

Corporate
Social
Responsibility
Report






LSDH 2020



PASSION • AMBITION • HUMANITY



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EDITORIAL

2020, THE YEAR OF RESILIENCE

This 2020 report appears within a very special context: an unprecedented health crisis that affected every one of us.

Our Group had to face the challenge and adapt rapidly to ensure business continuity, the production and delivery of food products that are essential to the health of our fellow citizens, while protecting our employees.

As you know, Sustainable Development has always been in our DNA. This difficult period reassured our position in combining ecological transition and social justice. It has strengthened our resilience and robustness.

For, as this quote summarises:

"Resilience is the art of navigating in torrents" *Boris Cyrulnik neuropsychiatrist*

We were committed to maintaining our investments and projects: FraicheLog, the INOVé workshop, Cap'Vert, l'Abeille2, Séquoia, the extension of the Saint-Denis-de-l'Hôtel site... while helping to fight against food insecurity that was heightened by the pandemic, gathering all dairy industry stakeholders together around the Lait du Cœur (Milk from the Heart) initiative for Food Banks and the most vulnerable in our society.

At the same time, new ambassadors joined our Colibri network. We would like to thank them for their key role as agents of eco-awareness and for relaying our CSR approach on their respective sites.

I invite you to read through this new CSR report, which illustrates the commitment of the women and men of the company who, once again this year, have given their best in relation to our stakeholders. I especially want to thank them warmly for their commitment during these troubled times.

Thanks to all of you we rose to this challenge and came out of it even more united.

Happy reading!

Emmanuel



PRESENTATION
OF THE
GROUP

LSDH

**ABOUT
US**



**A CLOSER LOOK - A
FAMILY HISTORY**

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**THE LSDH GROUP
IN NUMBERS**

P.7



Founded in 1909, LSDH is an **independent family-run business**, historically based in central France in the Centre Val de Loire region. Renowned for its dynamic approach and capacity for innovation, the Group proudly upholds three key **values: Passion, Ambition and Humanity**.

LSDH is therefore committed to taking a proactive approach towards respecting its commitments in terms of CSR and shaping the economy for the benefit of people and the environment.

Today, LSDH is a Group established throughout the national territory with **8 production sites**. The expertise of LSDH covers all stages of the production process, from sourcing the raw materials to designing and formulating the products, to delivery through all types of distribution channels and manufacturing on high-tech production lines.

This union of know-how is organised around 2 main activities:

LIQUID DIVISION

It develops and packages all kinds of room temperature and chilled liquid food products for the purposes of large-scale distribution, out-of-home catering and industrial subcontracting for well-known brands: dairy products, plant beverages (soya, almond...), specific foods (culinary aids, desserts, infant products, dietetic and protein-rich products...), soups, fruit juices, smoothies, still beverages (including infused beverages), carbonated and functional beverages and syrups.

"Local implantation, as well as respect for people and our environment are in our DNA. All our actions bring these pillars to life, guiding our development: being close and supporting farmers, investing locally, the relationships and connections between employees..."

Pierre-René TCHOUKRIEL, Managing Director, Liquid Division

The Liquid Division is able to meet all needs in different formats and packaging: cardboard containers, plastic bottles and glass bottles, with a range from small sizes (from 10 cl) up to 2 litres.

PLANT DIVISION

Its mission is to enable everyone to eat better, with fresh fruit and vegetables available everywhere thanks to the work of the committed farmers.

Les Crudettes, C'zon and Corbeille Tradition offer a wide range of products: salads, crudités, herbs and fresh fruit that are ready to use, snack salads distributed all over France, in supermarkets and restaurants, including certain Parisian palace hotels.

The Plant Division is focussed on its customers' needs to offer them increasingly innovative solutions. It values the know-how and commitment of its partner farmers with solutions that combine practicality, balance and pleasure.

"Customer focus, agility, performance and respect for people are at the heart of our commitments and our investments to ensure our continuous growth"

Dominique DUPRAT, Managing Director, Plant Division

Today, these **2 divisions** respond to a **common mission: to engage in transitions and contribute to a sustainable food system** through research and the development of healthy and natural products that meet the nutritional/health expectations of our customers and end consumers.

The Group has become a key player in these fields, recognised by its numerous certifications, and contributes in its own way, like the Hummingbird, to the sustainable development of our society.

A CLOSER LOOK – A FAMILY HISTORY

When Simonne and Roger Vasseneix invested in a small cooperative dairy "Les Fermiers Réunis", they certainly did not imagine that their son André and their grandchildren

Christel, Christophe and Emmanuel would, many years later, continue this beautiful adventure.



“ With the advent of the dairy quotas, my father had three options for his business: to shut it down, go elsewhere, or diversify. He chose the third.

Emmanuel Vasseneix

A JOINT FORCE



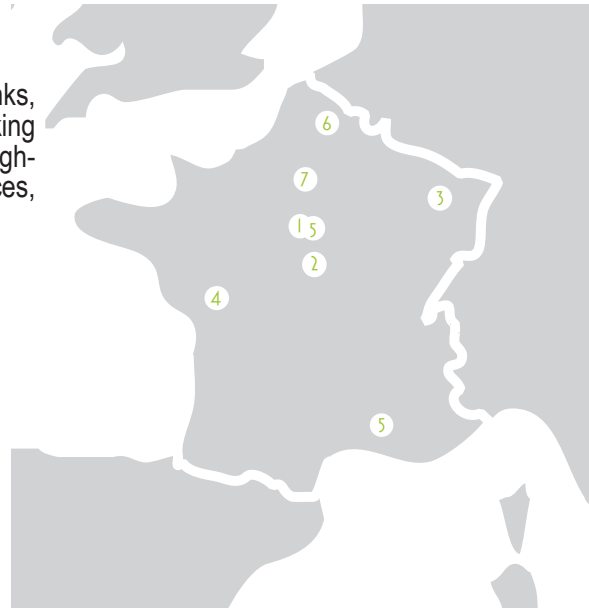
Milk, cream, plant-based drinks, specific foods (plant-based cooking aids, plant-based desserts, high-protein drinks etc.), soups, fruit juices, smoothies



Milk, fruit juices



Jus de Fruits d'Alsace[®]
Fruit juices, still drinks, infusions



Soft drinks, syrups, concentrates, still drinks



Salads, crudités, mixed salads, herbs.



Ready-to-eat fruit, vegetable and stir fry packs



High quality fresh fruit compositions

LSDH IN NUMBERS

8 PRODUCTION
UNITS

2 LIQUID
& PLANT
DIVISIONS

MORE
THAN **50**
PACKAGING LINES

2000
EMPLOYEES

TURNOVER
OF
926
MILLION
EUROS
(94% OF WHICH IS GENERATED IN FRANCE)

MORE THAN
200
CUSTOMERS

A PACKING
CAPACITY
MORE
THAN **1.6**
BILLION UNITS

MORE THAN
1700
RAW MATERIALS FOR
THE LIQUID DIVISION

MORE THAN
246
RAW MATERIALS
AT THE PLANT DIVISION

2300
SKU
REFERENCES

ALMOST
100
SKUS LAUNCHED
EACH YEAR

OUR CSR STRATEGY

COLIBRI



**RESPONSIBILITY &
STAKEHOLDERS**



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**THE COLIBRI
NETWORK
2020**

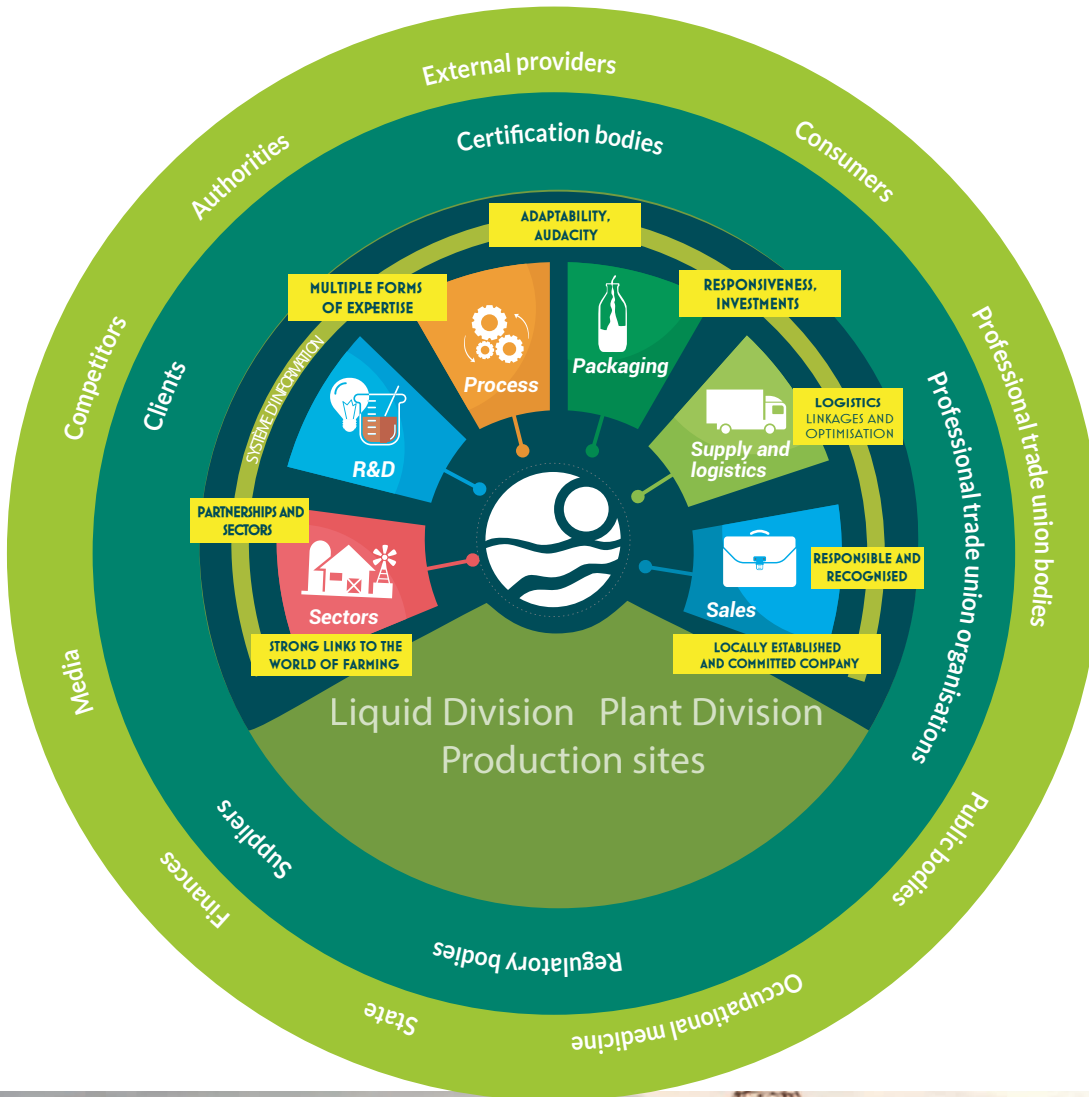
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**ACT LOCAL
THINK GLOBAL**

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RESPONSIBILITY & STAKEHOLDERS

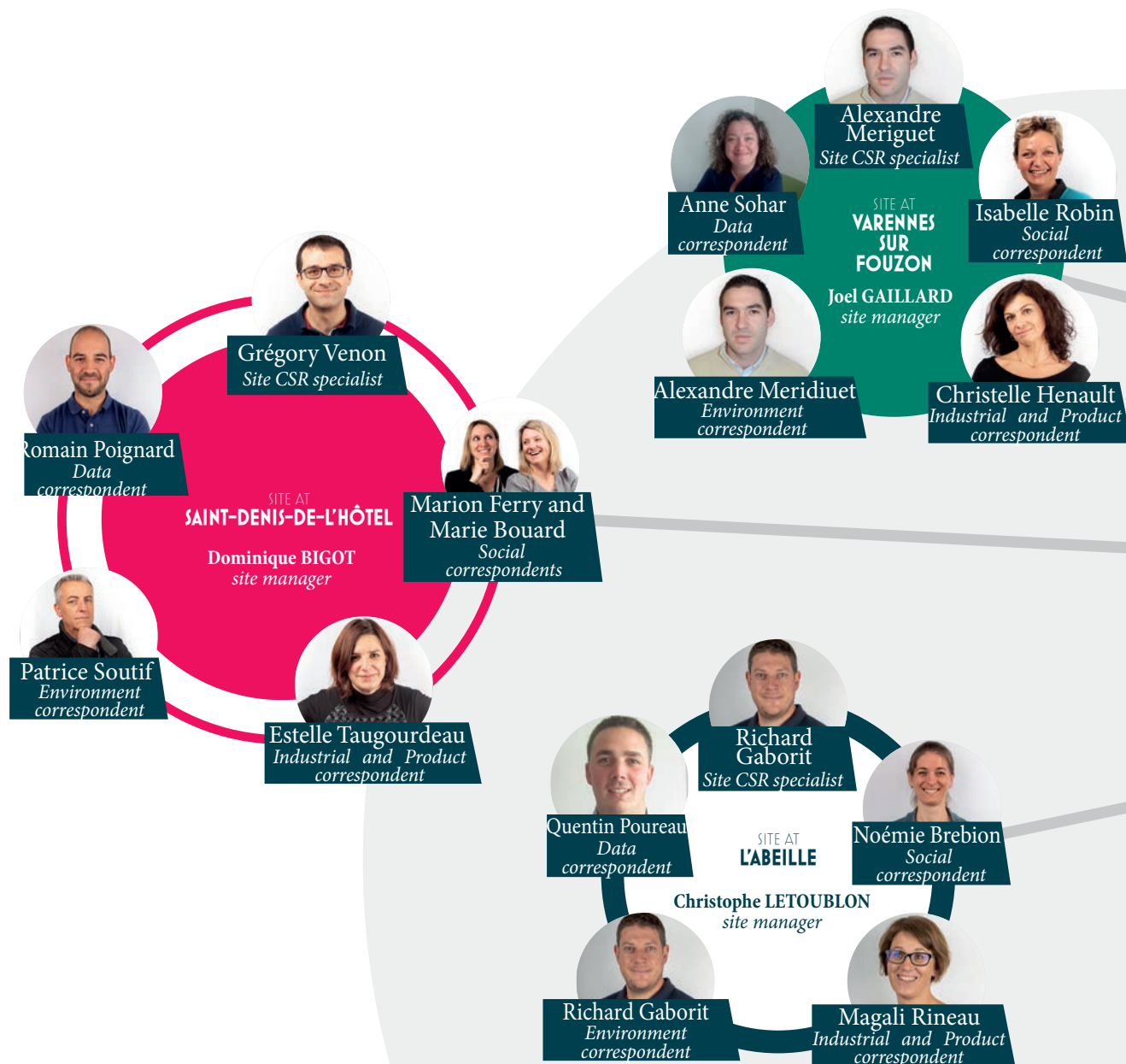


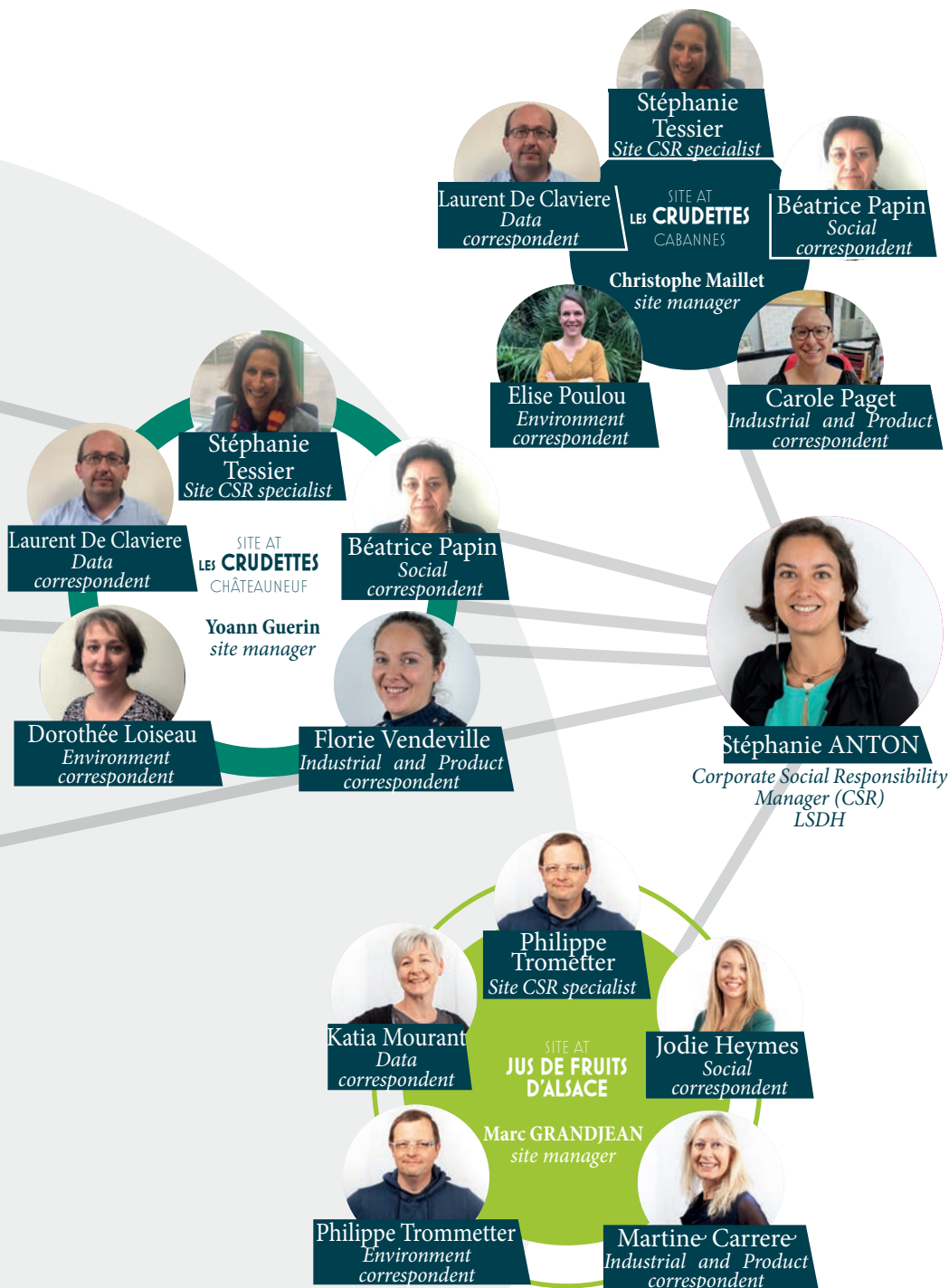
Our desire has always been to **contribute to Society's transformation**, seeking meaning, solidarity and responsibility, utilising our **expertise** and our capacity to **stand out and innovate**.

Acting at company level is the right place to make our contribution to global issues in the regions in which we are rooted. We work towards this with all of our stakeholders who influence or can be influenced by our actions.

There is no land or economy without business and no business without land!







In order to structure and organise our CSR actions and create awareness internally about this issue, a network of ambassadors has been set up at each of our sites.

The network members come from every operating department and represent all business and support functions.

What does it mean to "Be Colibri"?

It means "doing your part" i.e. "doing the best possible, everyone at their own level"

The role of each ambassador is paramount and ensures the overall performance of our CSR strategy and the deployment of actions.

Each of them, through their eco-awareness raising mission, ensures the sharing of good practices internally, monitoring and achievement of CSR objectives and above all, is the driving force when it comes to taking action.

A big thank you to all for your commitment and mobilisation within this Colibri network!

BE COLIBRI!

THINK GLOBAL

Our CSR approach is part of a global objective: by acting locally and contributing to the economic and social wealth of our region, our Group responds to the global challenges of today and tomorrow for the planet and for the people who inhabit it.

CONTRIBUTE TO THE 10 PRINCIPLES OF THE GLOBAL COMPACT

HUMAN RIGHTS

Principle 1

To support and respect the protection of internationally proclaimed human rights.

Principle 2

To ensure that we are not complicit in the violation of human rights.

LABOUR RIGHTS

Principle 3

To uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4

To contribute to the elimination of all forms of forced and compulsory labour.

Principle 5

To contribute to the effective abolition of child labour.

Principle 6

To contribute to the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7

To support a precautionary approach to environmental challenges.

Principle 8

To undertake initiatives to promote greater environmental responsibility.

Principle 9

To encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Principle 10

Take action against corruption in all its forms

Emmanuel Vasseneix



COMMITMENT THROUGH THE 17 SDGs

SUSTAINABLE DEVELOPMENT GOALS

On the 25th of September 2015, on the sidelines of the UN General Assembly, 193 world leaders made a commitment to achieve 17 world goals, known as the “Sustainable Development Goals” (SDG).



We would like you to see which SDGs respond to our actions. Follow the pictograms on page 13.

ACT LOCAL: OUR 5 CSR PILLARS

OUR MISSION: take action to achieve our Performance goals with the support of active Governance and responsible Relationships, working towards Environmental protection and the development of a Sustainable Food System.

At LSDH, innovation and differentiation are at the heart of the entire company expertise, cross-cutting all the pillars of our CSR approach.



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PILLAR 1

GOVERNANCE

We want to help establish sustainable methods of consumption and production and we are committed to ensuring a governance structure that allows us to prioritise our projects and integrate CSR into all our actions, using it as a means to stand out from other players.

REVIEW – OUR 2019 ACTIONS

1. LSDH organisation
2. Participatory projects
3. Collective strength
4. The EY Grand Prize
5. Fairtrade Max Havelaar



ORGANISATIONAL RESILIENCE

Typically, even more so in the midst of a health crisis, an agri-food company has a mission to fulfil: feed the population while protecting its employees. LSDH deployed considerable energy in adapting immediately to the circumstances dictated by the fight against COVID-19.



A team was set up for the occasion, largely composed of members of the crisis unit who met regularly with Group Management.

The team steered the actions, on one hand managing the events and procedures communicated daily by the authorities and on the other hand ensuring that the sites remained in operation.



The plan that was activated meant that we could coordinate all our actions, consisting of: monitoring, understanding, documenting, deciding, acting, adapting and informing.

The work organisation (schedules, breaks, meals) was reconsidered several times so that everyone could keep working under the safest possible health conditions. We also relaxed the conditions for taking leave and remote working become the norm for as long as possible.



The premises were (re)organised, the flow of people redefined, materials supplied (in particular by our IT teams), protective equipment made available without limits on quantity (thanks to the involvement of our buyers), protections such as glass partitions installed (with great responsiveness on the part of general services), and the use of video conferencing significantly increased.



To accompany all these changes, we issued procedures, instructions for use, certificates and instructions whenever necessary.

They covered barrier gestures, how to wear a mask properly, how to move around the premises, physical distancing at mealtimes or at meetings, airing the premises... The HR and communication departments were particularly in demand and they were able to count on the assistance of all the teams and their managers to adapt the information and approaches.



At the end of the year, we gathered feedback from each site steering committee and then from the group committee. This allowed us to draw lessons about our management of this exceptionally extensive and lengthy crisis period.

Thanks to the mobilisation of all the company teams (Production, Supply, Sales, Finance...), our suppliers and partners, we succeeded in keeping the business running.



We were able to keep our commitments, deliver our customers and satisfy consumers, while minimising employee and visitor risks.

It was a genuine achievement, one that we can all be very proud of!

SAVE JOBS & PROTECT EMPLOYEES

The two months of lockdown followed by a period of partial unemployment were difficult for the sales force of the Plant Division (about 30 people). We kept in touch with frequent contact via video conference. When the field teams were finally able to return to in-store visits, protective equipment was still difficult to find.

An entire logistics system was set up for the administrative teams to prepare and send a health kit to each home: visor, masks, gloves, bottles of hand sanitiser and a guide with recommendations and good practices.

The aim was to simplify the return to work, to keep people safe and provide them with the assistance they needed.



CONTRIBUTION & SOLIDARITY INTERNALLY

On March 16, 2020, the President of France announced a strict lockdown to contain the COVID-19 epidemic. Our businesses were considered "essential" and continued to operate so that French people were not in want.

Whether our employees were working from home or on-site, it was important to maintain the relationship with each of them during this particularly uncertain and anxious period.



DIGITAL SERVING CRISIS COMMUNICATION

The rapid escalation of the health crisis and the lack of knowledge about the way the virus was transmitted and how to fight it during the first weeks of the pandemic led to the introduction of emergency safety recommendations to guarantee employees' safety.

All displays and signs were then updated in real time, always according to government recommendations.

All available communication channels were used: posters, dynamic screens, e-mail, video conferencing tools, etc.

To answer questions related to the situation of the company within this health and economic crisis context, we organised video conferencing dialogue meetings for all employees, with Emmanuel Vasseneix, and each of the general managers, Pierre-René Tchoukriel for the Liquid Division and Dominique Duprat for the Plant Division.



ALL TOGETHER

The daily gazette "All Together", created for the occasion, was a way to pass on information related to the many company initiatives undertaken at each site as well as the messages of support received from our milk producers, carriers, customers, suppliers and other stakeholders.



For the annual Group management meetings, usually in-person, we opted for live and streaming broadcasts from the showroom at the Saint-Denis-de-l'Hôtel dairy.

Within the framework of this digital transition initiated through the Group's communications team, the COVID-19 crisis led us to cross a new threshold. But this will never replace human contact, which remains essential to us and it will be back in place as soon as the situation allows this.

TOWARDS OUR STAKEHOLDERS

The health challenge strengthened our sense of responsibility and the attention we pay to others through solidarity.



Hello,

We would like to thank your teams warmly, along with Mr Vasseneix, for your attentiveness to our driving staff and the arrangements made for their comfort. This show of solidarity will further encourage our teams' dedication to serving you in the best possible way, despite the current dangerous global working conditions.

We are at your disposal for any further information.

Kind regards,

Example of a thank you letter received from a carrier



We were only able to maintain our business with the assistance of our carriers and the drivers who transported raw materials, packaging and all of our finished products.

SOLIDARITY WITH LORRY DRIVERS

At each of our sites, we did our utmost to offer drivers a respectful and dignified welcome, while safeguarding their health and that of our employees. While reinforcing the disinfection guidelines, we made premises with sanitary facilities available at all our sites.

Likewise, our road houses remained open and drivers were always given free access, so that they could shower and take some time to relax.

In addition to this, as vending machines were not being refilled, we provided hot drinks and offered salad meals or fruit juices.

SOLIDARITY WITH YOUTH

Work-study programmes have always been a preferred way of passing on our expertise. That is why, despite a complex health and economic context, it was essential for the LSDH Group to maintain and even strengthen this link by increasing our hosting capacities at this level.

- ▶ They were welcomed in various sectors such as maintenance, general industry, logistics, processes and packaging, marketing and accounting.
- ▶ The school curricula and types of diplomas being studied are also very varied: Professional secondary school certificate, two-year post-secondary diploma or Master's.

This demonstrates the Company's genuine desire to contribute to integrating young people to the professional world.

Welcoming students on work-study programmes is a real way of ensuring the long-term future of our business and our activity. It also enables young people to discover the realities of the professional world and acquire a solid skills foundation. At the end of their training, when needs are identified internally, we are in a position to offer them a job.



2020 work-study day SDH

In this way, 10 work-study placements were hired by the LSDH Group in 2020!



33
at SDH

17
at JFA

15
in the Plant
Division

10
at Varennes

79

work-study
placements joined
us in 2020

4

at L'Abeille



DONATIONS & ACTS OF SOLIDARITY

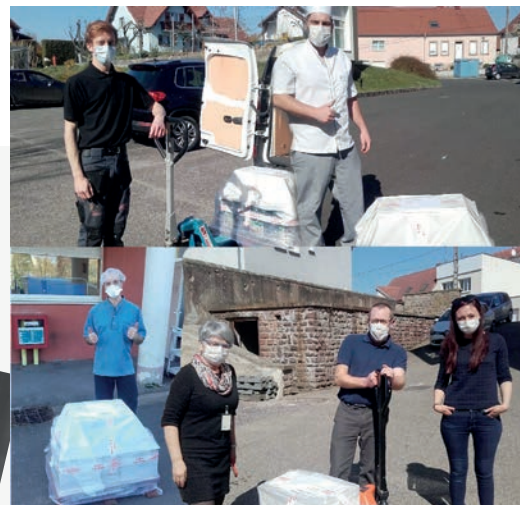
DURING COVID

In addition to supporting our youth and our lorry drivers, we also organised multiple donation campaigns intended for caregivers, hospitals, pharmacies, care facilities, local authorities, etc.

Across all our sites, this aid resulted in the provision of a large amount of protective equipment, to ensure the safety of the nursing staff during the first lockdown.

This represents more than **6,350 smocks**, **800 masks**, **1,410 pairs of gloves**, **1,000 pairs of overshoes**, **250 bottles of hand sanitiser**, **11,100 caps** and **300 coveralls**.

Several donation campaigns for disadvantaged people were carried out, making for the whole Group **57 pallets of milk, cream and fruit juices** and **736 parcels of fruit and vegetables**, etc.



All these acts of solidarity were put in place by our company and all the employees contributed a lot of satisfaction and recognition.

They also underscore our commitment to supporting the Collective.



“ WHEN WE ARE ABLE TO
CREATE WEALTH, WE ARE
ABLE TO SHARE IT.

WEALTH IS NOT JUST
ECONOMIC; IT IS ALSO
HUMAN

Emmanuel Vasseneix ”

OUR COMPLIANCE APPROACH

ANTI-CORRUPTION AND PROTECTION OF PERSONAL DATA

The multiplication of standards unrelated to our core business makes it necessary to **structure and coordinate actions** that aim to meet obligations in matters of anti-corruption and the protection of personal data.

Two recent laws came into effect on the subject of **anti-corruption** (the Sapin II law) and **the protection of personal data** (the GDPR), leading the Group to deploy new processes concerning these subjects.

The compliance programme covers several areas, some of which have already been at the heart of LSDH concerns for many years, such as competition law and business ethics.

Above and beyond regulatory compliance, committing to a compliance approach can clarify certain operations and **strengthen the Group's ethical approach and the trust of its employees and third parties**. It also helps to protect the company from financial, legal and reputation risks incurred in the event of infringements.

In this context, dedicated governance has been defined to steer the compliance programme.

IT IS
COMPOSED
OF

3 Ethics managers

responsible for ensuring the proper implementation of regulations and compliance procedures within the Group

2 steering committees

Responsible for the operational management of the compliance programme. They can be contacted at any time.

- one dedicated to anti-corruption
- the other to the protection of personal data

The steering committees work closely with business and site correspondents depending on the topics addressed.

COMPLIANCE OF OUR SUPPLIERS

For suppliers with which we create annual turnover of more than €5 K, we must collect information to ensure that the supplier is in compliance with the regulations regarding the payment of social contributions.



**SECURING
OF OUR SUPPLIERS'
COMPLIANCE:
THROUGH A DEDICATED
DIGITAL PLATFORM**

In order to simplify and automate this data collection in a secure way with our suppliers, we have chosen to join a digital certification platform.

The results

Today, 74% of suppliers have registered and more than 65% have completed the platform 100%!

ETHICAL CHARTER

a tool to implement the company's values and principles

Business ethics and respect for working conditions are increasingly well regulated, particularly following new regulations (Anti-Bribery Act and Duty of Vigilance Act).

Our group chose to draw up an ethics charter in accordance with our moral and human values in a proactive and voluntary manner.

This official document **establishes the framework and the individual and collective**

rules of good conduct to maintain, in accordance with the laws and regulations in force in all the places where we carry out business (International Conventions, Universal Declaration of Human Rights and observance of the Fundamental Conventions of the International Labour Organisation).

The aim is to explain the rules that apply to each person directly or indirectly involved in the manufacture of LSDH products so that they can, in the course of their day-to-day

tasks and activities, act responsibly and make responsible decisions.

Examples of actions in a given situation will help everyone to exercise good judgement and to adopt the appropriate and expected ethical behaviour.

This charter will be based on our anti-corruption code of conduct as well as our future responsible procurement charter. It requires the support of all, including our stakeholders.





1. Greeting Card - Special Edition
2. Client gifts
3. Actions for Axel
4. Health at the workstation
5. En Voiture Simonne!

RELATIONSHIPS

Because we want to help promote sustained and shared economic growth, we are committed to protecting people and our company, and to thinking about the relationships within our group and with our stakeholders in new ways in order to give more Meaning to our actions.

PLACE SOCIAL DIALOGUE AT THE HEART OF THE ORGANISATION

As the health of our employees is a major concern, we launched a process to improve health insurance and prudential contracts.

SOCIAL PROTECTION

The project was a major one, because it concerned **5 different collective agreements and the specific system in Alsace Moselle.**

specifications was submitted to insurers and brokers. Once the choice was made, the new guarantees and the operating terms of the contracts were explained to all employees of the group.

A firm was chosen to guide the transverse steering committee to successful completion of this mission. Following an audit of the current contracts and coverages, a book of

This approach led to significant progress in terms of guarantees, particularly for Les Crudettes and l'Abeille, as well as optimised costs.

KINDNESS

IN THE WORKPLACE

That is why, in 2020, our site at Saint-Denis-de-l'Hôtel set up a **pilot campaign to promote benevolence in the workplace.**

It came to life further to the establishment of a **workplace relations committee**, composed of:

Our nurse

A representative from the CSE

Two members of the HR Department

We care about the quality of our work relationships and we want to raise awareness about these topics among all our employees.

After talking with over **60 employees** on this subject, the commission decided to launch a campaign with an evocative slogan

BENEVOLENCE IS CULTIVATED, LET'S DEVELOP IT TOGETHER



It consists of **three posters** and an article published in the **Group's internal newsletter** promoting:

- respect,
- equality,
- “work together”

MONITORING THE JOURNEY OF OUR EMPLOYEES

Creating a relationship means sharing an emotion, a souvenir, having something in common with each person on your team. It is also an ambition, a goal - the cement of team spirit.

In 2020, several actions were initiated by the Human Resources department to strengthen the dialogue with our employees and develop their skills.



INTEGRATION | At LSDH, welcoming new employees is essential.

To do this, at the SDH and JFA sites, in addition to personalised integration, they systematically have an interview with the HR department during the first months after starting.

During this exchange, new employees can talk about their integration, the relationship with

their colleagues and manager, their working environment...

This way, we make sure everything is going well. All the remarks and suggestions are a mine of information for us to continue to improve.

An annual interview has been set up for our work-study placements

This formal moment of exchange with their manager is to take stock of the past year and, if necessary, the year to come.

It is a very important exercise for young people, offering them the opportunity to express themselves, to give their opinion and to talk with their trainer about their work and their integration within team and the company.

In this way, LSDH helps prepare young people for the professional world!

OUR WORK-STUDY PLACEMENTS



KNOWLEDGE TRANSMISSION

We have made the transmission of know-how a priority.

In 2020, at the Saint-Denis-de-l'Hôtel site, this led to specific guidance training for the pairs of pilots who train new employees in production positions.

Experienced guides who are eager to transfer knowledge and capable of educating received training to help them train newcomers better. This training has been a real success within our teams, with 14 people trained in 2020 and 13 in 2021. It has further strengthened the quality of the integration of new employees!

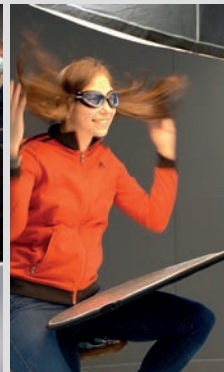
In this period of limited contact, we want more than ever to maintain the link at the heart of our company. This is reflected in various events that promote relationships, a sense of belonging, and moments of sharing among employees.

PROUD TO BELONG

PARTICIPATORY GROUP EVENTS

This year, for example, we organised:

- a Halloween day where every employee was invited to dress up;
- a competition for the most beautiful Christmas tree;
- a vote to choose the logo for our new plant extraction centre, the INOVé workshop;
- we invited 12 of our employees to sign up for a photo shoot for our 2021 greeting card.



We feel it is essential that we offer all our employees the opportunity to participate and to increase their sense of pride in belonging to the Group on a daily basis.

SOCIAL WORKER

Sensitive to the difficult situations that some employees may be experience, and aware that outside help may be necessary, a social worker has been set up.

Florence, a professional Corporate social worker has been coming to the sites at Saint-Denis-de-l'Hôtel and Chateauneuf-sur-Loire since November 2019.

THE SOCIAL WORKER is there to listen to employees.

She works in a network with all the public and private administrative bodies as well as in partnership with the internal members of the company. She is bound to respect professional ethics and in particular professional secrecy.



HOW IT WORKS

The appointments start with a first step that consists of active and kind listening. It establishes a relationship of trust.

After analysis of the personal situation, different actions can be put in place: support with admin procedures, contact with the organisations concerned, compiling files, requesting temporary aid.

The actions must also be adapted to the person's capacities, with the aim of giving them more autonomy when it come to the next procedures.

In 2020, Florence met with 90 employees and held 250 interviews.

ENSURE EMPLOYEE

FULFILMENT AND THE SECURITY OF EMPLOYEES

The guidance on offer focuses on the areas of:

- professional life,
- health,
- family,
- Finances ,
- housing.

This collaboration will be strengthened in 2021, with special attention paid to the potential social and psychological impact of the COVID-19 pandemic on employees.

As this guidance offers genuine benefits for employees and the company, the JFA site decided to replicate this approach

COMMUNICATION

To better convey essential information and safety indicators to employees in the factories, screens have been installed in the break room to broadcast the latest news and projects.

In order to best prevent the risk of accidents at work stations in factories, specific training sessions have made it possible to **raise awareness among 150 people at the Plant Division, 47 people at Cabannes and 103 at Chateauneuf in 2020.**

The Chateauneuf site is also taking part in

GESTURES & POSTURES

the **TMS-PRO** approach, accompanied by the Pension and Occupational Health Insurance Fund (CARSAT). **38 employees** have taken the "TMS-pro awareness" training course, which will enable them to launch actions to prevent occupational illnesses specific to our activity.

QUALITY OF LIFE AT WORK

Based on a quality of life at work approach within the Group, the Plant Division carried out several specific actions at the Cabannes and Chateauneuf sites.

HARASSMENT CONTACTS

In order to guide and inform employees about harassment and gender-based behaviour, **there are designated contact people on each site.**

Employees can alert the HR department directly, or if they prefer, contact the reference person on their site, who will pass the alert onto HR and management to resolve a particular issue.

The company has initiated a **diagnosis of psychosocial risks** with a specialised firm.

This diagnosis is taking place initially at the Chateauneuf site.

Interviews were conducted during the month of October with half of the employees attached to the site, who were randomly selected and are

representative of all head office and factory departments.

The objective is to implement an analysis approach followed by recommendations, in order to go on to act in depth by **deploying concrete actions with objectives that have been defined in the short, medium and long term.**

PSYCHOLOGICAL-SOCIAL RISK ASSESSMENT

This audit will allow us to identify the causes and risk factors related to the organisation, to communication and interpersonal relationships.

A steering committee including managers and staff representatives has been set up to ensure the smooth running of the project which will continue into 2021.

SAFETY BEHAVIOURAL VISITS

In 2020 we set up Behaviour-Based Safety (BBS) visits.

The trained people range from Site Director to Team Leaders, to people who perform cross-functional management.

They learn safety dialogue techniques, to identify safe and unsafe actions and to elicit a commitment to progress on the part of the employee.

BBS visits enable work to be done on risky behaviour through a personal exchange with the employee interviewed.

The idea is to increase everyone's safety awareness and to develop this culture on site.

A visit, most often in pairs with people from another department, takes place in the following manner:

1. Presentation of the approach to the employee.
2. Observe the working situation for 15-20 minutes.
3. Debrief with the employee visited to compliment safe gestures, to understand the reasons why employees take risks using gestures that are less safe and to find pathways to solutions.
4. The results of each BBS visit are recorded in a monitoring file that can be accessed by the Plant Manager and all trained individuals, offering monthly monitoring.



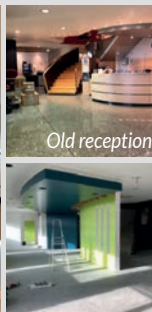
Objective
To achieve
2 BBS visits
per month.

To date, 200 visits have been made to the LSDH and L'Abeille sites.
Employee feedback is very satisfactory.

IMPROVE THE WORKING ENVIRONMENT FOR EMPLOYEES



New reception



Old reception

The project was submitted in advance to the employees directly impacted by the improvements to gather their needs, comments and proposals.

The final design was chosen among 3 proposals by all the employees through a vote.

So, once again we called on the agency "Idée Fixe" to identify the flow of people and to direct them, to define how to better welcome visitors by having them discover the spirit, the

values and the products of the Group, which combine the very characteristic concept of the Saint-Denis-de-l'Hôtel showroom with the identity of JFA.

ON THIS OCCASION we also created new office spaces, brighter, spacious and comfortable.

JFA RECEPTION

Since JFA joined the LSDH Group, many investments have been made to improve productivity, enable innovation and guarantee employee safety.

We are proud to share this with the public, as nearly 1000 visitors discover the site each year⁽¹⁾.

The reception of the JFA site had changed little since 1993, with its marble floor and wooden reception, it received visitors in a sober, very institutional universe, which no longer let our soul shine through.

⁽¹⁾ Data before the health crisis

The new reception area came into service just before Christmas 2020.



CREATION OF A SECURE CAR PARK AT CHÂTEAUNEUF

With the development of the factory and support services at Châteauneuf, building a second parking area became essential to strengthen employee safety.

The new enclosed car park has 114 spaces and was completed in late July 2020 with all the required safety standards: traffic flows, floor markings, lighting and video surveillance.

RENOVATION OF THE SOCIAL PREMISES AT THE 2 LES CRUDETTES SITES

On 1 August 2020, Châteauneuf employees discovered a new, colourful and functional break room: fitted kitchen, refrigerators, microwaves, vending machines and a rest area equipped with benches and electrical outlets.



The men's locker rooms at the Cabannes site needed to be enlarged and refreshed.

Between June and November, 173 new lockers in bright colours were installed.

**IN
2021**

an outdoor terrace and work clothes drying room will be installed for employees handling crates of wet products and performing jet cleaning. *This is a real comfort initiative for the plant's employees.*

IMPROVE WORKSTATION ERGONOMICS

The old line of the Cabannes vegetable factory to wash vegetables and crudités had manual spinners at the end of the line that needed three people to operate them.

After one month of work last October, the change to this line made it possible to fully automate the spinning process. The production line now operates without any operator intervention.

This adaptation also cut in three the number of gestures performed by the catering workshop operator who recovers the products after spinning.

A clear gain in terms of ergonomics and risks of fatigue and accident.



COMMITMENT WITH OUR

STAKEHOLDERS



TRANSPARENCY & PROXIMITY

Transparency, proximity and collaboration with all our stakeholders are key to our business and ensure sustainable development.

They are the cement that binds all the approaches we are taking in terms of corporate responsibility.

This commitment to our various partners, both public and private, has long been enshrined in the DNA of our Group.

In the current health and economic context, with a clear need for transparent information and solidarity, we are committed to strengthening these relationships. We are by their side and involve them in our decisions and actions in terms of ecological and social transition to create shared value.



LES BOUCHONS D'AMOUR

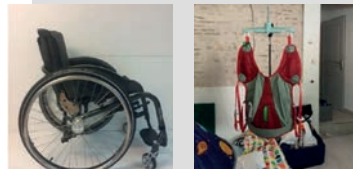
This is a historic partner for the site at Saint-Denis-de-l'Hôtel. After shutting down for several months in connection with the lockdown period, in September 2020, the collection of bottle caps started up again at our site.

At the end of the year, the association thanked us warmly for our support and our commitment to them, as well as for the exceptional

availability of a truck free of charge to transport the huge stock of caps that accumulated since March.

SUPPORT FOR ASSOCIATIONS

Despite the health constraints, we have maintained our support for our partner associations.



In 2020, they were able to provide financial assistance of approximately €18,000. This amount was used to purchase equipment and adapt housing facilities for 14 people with disabilities.

**TOTAL:
OVER 20 TONS OF CAPS
COLLECTED AND SORTED**

Thanks to the mobilisation of all: schools, local authorities and businesses, including LSDH and individuals.

Even though the traditional run for breast cancer awareness could not be take place all over France in its usual format, the participants and organisers showed adaptability and creativity to mobilise differently in support of this important cause.



LES CRUDETTES

This led to t-shirts being provided to the association on 22 October
Thanks were received from the association and the municipality:

"I would particularly like to thank you on behalf of all the members of the CCAS board and the town of Châteauneuf sur Loire for your help and participation.
We were able to host: 160 walkers and collect €1,030 in donations paid to COFEL."

The E-Savernoise immediately attracted employees : walking or running whenever they want, with whomever they want and as far as they want.

There was strong enthusiasm and broad participation from all departments that led to 56 participants signing up between 16 October and 15 November.

The goal was to raise funds and to walk or run as many kilometres as possible in one month.

The contribution was 560 euros for 365 km travelled.

This sum was given to ROHAN ATHLETISME SAVERNE and shared between ICANS (Strasbourg Europe Cancer Institute) in HAUTEPIERRE and Saint Catherine's Hospital in SAVERNE for the fight against breast cancer.

at JFA



OPERATION MILK OF THE HEART



LSDH joined with its milk producers and farming associations (APLBC (1), BVS (2) and Landemont), its partners (Cant'Avey'Lot, C'est qui le Patron ?!, FaireFrance and Le lait des 3 fermes d'Ile de France), its packaging suppliers (Greatview, SIG-Combibloc and Elopak) and 20 transport companies to launch LAIT DU COEUR (HEART MILK) and provide food banks with 1 million litres of milk.

The situation was clear:

Food banks often lack milk and the health context has reinforced a situation of food insecurity in which many households already found themselves.

LSDH teams mobilised to find milk producers, packaging suppliers and transport companies sensitive to this situation.

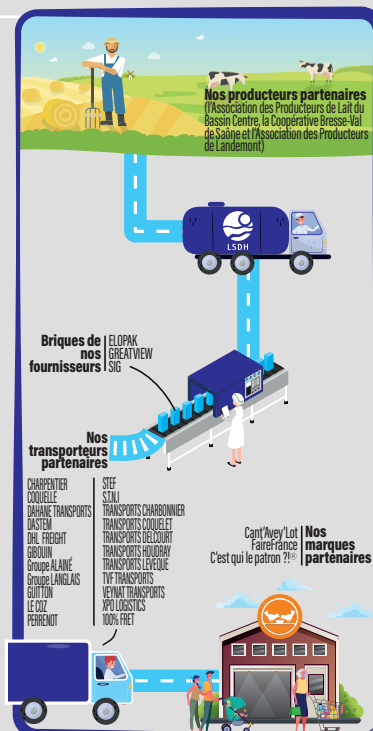
In less than 4 weeks, the project was up and running and the first cartons left the packaging lines.

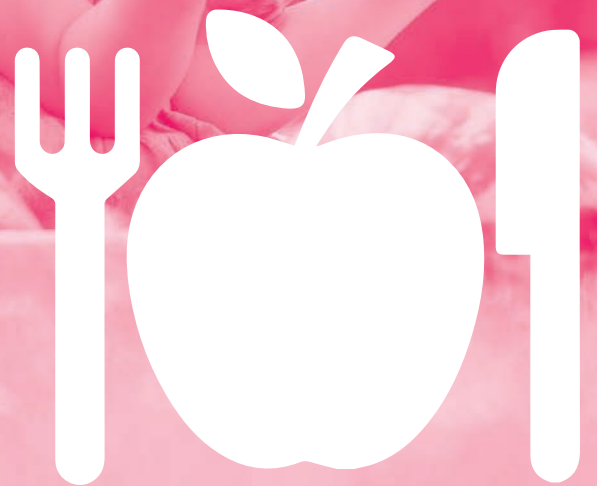
A real chain of solidarity was quickly organised with the assistance of LSDH producers from 7 French regions (Centre-Val de Loire, Auvergne-Rhône-Alpes, Pays de la Loire, Normandy, Nouvelle Aquitaine, Bourgogne-Franche-Comté, Ile-de-France) who agreed to give some of their milk production to reach the goal of 1 million litres.

The first cartons of milk were delivered to the Food Bank in Ingré (45) on 6 January 2021, (in the presence of Claude Baland, President of the Network of Food Banks, Marine Jeantet, Interministerial Delegate for the Prevention of and Fight against Poverty, François Bonneau, President of the region Centre-Val de Loire and Caroline Janvier, Member of Parliament for Loiret).

In total, 40 trucks delivered to 25 food banks that distributed the goods to local associations.

Everyone shared the same deep conviction: solidarity is the very foundation of living together in our society.





PILLAR 3

REVIEW – OUR 2019 ACTIONS

1. The salad "C'est qui le Patron"
2. Open Agrifood - Tokamak and citizens' debates
3. Always less sugar - Les Désucrés de Cidou (Cidou's sweeteners) and innovative recipes

3 GOOD HEALTH AND WELL-BEING



SUSTAINABLE FOOD

We want to help tackle issues of well-being and public health, and that is why we are committed to contributing to Sustainable Food through education, research and the development of healthy products, drawing on the most recent findings in terms of Nutrition and Public Health.

PROMOTE SECTORS AND SUPPLIES

RESPONSIBLE



The fruit juice market, like many others, has seen a strong increase in its share of organic sales over the past several years, including orange juice, the number one flavour with 43% market share in France.



1st growth of the project Bahia



BAHIA PROJECT

We purchased some land in Brazil to create our own ZPR* organic orange production.

This buoyant demand creates supply difficulties and some ingredients may be lacking in quality and quantity over time.

In order to secure its supplies and to be able to offer its customers responsibly grown and traced organic products, the LSDH Group wished to invest directly in Brazil, the world's leading producer of oranges for juice thanks to its favourable climate, by setting up an **Organic orange grove** there.

Therefore, **in late 2019, we acquired 5,000 hectares of non-forested land, safe from any intensive farming in the state of Bahia**, on the outskirts of a protected national park, in an isolated and preserved area.

This implantation means that the trees benefit from a **semi-arid climate favourable**

to the absence of the development of **parasitic micro-organisms**. The use of new technologies means that **only the water strictly necessary for the development of the trees will be distributed**.

The nutrients needed by the orange trees will be prepared on site by mixing different organic and mineral substances available locally (succulent herbs, organic coconut fibres from Bahia, phosphate, potassium, etc.)

At the time of the writing these lines, **800 hectares of orange trees have been planted, and a farm is under construction in their midst**.

It will allow **the fruit to be stored before being pressed by a partner less than 150 kms away** on the road to the port of Salvador de Bahia.

The installation of a juice extraction unit is planned as part of a second phase, when the production volume of the plantation reaches maturity (between 5 to 7 years).

Its exploitation will be an **employment opportunity for many inhabitants of a region hit hard by unemployment**.

In addition, **a school will be built next to the farm** to ensure that the children of future employees have access to a quality education.

Ultimately, the objective is to responsibly produce ECOCERT certified pure organic orange juice that is free from synthetic pesticide residues.

(*) Zero pesticide residues

TRANSITION PROJECT

This consists of an assessment of issues and reputational risk related to our 8 fruit sectors: banana, pineapple, coconut, orange, mango, grapefruit, lemon and apple.

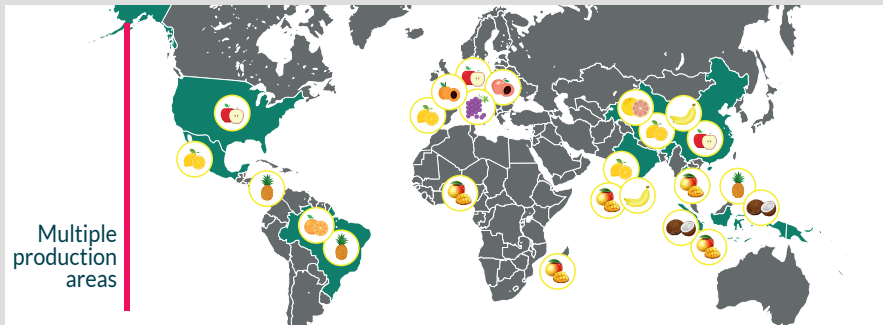
GENERAL OBJECTIVE

To control the sectors and protect ourselves from any reputation risks

Risk to reputation **has become a major strategic issue**, as evidenced by the succession of scandals, whether health (horse meat, contaminated infant milk...), financial, social (child labour, racial discrimination...) or environmental (Amazon deforestation, use of chlordecone in banana plantations...).

We wish to anticipate any risk of deterioration of the brand image of our company and our customers by adopting **a pro-active approach to vigilance, knowledge, monitoring and control of our juice sector**.

We believe that knowing what is going on upstream with our leading fruit suppliers is essential to us.



We chose not to carry out this study alone and to use an **agency specialised in sustainable development** to conduct an audit of the potential risks per type of fruit, country and therefore main suppliers.

The agency has a lot of expertise in this subject, with the support of a wide network of **community stakeholders and NGOs in the field**.

APPROACH DRIVEN

MISSION ENTRUSTED

The aim is to carry out a **risk assessment** and then identify possible solutions to build a responsible supply chain.

All this while giving priority to the fruits and therefore the most at-risk suppliers, those for whom significant gaps have been indicated in order to be able to guide them towards an approach to improving their practices, as previously seen with our milk producers.

THE RESULTS

At the end of 2020, for each fruit, an analysis of strengths, weaknesses, threats and opportunities, cross-referenced with environmental, social, market and reputation risks was carried out.

An overall score with a level of risk per product resource was then calculated.

Where a lemon gets 27.6%, a banana gets a 74.5% score, which means that the risk is high, partly due to the massive use of pesticides, which will require a specific plan of action for this fruit.



MILK SECTOR

A sector that is exemplary and cares about animal welfare with "BoviWell +"



WHAT IS IT?

A tool to assess animal well-being on cattle farms

The project inspired by the European Welfare Quality standard was born three years ago.

It brought together experts from technical and research institutes, ISA in Lille (School of Agriculture, Agri-Food, Environment and Landscape Engineers), cooperative technicians and voluntary breeders.

LSDH, out of concern for animal welfare and well-being, naturally decided to commit to this and go even further.

That is why we developed specific and additional indicators to carry out this assessment, with annual monitoring of livestock production and a process to improve practices: "BoviWell +" came into existence.

Our goal : 100% of farms certified "Boviwell +" for the certified milk segment (BBC, Organic, etc.)

THE METHOD

The diagnosis takes place in 2 distinct phases:

- **step 1**
 - Introduce the breeder to the tool and its relationship with the Charter of good breeding practices
 - The breeder's well-being is also addressed and taken into account.
- **step 2**
 - On-the-ground observation and assessment of the behaviour of animals in their environment.
 - The result obtained values existing good practices and identifies possible areas for improvement



If the results do not comply, follow-up is carried out to encourage farmers to take corrective action.

COMMITMENT

PLANT SECTOR

MOVING TO ZERO PESTICIDE RESIDUE

In a continuous improvement approach, Les Crudettes wishes to minimise the use of protective treatments on the plants of its French growers, while maintaining crop protection.

Our aim is to offer fresh vegetables that exceed the regulatory requirements in terms of residual content.

To do this, samples are regularly taken from the crops of market gardeners to check the residue levels of these treatments by independent laboratories, thereby guaranteeing consumers quality products.

HVE

As part of its development strategy, from Spring 2020, Les Crudettes wanted to raise awareness among its French growers about the "high environmental value" approach.

This farm certification is based on an obligation of means and/or results based on the principles of reasoned agriculture.

It is built around 4 major pillars:

- biodiversity,
- phytosanitary strategy,
- fertiliser management,
- water resource management.

Les Crudettes targets 90% of lamb's lettuce and young shoots growers, and 50% of full-grown salad growers to be progressively HVE certified at the highest level from May 2021.

ANIMAL WELL-BEING

In order to meet the expectations of many customers, over the course of 2020, Les Crudettes chose to source exclusively from ground-laying or outdoor egg suppliers, definitively ending all supplies of caged eggs.



OPEN AGRIFOOD

"Food is for ALL of us.
Virtual Forum: a winning bet!"

INVOLVE AND ACT ON

THE CHAIN OF CONTRIBUTORS

The Open Agrifood Forum 2020 was held! On 4 and 5 November 2020, live from LSDH, more than 500 people from the entire chain of stakeholders took part for the first time in a 100% paperless Open Agrifood Forum.

This year's forum was in a hybrid format: in-person for speakers and digital for participants.

Through the intermediary of its President, Emmanuel Vasseneix, who is also President of OpenAgrifood, LSDH once again affirmed its commitment to sustainable food.

By exchanging and collaborating with all those contributing to the chain, from farm to fork, we will be able to better promote our assets (local produce, know-how...) and take part in this agri-food and social transition.



on
4 NOV

A citizens' debate with connected contributors

200 people took part in the video conference. This debate strengthened the democratic momentum already launched by Open Agrifood in previous years.

Marc Fesneau, Minister delegate to the Prime Minister, responsible for relations with

Parliament and citizens' participation, also took part in the debates alongside many economic players in the sector such as Christiane Lambert, President of FNSEA.

Food is for ALL of us

on
5 NOV

The next day, a major installation (worthy of a TV set) led to the organisation of a virtual collaborative session.

On the basis of the **AGIRFOODPlan***, participants were invited to co-construct an agricultural and food transition plan. To this end, two sessions were held side by side: the first in relation to the environmental themes (LAND),

the second on topics dealing with economic and social issues (HUMAN).

Julien Denormandie, Minister of Agriculture and Food, introduced these two workshops with a message of encouragement and thanks to the participants.

the
REVIEW

The session made it possible to prioritise and select AgriFood Plan actions and draft a version shared with all those contributing to the sector.

2 key actions from the 75 were chosen to be carried out by Open Agrifood:

- **Food Transition** - making food education compulsory in schools (action no. 40)
- **Agricultural Transition** - study implementation of PES - Payments for Environmental Services (action 30)

<https://www.openagrifood-orleans.org/le-forum-annuel/debat-citoyen-connecte/#>

AGIRFOOD plan*

A unified and collaborative roadmap for the French food industry. It is anchored in the EGALIM proposals and incorporates elements from 18 recovery plans written at the end of lockdown.

This tool serves citizens and responds to 3 fundamental challenges:

- Feeding France and our fellow citizens,
- Making resources available to countries that need them,
- Relocating technology, research and innovation, particularly in environmental matters, in order to export our know-how.

OFFER QUALITY FOOD & ALLOW CONSUMERS TO CHOOSE FOR THEMSELVES

The link between health and diet has been known since ancient times.

This common sense notion leads many consumers to (re)position food at the heart of their concerns.

More than ever, they are looking for quality products that are within their budget range, and they want reliable information to guide their purchases.

To do this, LSDH teams carry out collective actions, in particular with the assistance of professional associations.

The goal is to give these "active consumers" the keys to a balanced diet, open to every suggestion about variety and how to best combine products.

At the same time, and as the following articles describe, we have been working for years to meet these expectations.

We are strongly involved in the development of food chains, sustainable farming with lower impact, the search for simple, healthy and balanced recipes and products and displaying this information on packaging.

Products that come from Organic Farming ("Bio") have emerged over the years. The Bio organic label has become one of the French labels recognised for the quality of the range on offer. LSDH is a historical organic supplier in its ranges and one of the biggest in terms of marketed volumes.

MEET EXPECTATIONS NUTRITION & HEALTH CLIENTS & CONSUMERS



STRONG GROWTH FOR ORGANIC

IN OUR BUSINESS

2020 was another year of innovation in this area:

- Based at the Varennes site, a Consumer Milk sector from Organic Farming emerged from an unprecedented agreement signed in 2018 between the Carrefour Foundation, WWF France, the APLBC Association of Milk Producers and LSDH. Financial support was extended over two years for organic conversion to just under 70 milk producers in the APLBC, for a total volume of about 12 million litres of milk.
- At JFA, the Bio range runs to over 100 references and about 20% of the packaged volumes. And that's not all! In addition to the rules laid down by the organic sector, the team has given itself an obligation to achieve results and has a sample of each production analysed.
- Bio knows no borders and LSDH has chosen to continue to invest in orange juice. After the launch last year of the ZRP label in Spain (see the 2019 report), you can find out more in this report about the challenge undertaken in Brazil with the creation of a new organic orange juice industry (see page 29).



"CLEAN LABEL" PRODUCTS

Consumer expectations are increasingly being driven by so-called "clean" products (with few ingredients or with less reliance on processed ingredients).

Because of this, the R&D teams at l'Abeille, JFA and LSDH are working hard to rework our recipes, to simplify them.

The objectives are to increase the use of natural flavours and colours, to further reduce the sugar levels or the number of ingredients, while working on the process to maintain the basic characteristics of the finished products.



A PLANT-BASED OFFER ACCESSIBLE TO ALL



Faced with the growing appetite of consumers for plant-based products, LSDH is expanding its plant-based offer.

A pioneer in plant beverages since 1992 with the soya drink, we are broadening our offer to provide a variety of plant beverages that meet both specific lactose intolerance needs as well as the consumer desire for variety.

Similarly, Les Crudettes is behind an initiative with the creation of a group of plant lovers:

"Le Végétal Engagé ®"

This collective wants to facilitate everyday access to the flavours, textures and colours of ready-to-eat plant foods in all their diversity (fruit and vegetables).

The partner brands are offering a one-stop location (refrigerated islands) in their shops with a pooled assortment of the best they can offer to give everyone a taste for plant-based products and to reap the benefits.



 The Clean Label is based on 4 key principles:

- Reduce allergens and additives.
- Reduce the number of ingredients used.
- Replace artificial ingredients with natural products.
- Use clear labelling terms to reassure the consumer.

To find out more, visit:
levegetalengage.fr



93%
of French people know
it according to
Santé Publique
France

THE NUTRISCORE, A WIDELY ADOPTED INDICATOR

Taking the famous "5 fruit and vegetables a day" slogan one step further, the introduction of the "Nutriscore" at the end of 2017 gave all consumers the opportunity to take control of what they eat by providing visual and synthetic insights into the nutritional values of the products they buy.



After three years of existence, **50% of food products** on the market already have it on their packaging. Since then, several other European countries have adopted the system.

LSDH subscribes wholeheartedly to these approaches that work toward a better

diet and has done for years: awareness raising actions, open days, development of innovative products...

All our sites take part in this dynamic and they have intensified the **revision of their recipes to improve their nutritional content.**

FROM CONSUMERS TO ACTIVE CONSUMERS

On the margins of changing consumer expectations, the French authorities wanted to launch a comprehensive plan to combat excess weight, obesity, and, more generally, all the risks associated with an unhealthy diet



ONE example is the **reduced sugar CIDOU juice range** (*pure juice from which we have removed 30% of the fruit-based sugar simply by filtering*) that improved the score of some pure juices, moving them up from C to B, making it a unique case to date.

They even created a buzz in the UK and received incredible media coverage, proving that they are an innovative response to a dire need in our society!



Want to find out more about the Nutriscore and Nova 1 on the Cidou packs?

Visit LinkedIn for an explanatory video!

Similarly, Les Crudettes, through the portion size of the salad and crudités contained in the recipes, has **more than 90 % of its products classified A or B !**

Enough to (re)become a gourmet without risking upsetting your dietary balance!





© Sam Goettmann

1. ESAT
2. Packaging
3. The year of water: actions at the sites and Agrisud International
4. Raw materials



ENVIRONMENT

Because we want to help tackle environmental challenges related to agriculture, we are committed to continuously reducing our carbon footprint through the implementation of an ambitious action plan aimed at saving our planet and future generations. We want to involve as many of our stakeholders in this process as possible: employees, service providers, customers, partners, local authorities, interprofessional organisations...

DEVELOP MORE VIRTUOUS PACKAGING

IN CONNECTION WITH OUR
SUPPLIERS AND CUSTOMERS

Make sustainable development a
lever for growth.

INNOVATION THROUGH PACKAGING

Step 1 RECOVER our best practices



1

Removal and/or substitution of our plastic cutlery and straws with **wooden cutlery and paper straws**.
Gain: 70 tons of plastic / year



2

Incorporation for all our bottles of **50% recycled PET** (legal obligation of 25% in 2025) and tests are in progress on 100% RPET bottles in 2021.
Gain: 4000 tons of plastic / year

3

Reduction in **bottle weight** of 50cl milk containers from 24 to 17g.
Gain: 217 tons of plastic / year

4

Low density sleeve to facilitate separation in the sorting centre.



5

Deployment of **bio-sourced cartons** (carton and cap)

Step 2 LISTENING TO

all the suggestions for innovative packaging (new materials) with the ambition of being a forerunner

1

Help with the development of recycling and repurposing channels
(opaque PET bottle to bottle, flexible OPP...)

2

Development in progress of salad sachets made of 100% recyclable paper.
Potential gain: 400 tons of plastic / year

3

Launch of the "bouchon solidaire" in 2022 (regulatory objective 2024)
REMOVE CAP POUR REPLACE





REDUCE OUR EMISSIONS OF GHGS⁽¹⁾ & PRESERVING OUR RESOURCES⁽²⁾

BY PROMOTING ENERGY EFFICIENCY

Energy supervision project

The objectives of this project named "Energy Supervision" are to:

- Help us improve our energy performance by becoming more responsive.
- Reduce our energy consumption and more globally fluid consumption (water and energy) while making financial savings.
- Reduce our carbon footprint (in relation to our ongoing carbon audit).

To achieve this, it will involve:

- A reduction in our consumption (e.g. by means of more efficient tools, the transition of all our lighting to LEDs, optimisation of the means of producing heat, use of renewable energies such as biomass for steam...)
- Precise monitoring of this consumption (through installation of on-line metres...)
- The implementation of dedicated monitoring indicators as part of a continuous improvement process in order to share our ambitions and pool our actions with our stakeholders, if necessary, while meeting our customers' expectations.

BY ASSESSING OUR CARBON FOOTPRINT

An important issue for our Group: Agri-food is the biggest sector in the French economy, representing about 1/8⁽²⁾ of the overall emissions of French industry estimated at 78 Mt⁽²⁾ CO2 equivalent.

Food companies are engaging in the ecological transition with ambitious targets for reducing their impacts and combating climate change.

Our Group is aware of these issues and also intends to contribute to reducing its environmental footprint at its own scale, by mobilising all its sites and employees.

We decided to launch our Carbon Audit in October 2020 for the whole Group with the support of a specialised consultancy firm. All sites are being assessed, including those in projects such as FRAICHELOG, INOVé and SEQUOIA (digital footprint assessment).

It will allow us to measure all the greenhouse gas emissions related to our activity (input and output) and thereby identify the different sources in order to reduce them.

OPPORTUNITIES AND OBJECTIVES OF THE CARBON AUDIT APPROACH:

- **Mobilise and unify** all our sites around a joint and collaborative project.
- **Create a shared dynamic and culture** in matters of climate and energy .
- **Calculate** our carbon footprint.
- **Identify** the areas with the highest emissions and assess our dependence on fossil fuels.
- **Identify levers for action** that will enable us to reduce these emissions and move toward the target of carbon neutrality expected by 2050.
- **Launch the action plan** by the end of 2021 and then monitor our progress regularly.
- **Achieve** energy savings and **optimise** our industrial and economic performance.
- **Make** our contribution to the fight against climate change, inspired by Colibri.



A committed dynamic



We guide them when it comes to implementing the CAP'2ER environmental diagnostic performed using a computer tool on site. It allows breeders to assess greenhouse gas emissions on their farms, and then offers ways to reduce them. They can also

benefit from training. During training sessions, each participant can compare themselves to the average of similar farms. This leads to collective emulation.



Via a snapshot of the farm at a point in time that is taken in order to obtain an initial diagnosis of the carbon footprint of the farm.



Amuch more advanced assessment of the different greenhouse gases, the number of people a farm is capable of feeding and the surface area in hectares of maintained biodiversity. Through simulations and technical proposals, the breeder can then make improvements by changing and adapting certain practices.

We strongly encourage our breeders to go further and move to the 2nd level. At the end of 2020, **50% of the farms** were audited and the objective is to reach **100% of farms** with a level 2 CAP'2ER diagnosis **by the end of 2021**.

REPORTING OF RESULTS

With regard to the results, the farmer receives a diagram of the share of the main greenhouse gases: carbon dioxide, methane and nitrous oxide, allowing him or her visualise the areas with the most emissions and to implement actions to reduce them.

Agriculture accounts for **17.4%*** of total French greenhouse gas (GHG) emissions.

Cattle farming (meat and milk) contributes to more than **60%** of agricultural GHGs!

The agricultural sector is also an important source of **carbon capture and storage**.

Awareness and willingness exist:
our breeders are involved and are committed to continuing
to act for the environment and to make it known.

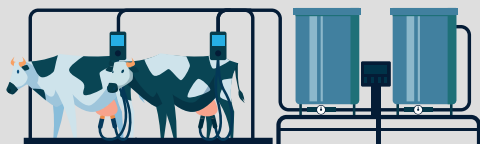
TESTIMONIALS

Source: Industry Bulletin

The title of the training course did not give much of an incentive to attend these two days. But to my surprise 80% of the theme concerned our crop and breeding practices on our farms.

The speaker mastered his subject very well, and managed to get all the farmers to participate, which made it possible to exchange ideas between neighbours and to find out what could or could not be done to reduce the production of greenhouse gases.

Vincent Villemont EARL de la Planchette (36)



”



”

This training opened my eyes to the need to pursue our "respectful" practices, because the road is long.

People often say that the Earth has experienced other phases of severe heat and glacial periods. But when we look at the CO2 level, we are well above anything the planet has ever seen".

Anne-Lise Rossignol, dairy cow farmer in Morand (37)



”

OPTIMISE OUR FLEET

LOGISTICS / TRANSPORTATION

One action in favour of the environment involves transport

We continue to train our Saint-Denis-de-l'Hôtel and Varennes drivers in charge of milk collection on Eco-driving, using the "OptiFleet" tool.

This system incorporates an "eco-score" that **takes into account fuel consumption and vehicle usage.**

By choosing a smoother driving style and regular vehicle maintenance, we reduce our fuel consumption and CO2 emissions.

The drivers' trucks are now equipped with a monitoring device that shows them the goals to achieve.



THE BENEFITS OF THE APPROACH



Since its implementation, we have achieved:

a note of
9/10
in terms of eco-driving

& benefited from a reduction in diesel consumption

out of
36.7 L
to **100**

VS 38.20 L /100km in 2019

This significant data highlights the effectiveness of this approach and the fact that we are all part of the transition **#Colibri**

BY IMPROVING THE ENERGY PERFORMANCE OF OUR INFRASTRUCTURES



Many achievements have been made at our sites in order to optimise the energy performance of our infrastructures.

At **Varennnes**, we have installed **heat extractors** in the areas with high temperatures in the production workshops.

The **heating system** has also been modified in the trucker's house, and a heat pump has now replaced the fuel fired boiler.

The JFA site has replaced its fleet of **compressors**. A **heat recovery system** was also put in place to supply the site with hot water.

At **Saint-Denis-de-l'Hôtel**, parts of the roof have been equipped with a white sealing membrane in order to **combat heat islets** and **lower the temperature** inside the buildings during the summer period.

This approach is now systematic from the construction stage for new buildings: the fresh storage and retrieval unit, the restaurant, the INOVé workshop.

Temperature reading from the thermal camera during work



Other creations complement this work, such as:

- The installation of a **new regulator** aimed to improve management of compressed air and reduce the number of hours of unloaded operation of the compressors.
- The creation of a **water recovery system** to supply parts of the plant with recovered water.
- The installation of **insulating mattresses** on almost all steam equipment to reduce thermal losses.

Consistent with the eco-responsible approach, **lighting** at the entire site has been replaced with new technology **LED bulbs** that offer better lighting and consume less energy than fluo-compact, halogen and incandescent bulbs.

By reducing our energy consumption, we reduce our carbon footprint and electricity costs.

At the **l'Abeille site**, 13% of the covered area benefits from this new LED technology.

By the end of 2021, we will reach **almost 100% LED interior lighting** for new and existing buildings at SDH.



PERFORMANCE

Because we want to promote a sustainable industry and invest in research and innovation, we are committed to evaluating our results, identifying areas for improvement and revisiting our processes and procedures with a permanent focus on optimisation and innovation.

REVIEW – OUR 2019 ACTIONS

1. Kick-off Sequoia
2. Invent Your Future
3. Cidou Serious Game
4. Employee savings plan overhaul
5. Tripartite contracts

9

INDUSTRY,
INNOVATION
AND
INFRASTRUCTURE



EVALUATE & ENHANCE OUR GLOBAL PERFORMANCE



OUR CERTIFICATIONS & LABELS

A recognition of our commitments to quality, sustainable supply, production process and CSR.



Standards, certifications and labels allow us to **structure** our approaches and our processes in order to **gain in efficiency, performance and resilience** while **meeting the expectations and requirements** of our customers and other stakeholders as part of, for example, signing a commercial agreement.

These are tools that allow us to compare with other agri-food industrials, our competitors, and to **value our good practices in a perspective of continuous improvement**.

PME+ WHAT'S THAT?

It signals to consumers products from <7273>French SMEs committed to progress on environmental, societal and managerial criteria.</7273>

ITS VOCATION IS TO HELP THE GENERAL PUBLIC TO BECOME AN ACTIVE CONSUMER AND TO BUY MORE RESPONSIBLY.

The PME+ label (formerly Entrepreneurs + Engagé) was created by the Fédération des Entreprises et Entrepreneurs de France (FEEF) at the end of 2014.



Since 2017, LSDH has voluntarily committed to this PME+ label.

Every year, an audit check is performed by an independent body to maintain this certification.

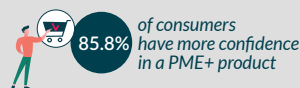
This recognition attests to our long-standing commitment and to the mobilisation of everyone on this major topic.

the BENEFITS

The FEEF launched the PME+ label with the goal of promoting eco-responsible French SMEs.

Large-scale distribution supports this approach by promoting products with the PME+ label every year in their brochures.

This allows consumers to **quickly identify virtuous companies**.



the label IN NUMBERS

At the end of 2020, approximately **150 companies** were certified, mainly in the agri-food sector, with over 270 production sites and 23,000 products.

focus on OUR 2020 RESULTS

Clear improvement with **83%** VS 78% in 2019

Notable strengths:

- » Strong commitment from everyone and support from management,
- » Constant drive to innovate products and processes...
- » A close and special relationship with suppliers, customers + local society (educational, political, entrepreneurial).

Areas for progress: for 2021

- » Pursue the management structure of CSR
- » Determine the Performance monitoring indicators for 2021 for all our sites.

ATtribution OF THE FAIR MILK CERTIFICATION BY BUREAU VERITAS

It is important for our Group to stand out even more and to make approaches more solid to show that they are virtuous.



Each actor must publicly state its attachment to fair trade and participate in awareness-raising and educational activities on socially and ecologically sustainable production and consumption methods.

Well, it's done: **with LSDH receiving "fair milk" certification on January 23, 2020!**

In the milk sector, we wanted to get our committed approaches certified "fair milk" for a long time.

THE 6 MAJOR PRINCIPLES AND CRITERIA OF THE CERTIFICATION TO BE RESPECTED.



- A fair price that is remunerative for the farmers.
- Sustainable commitment between the players in the sector (3 years minimum).
- Respect for environmental and social commitments controlled by a third-party organisation.
- A democratically organised farmers' group.
- A development fund paid by the user of the label to the group.
- Strong transparency towards the consumer.

THE 3 PARTS: FARMERS' GROUPS, FARMERS AND LSDH ARE AUDITED.



In-store events are, for example, carried out by breeders to promote and highlight our approaches.



LSDH participates in the open doors to show the general public our business and know-how.

All the administrative aspects are reviewed: agreements between the 3 parties, farmer qualifications, minutes of the general meetings,

representative and participatory governance, management of the premium, fair trade law. A traceability exercise is also carried out.

PROJECT SEQUOIA NEW ERP*

Implement a new ERP tool to serve performance oversight:
the SEQUOIA project.

Last year we announced the launch of the SEQUOIA programme.

Then the health crisis arrived to upset our plans to redesign our information systems.

Despite strong commitment from all teams (internal and partner), we had to reorganise the overall schedule and accept several months of postponement.



It is therefore in 2021 that we will be able to take full advantage of this long-term collective work, which is major for the future of the company!



(*) Centralised tool for integrated company management

OPTIMISE OUR PROCESSES & INNOVATE



PRESERVE THE WATER RESOURCE

Actions have already been taken without waiting for the launch of our optimisation approach to reduce our water consumption and the results are very promising.

Water is a major issue for food industrials and its preservation is a priority for our business.

Here are three examples from among many more:

- **At the Les Crudettes sites**, the investments in new technology lines led to important reductions in consumption, while improving the working conditions of the teams.

Wherever possible, the water system was put under control with **monitoring and alerting systems** for operators and increased responsiveness in the event of any deviation.

There is a **new use** for process water (supplying the water circuit for prepping), changes to the cleaning plans, correcting automatic gestures and **regular awareness-raising actions** for the production teams were carried out in the workshops.

All of this resulted in a spectacular acceleration in results, with a nearly **50% reduction in the ratio of "m³ of water used per ton of salad produced"**. and all this in just 4 years!



The optimisation work continues because new paths have been identified by our teams.



- **At the Abeille and Saint-Denis-de-l'Hotel sites**, the joint work between the Production, Maintenance, New Works and General Services teams led to **partial reuse of the process water** (at the cooling towers or at the sewage plant).

The idea is to **gradually banish systems with "lost water"** (for example, a single loop, a single passage, for cooling).

Gains of **between 5 and 10% of our annual volumes** have been noted and will likely be exceeded in the coming months.

To be continued!...

- **At the Varennes Dairy**, water consumption has been reduced, in particular thanks to **awareness-raising work and improvement approaches** undertaken with all the teams.

The ratio of water used per litre of packaged milk has improved by **more than 15% over 2 years**.

New lines for progress will allow us to further reduce our levels.

PROJECT TARGET VERT

The mission of the Plant Division is to enable everyone to eat better thanks to fresh, healthy and local plant foods, available everywhere and the fruit of the work of committed farmers. Consumer expectations for such products continue to increase.

We face many environmental and social challenges, and the fresh vegetable market must rise to challenges of efficiency and sustainability.

Les Crudettes is working to offer innovative solutions for local, sustainable and transparent market gardening, and to develop new markets all year round.

THE CAP VERT PROJECT, INITIATED IN 2013, IS AMONG THESE INNOVATIONS.

It is based on the creation of a “greenhouse of the future” relying on the **aeroponic system** that allows plants to grow in a healthy and strong way.

This pilot greenhouse has been in service since February 2019, based at the Chateauneuf-sur-Loire site.

With a total surface area of **2,200 square metres**, it consists of a nursery and three chapels (halls).

This concept of production **reduces water consumption tenfold** (automatic nutrient mist irrigation) and **90% of the water is recycled**.

The plant quality is impeccable:

no contamination, no treatment, the product has the freshness and taste of the garden, and the packaging is done on the same day it is gathered.

The products are homogeneous in size, colour and quality, and this consistency offers better yields and contributes to **the reduction of waste**.

CAP VERT OFFERS A THIRD PATH BETWEEN TRADITIONAL AND ORGANIC AGRICULTURE

It is the best of technology, using water, air, light and nutrients in complete simplicity.

This new system marks the re-appropriation of market gardening by French agriculture, combining technology and respect for living things, combining food and supply security, clean production and fresh products.



A second greenhouse measuring about **7,000m²** dedicated to the production of aromatic herbs and based in Saint-Denis-de-l'Hôtel, will come into action in February 2022 !



REINFORCEMENT TRACEABILITY

As part of its strategy to promote the local origins of its salads in sachets, the Les Crudettes site took a first step in 2020 with the creation of packs for products that are **100% supplied in France**.

A working group has been set up to refine the entire field-to-plate traceability system and ensure **accurate monitoring of each manufacturing step**.

Over the course of 2021, a new study component is planned to **print the origin of the products on the sachets**.



INNOVATION AT THE SERVICE OF PERFORMANCE & DIFFERENTIATION

Innovation is a key factor in competitiveness.

Concretely, ongoing innovation is necessary for any entity if it hopes to survive in an increasingly competitive economic market.

Our Group has always considered this to be a differential factor and a driver towards permanent adaptation.



A new refrigerated logistics platform to serve our performance and our environment



PROJECT ORIGINS AND CHALLENGES

Today, transport occupies an essential place at Les Crudettes.

This component requires great adaptability, because every morning we receive orders to be delivered the same evening.

When the Les Crudettes brand joined the Group in 2013, a new source of optimisation came into being: **mutualisation of transport**.



RESULTS

We started with 10 pallets per day, then little by little our customers showed us their interest in this project.

Today, more than **100 pallets** are pooled every day, and the target of 1000 (or 65,000 parcels prepared daily) will be reached once the

FraicheLog platform launches in January 2022.

This will optimise our logistics flows, reduce our transport costs and our carbon footprint by **pooling the storage, preparation and transport** of the Group's and our partners' perishable products.



THE GENERAL CONTEXT OF THE PROJECT

Today,

1
in
4

French people consume plant-based beverages. (soy, oat, rice, almond juice)

This constantly increasing figure should continue to grow, as consumers are increasingly concerned about varying their diets.

These beverages are obtained by crushing the seeds to extract juice. Currently, LSDH does not have a specific tool and has therefore undertaken to open a new workshop dedicated to plants.

PROJECT STAKES

- Have a plant raw material processing tool right next to our current site and thus reduce tanker transport: about 500 lorries/year fewer for soy.
- Develop a local supply of the raw materials as soon as possible.
- For this, LSDH will **guide French farmers**, in particular farmers in the Centre region, in **developing new crops** (organic for 80% of volumes).
- Ensure and control **the traceability of products** all along the chain, upstream and downstream.
- **Innovate in the search for new products** and work with research institutes to move toward the most suitable varieties from an agronomic and nutritional point of view.
- **Develop local jobs:** about 20 employees at start-up and potentially 60 in the future.
- **Support regional development:** EUR 32 million invested by our Group

BIODIVERSITY WAS TAKEN INTO ACCOUNT FROM THE BEGINNING OF THE PROJECT WITH COMPENSATORY MEASURES

Aware of the issues related to the conservation of biodiversity and the fight against land artificialisation, we had a fauna and flora study carried out before the start of the work.

This study made it possible to highlight the different species present on site and the potential impact of the project on biodiversity.

For fauna, some protected species were identified: reptiles including lizards, chiropterans and amphibians.

In terms of flora, no rare species were present.

It was therefore decided to preserve certain areas that are conducive to maintaining their habitat and their development.

OTHER COMPLEMENTARY MEASURES HAVE BEEN TAKEN

» Deforestation was carried out during the winter period on an area of 6.5ha corresponding solely to our needs in order to build the plant.

» A wooded strip to the north and west has been retained to maintain a green belt around the Aterlier INOVé site. This strip will be maintained without human intervention (senescence).

» Forest compensation of 10ha where nearly 25,000 trees were planted on a plot near Sully-sur-Loire. It is composed of 80% oak and 20% hornbeam and alder. Monitoring will be carried out for 5 years to ensure that the plants grow properly.



and next?

FORTHCOMING DEADLINES

APRIL 2021
To
JUNE 2022



Work
phase



JULY
2022



Factory
Start-up of the plant



CAP 2021 - 2022



A key
theme
for the long
term

Extreme water events related to climate change are becoming more frequent in a context of climate disruption and are likely to multiply in the coming years, but our activities are dependent on water.

The sustainability of our business is directly linked to this resource.

Perspective

This theme remains a major one for us and we are setting a parallel course towards decarbonisation of our business for 2021-2022.

It is more than **necessary to preserve it** throughout the production life cycle and to envisage every possibility to **reuse it**

→ We are going to continue to develop our actions in line with this over the next few years.

ANNUAL THEME

LOW CARBON TRAJECTORY

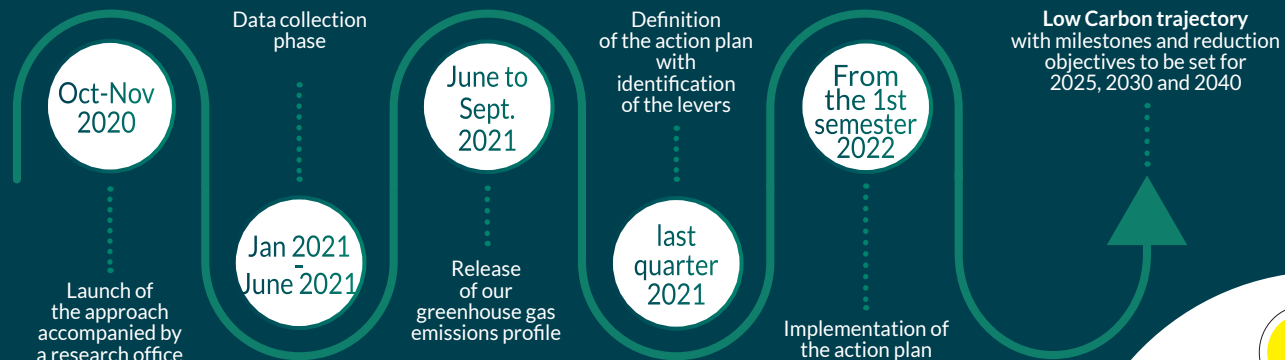
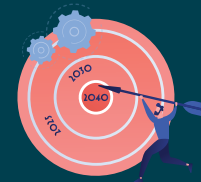
The Carbon Audit is one of the structural tools that will enable us to quantify all the greenhouse gas emissions associated with our activity (total input and output) and thereby identify the ways we can reduce them.



This multi-site project enables us to define together the broad lines, to implement a transition toward a sustainable low-carbon business.

It also aims to build a voluntary and proactive roadmap at Group level, to combat and adapt to the effects of climate change.

THE MAJOR STEPS IN OUR CARBON AUDIT



THE 5 DRIVERS TO REDUCE OUR CARBON IMPACT





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