based products are produced with respect for the highest ecological, social and ethical standards.

Primary packaging: The packaging in contact with the product itself. Its main purpose is to contain, protect and preserve the product. It can also be used to ease the product transportation, handling and storage, and to give regulatory information.

Recyclable-ready packaging: A packaging designed to be recycled using materials and a way to assemble them which allow recyclability, demonstrated by at least one efficient recycling system in at least one country.

Recyclable-really packaging: A packaging designed to be recycled, and for which recycling facilities exist in the country where the product is marketed.

Secondary packaging: The packaging used outside of the primary packaging*. Its main purpose is to split and regroup and to ease product consumption, storage and transportation. It can also be used to attract consumers and improve competition differentiation.

SFI: SFI as an organisation is the PEFC national member for the USA (cf. PEFC definition above). The SFI forest certification system is also operational in Canada.

Unnecessary packaging: The packaging only used to attract consumers, to increase on-self visibility, to improve competition and differentiation, and to leverage a symbol or an image.