

DAIRY INNOVATION
TO **BETTER FEED**
AND PROTECT

5th
**Integrated
Report**



Prosperité Fermière
INGREDIA

ingredia
DAIRY EXPERTS

Annual
report
2020



Table of contents

Our mission.....	04
Our values in a few figures.....	06

.01. Together in 2020

From cow to table during lockdown ..	10
Across borders.....	12
Standing together.....	14

"This crisis reveals the obvious strengths of our dairy that must continue to work for the future."

*Christophe Savary,
dairy farmer in Zutkerque*

.02. Innovation that makes sense

A sustainable innovation	20
A high-performance innovation.....	34
An authentic innovation.....	42

"The world is changing, and very quickly. When you have an industrial tool, you need to think proactively."

*Gauthier HUYGHE,
Crédit Agricole Nord de France*

.03. Feeding & protecting, today & tomorrow

An inclusive governance.....	48
A commitment to the future.....	50
Our agenda 2021	52

"In 2020, the company's values were proven once again: team spirit, entrepreneurship, performance and sustainable development."

*Daniel Foulon,
Secretary of the Social and Economic Committee*

Our mission



Innovate

on all fronts with innovative and unique on the market products, our cutting-edge R&D, our transparency and our innovative socio-environmental model.



Feed

by conforming to the strictest specifications, thanks to natural and quality products for a healthier, tastier diet providing a source of wellness.



Dairy innovation to better feed and protect



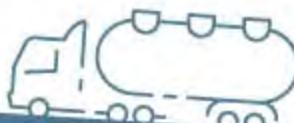
Protect

human health with our nutritional proteins and active ingredients, biodiversity through constant concern for animal welfare and the planet by pursuing our Via Lacta approach for a milk in harmony with nature.



Better

as our human scale business allows us to stay in touch with our members and their animals, our customers, our employees and our consumers, while daring to undertake!



Milk, our foundation

Our milk draws its quality from 70 years of experience, in family-run farms that are respectful of their animals, rooted in the Hauts-de-France region.



Ever closer, ever further!



2020 will remain in the History of Mankind. At Prospérité Fermière Ingredia, all the stakeholders rallied for the collective good with enthusiasm, courage, cooperation and ingenuity.

An amazing chain of solidarity was established. Our members produced the most dynamic collecte in France to participate actively in our food security while continuing to improve the quality of their milk. Our employees were able to maintain cohesion and team spirit by reinventing their methods of cooperation. They successfully achieved their mission with the congratulations of our customers and the reward of a strong economic performance. Well done everyone!

Together, we tackled the short-term emergency and maintained the conception of long-term strategies to carry out our strategic plan and continue to innovate in the development of our products as well as in our working methods.

The turbulences of the health crisis did not make us lose sight of our socio-environmental commitment, with a specific attention to Sustainable Development. We work hand-in-hand with our human, economic and regional ecosystem. To better feed and protect, today and tomorrow.



2020 started in fear. Fear of gloomy markets then fear of COVID-19 and its impact on our health and our livelihoods.

But our organisation as a cooperative has enabled us to get through this crisis and regain calm and confidence. We needed to be vigilant, to listen and to pay attention. In order to provide protection to milk transporters, for example, or to provide factory workers with the best conditions possible to continue to work on site, despite lockdown, anxiety and shortages at the beginning of the crisis.

We managed to protect our working tools and preserve the health of our members, partners and employees. We end 2020 in the top tier for milk price paid to farmers thanks to our differentiation strategy that made it possible to balance the enhancement of our production. We can be proud.

Now we must address the future in full awareness of our consumers' expectations. The crisis has highlighted the change required in terms of the environment and animal welfare. I am confident. The members of Prospérité Fermière and their family-run model are well positioned to take up that challenge on a national and international level. It is our job to enhance and pursue our efforts to ensure a sustainable future for our Hauts-de-France milk!

Sandrine Delory

CEO of Prospérité Fermière Ingredia



Serge Capron

Chairman of Prospérité Fermière Ingredia



Our values in a few figures

In 2020:

Dare to initiate



Encouraging and awakening initiatives and talents that make our business thrive, to aim higher and beyond.

32

young farmers
setting-up

24

organic producers
and 8 in the process
of conversion

86

signatories to
the Via Lactea
charter

60

new colleagues

Eco-responsible



Etching responsibility for the environment into our genes as an inalienable duty for the future. Feeding the planet better by respecting and preserving it.

33.3

million liters
of milk from
grass-fed cows

10%

of differentiated milk
in 2020 compared with
1% in 2016

184

CAP'2ER® diagnoses
performed, it is
a quarter of our
collection points

50

animal
Welfare
diagnoses
among adherents of the
"milk from grass-fed
cows" approach

Innovative expert



Spark new ideas then nurture them to create added value that supports our differentiation strategy for the conquest of promising markets.

10%

of staff dedicated
to innovation

10

patents in progress
at the end of 2020

2

new products
launched despite the
crisis (Promilk Yogfluid
and Promilk B Max)

30%

of time dedicated
to technical support
for customers

Performance



Achieving excellence in our ordinary business, aiming at excelling oneself, a source of well-being, to satisfy our customers, adding value to our milk and secure the continuity of our collective.

373

million euros
in turnover

+5.8

million euros in
consolidated net profit

54%

in export sales

419

million liters
collected over the year

78%

of turnover
in ingredients

Our priority is to help manufacturers in the food sector to get the most of our milk and our ingredients on a day-to-day basis while supporting them in a responsible production process.

Team spirit



Building our way of working, cooperating together, even beyond our boundaries, in order to achieve a shared goal.

462

colleagues and

1,155

members

6%

of absenteeism
only at the plant
in April 2020

100%

of the employee
training plan
achieved despite
the crisis

A wide network

2 industrial partners

3 subsidiaries (Asia,
USA, Canada)

more than 13
scientific cooperations



.01

2020,
Toge



It's impossible to talk about 2020 without mentioning the global health crisis that hit us hard and is still unresolved as we write.

Restrictions on freedom of movement, transport at a standstill, economic life under a bell jar, it was necessary to carry on producing in order to feed our citizens at all costs. To guarantee, thanks to the extraordinary commitment of our members, employees and partners business, the continuity of our activities and enabling us to make the connection between our cows and their dining tables during lockdown.

This sudden, unprecedented global crisis has demonstrated the total solidarity and commitment of our group, despite a climate of major economic uncertainty. Throughout the year, the values of our cooperative have been clearly expressed, from our team spirit to our capacity of business and innovation, ensuring the continuation of our activities while protecting everyone's health.

ther



From cow to table during lockdown

From the farm to our customers, they all adapted their working methods to continue to play their role in the human chain that allowed us to keep our business going.

**Well done everyone
for this commitment
to stand in adversity
and the unknown!**



Farm



Farmers
(members)
Milk production



Even if day-to-day activities with the animals remained the same, our members had to adapt their external interactions.



Among other things, collection was an issue: how could we protect the drivers who would be in contact with numerous farmers on their rounds?



Spotlight on plant cleaning

Our cleaning teams played a major part in our fight against COVID-19 to ensure the health and safety of workers. They changed their schedules to work on a daily basis at every station, 3 times a day, 7 days a week, at the St-Pol plant plus an additional daily disinfection at all contact points at the Arras headquarters. The management of used masks was also established.

Thank you to all our cleaning staff and our partner Clinitex for their professionalism and responsiveness in changing their organisation on site.



Thanks to the mobilization of everyone - farmers, advisers and transporters -, it was possible to organise the entire collection from the 1,155 members!



**Employees
Advice**



From the start of the first lockdown, although working from home, our dairy advisers called all of our members in 3 days to help put in place the health and protective measures required.



**Milk transporters
Collection**

Farm to Factory Route



“ ”



We were well informed about the new measures to be observed at Ingredia. Clinitex contacts us by email before we start on our tasks, which is reassuring.

On site, at Arras or Saint-Pol and before even going into the buildings, Ingredia's staff explained to me the new sanitary measures, the sites that were accessible or were not and the different protective measures to be respected. Small summary posters were placed at each room or building entrance.

*Vanessa GORLIER, CLINITEX employee
Cleaner and driver of the shuttle between
Saint-Pol and Arras*

Jauge et règles

• personnes maximum: 1km²/personne
Désinfectez votre table et le matériel en arrivant et en repartant
Gardez vos distances 2,00 mètre min. sans le masque
Respectez l'organisation, ne pas bouger
ou ajouter de chaises ou rapprocher les tables
Port du masque obligatoire dans les déplacements
Aérer, si nécessaire, la salle avant de sortir



Customers trust maintained and appreciated

Many customers wrote to thank us for our hard work to ensure continuity to fulfill our commitments despite the unprecedented situation. Here are a few extracts from their letters:



From the start of this crisis, you took the necessary measures at your business and you've demonstrated your responsiveness and capacity to adapt to our requirements so that you could continue your production.

On behalf of the entire team at Azelis F&H France, we would like to thank you for your support and your daily efforts to fill our orders and so protect the supply chain.

Azelis F&H Team, received in April 2020



In these difficult and unprecedented times, (...) we would like to thank you for your commitment, your cooperation and your respect for our mission. Your business as a partner is valuable and contributes to the health of our consumers, our local communities and the welfare of the ecosystem.

Danone CEN Team

Saint-Pol-sur-Ternoise plant (62)



Employees Transformation

No possibility to work remotely for the factory teams! So it was necessary to get organised to **ensure everyone's safety while maintaining the production chain**. The rapid deployment of protective measures and social distancing by everyone made it possible to carry on processing the entire collection from our members through delivery to our customers. Well done!

Supply chain

The Supply Chain team remained in close contact with suppliers to keep the activities going. They also ensured the availability of masks for employees at the St-Pol plant!



Arras Headquarters (62)



Governance

From 3 March, opening of a daily crisis unit to take all emergency measures necessary for our 2 sole objectives: guaranteeing everyone's health and maintaining our collection and processing activities.



Representative staff bodies

The representative staff bodies organised the provision of **professional psychological support** for anyone wanting it. The distribution of milk to our employees, members and retired workers was also continued thanks to the establishment of a drive-thru!



Communication

The communication teams worked very hard to **keep all the stakeholders informed** of decisions and keep everyone connected. They even managed to give the extranet a bit of an update and to launch new products!

Customer invoicing

Despite having to juggle with internet network problems, the invoicing department succeeded to increase the number of invoices processed by 13% compared to 2019!



Training

Still, training activities for employees and members continued in 2020. Online, of course, including the "Non-Lactating Period and Colostrum" training but also in-person following health and safety measures, such as the "Promolait (Milk Promotion)" training which helps our members communicate more effectively with consumers.

Orders tracking

Orders and deliveries tracking by a motivated and organised agricultural supplies team.

France/World



Partners

We would like to thank our partners with whom communication has been essential for **unravelling the organisational and regulatory challenges** imposed by this unprecedented situation in order to pursue both our international activities and our territorial commitment.



Agrifood businesses

Thanks to the maintenance of our human chain, customers received their deliveries and have thanked us for our availability and help to keep their activities and those of their customers going during this challenging time.



Home/dining table



Consumers

Even if in-person presentations at superstores and hypermarkets were limited in 2020, our connected milk using blockchain technology is distributed under new banners. Its unique QR code continues to **connect farmer and consumer** in real time.

Across borders

2020 required from us two forms of distance: physical distancing between staff (protective measures and remote working) and distance between our international teams (reduced cross-border travel).

However, all the teams have rallied to adapt and try innovative solutions to maintain the connection between them and with our partners!

International teams are closer than ever

The group's network is resolutely international. It is deployed over 3 sites (France, USA and Asia) with 2 industrial partners (Switzerland and Australia) and 70 distributors in almost 90 countries. **At the toughest time of the crisis, our teams at Ingredia France, USA and Singapore but also our international industrial partners remained in constant contact despite the distance.**

Mutual cooperation in the purchase of masks and exchanges of information about the development of the pandemic but also on personal experiences in this unprecedented situation have resulted in a stronger bond between international teams.

Local initiatives by members and employees alike have been implemented on the group's social networks, establishing a fundamental human connection in these times of crisis.



Digitalization serving human connections...

Our teams participated in several virtual trade fairs, including the FHA (Food Hotel Asia) exhibition, Vitafoods Europe and FI Connect. There were many events:



"live" webinars with several hundred Asian restaurateurs and hotel managers for the creation of a café latte with Prospérité milk;



remote prospect meetings thanks to pages dedicated to our products on the trade fairs website;



live demonstrations of our Prospérité connected milk by scanning the QR code to give internet users access to all the information available on the origin of the milk in a smartphone app.

...and effective work

As a result of most of the group's employees having to stay at home, the technology enabling to work remotely had to be adapted quickly to handle the volume and need for continuity of processes and activities.

Concerned about the well-being of the teams, who were flexible overnight during the first lockdown, the Management conducted a survey on remote working in the middle of 2020. The objective was to assess how the teams felt about the risks and benefits of working from home while ensuring the continuity of the operation of the company.

Even if 60% of respondents point out the lack of social connection as a negative point of remote working, 88% have a positive view of teleworking and 77% of those having experienced working from home during the first lockdown would like to continue to do so one to four times a month. These factors were supports of reflection when it came to the new QWL (Quality of Work Life) agreement signed at the end of 2020, see p. 28.

“ ”

I enjoyed glancing at Twitter to look at photos and share them during this lockdown. Thanking people in the agricultural sector who have remained present during this time.

Philippe SEPTIER,
dairy farmer at Beauvoir Wavans



Standing together

From March 17, 2020, a formidable chain of solidarity has been formed by cooperative members, employees and partner companies.

During the first lockdown period and to date, everyone remained engaged and gave their support.



Gel and less stress for our colleagues



Our R&D teams at Arras and St-Pol decided to **manufacture hydroalcoholic gel** to protect our St-Pol workers: 600 liters were produced in total and distributed in 2020.



They also had the idea with the Marketing department to **distribute blister packs** of Lactium® to St-Pol workers in order to reduce stress-related symptoms and Proferrin® to boost their immune defences.

Masks from near and far



Volunteer seamstresses from Hauts-de-France also **made masks for the St.-Pol workers**. Nearly 500 masks were distributed at the different workshops of the plant. Everyone was committed in an amazing chain of solidarity, at all levels of the cooperative, from upstream to downstream, to ensure the health and safety of workers, rooted in the values of our group.



FFP2 masks were supplied to factory workers in the depths of the supply crisis in April/May 2020, thanks to **an extraordinary chain of solidarity** it was possible to order from China via the personal network of one employee, then to transport and deliver thanks to the logistical support of the Supply Chain and Financial departments as well as the "Spare Parts" store. Boldness, tenacity and team spirit were the key words to remove all obstacles and achieve this success!

Supportive of caregivers



At the end of March 2020, concerned over the lack of equipment available to the regional health establishments, we donated 1,050 gowns, 4,000 caps and masks (including 300 FFP3 masks to St.-Pol firefighters who distributed them to nursing homes).



We also responded to the donation request from three Arras chefs to support healthcare workers. In the end almost 7,000 meals were made for all the healthcare, emergency service and security workers who were at the front from the beginning of the health crisis.



In total, more than 2,707 bottles of milk were donated by the company (volunteer seamstresses making fabric masks, agricultural festivals, cooks for meals to healthcare staff etc.).

Supporting the teams psychologically



A free psychological support hotline was set up for our employees. It is anonymous and open 24 hours a day, 7 days a week. Initially designed to provide temporary support in connection with the COVID-19 health crisis, this assistance has been maintained for 2021.



.02

Innovation
makes



that sense



● Innovation and responsibility are the two strategic pillars of Prospérité Fermière Ingredia. The history of our human-sized group began in 1949, giving it both the basis of the experience and the dynamism of the pioneers: for an efficient agriculture and production that respects the planet and its inhabitants.

Aware of the food, economic and environmental challenges of tomorrow, we are committed to a positive and significant social and environmental impact within the framework of our commercial and operational activities. In 2020, we have amended the bylaws of the cooperative and its subsidiary Ingredia in order to include this commitment.

Aligning our approach with Sustainable Development Goals, we innovate every day at every step for more sustainability, performance and authenticity within the group but also with our partners. It is by joining forces within the ecosystem of milk production and the regions that we will be able to build a better future together for our children and their planet.

A sustainable innovation

Innovating in the 21st century cannot be conceived without taking into account the sustainability of our activities. For Humanity, for Earth.

Deeply rooted in its region while developing internationally and interacting worldwide, the Prospérité Fermière Ingredia group's goal, for many years, has been to balance progress and sustainable development.



VIA LACTA, our charter for sustainable development since 2017



Because we respect milk, a noble, living, raw material and product of Nature,

Because we are rooted in a dairy cooperative, Prospérité Fermière, putting people at the heart,

Because we are developing a cutting-edge technological expertise to reinvent "health and wellness" eating every day,

Because we believe that tomorrow is built today,

We created our sustainable development charter, a series of commitments for the future for Humanity, for Earth.

Eleven Sustainable Development Goals selected for our business

17 Sustainable Development Goals (SDGs) were adopted in September 2015 at the United Nations Sustainable Development Summit. A common mission: **to achieve a better, more sustainable future for all by 2030**. In order to succeed, we have to meet the needs of the present without compromising the ability of future generations to meet their own needs.

Drivers of transformation and innovation, the SDGs are a natural part of Ingredia's commitment to CSR (Corporate Social Responsibility).



11 SDGs were selected on the basis of the characteristics of Prospérité Fermière Ingredia's business. The following pages describe our commitment in 2020 for each of them.

Aiming to strengthen the process initiated in 2016, the company formalised a CSR project at the start of 2020 in order to better identify, enhance and optimise our sustainable development actions.

Milk from grass-fed cows: innovative and eco-responsible

Within the framework of its Via Lacta policy, the Prospérité Fermière Ingredia group was the first in the French dairy sector to make its milk collection eco-responsible: it's milk from grass-fed cows.

Today, 86 of our members are committed to Milk from Grass-Fed Cows, representing 8% of the total collection volume in 2020!

Our milk from grass-fed cows is based on 3 criteria:

- animal welfare,
- the expectations of our customers and consumers,
- the remuneration of producers.

The specification of milk from grass-fed cows includes cows eating non-GMO feed, having a minimum pasture area of 1,500 m² per cow and being put out to graze for at least 170 days a year, 6 hours a day.

This milk is only from farms in the Hauts-de-France region and guarantees a minimum price and bonus for producers committed to the process. It is distributed as UHT milk, under the Prospérité brand or under the distributor's brand, or as ingredients (milk powders and proteins), cream and butter





Fight hunger with virtuous agricultural practices

At Prospérité Fermière Ingredia, solidarity is part of our DNA. Today, we are acting in order to feed the most vulnerable, and in the long run by implementing virtuous agricultural practices, such as grass milk and organic milk. To feed the planet, without destroying it.

Community spirit and generosity

Community spirit and generosity are at the heart of the CSR policy of the group that supports national and local associations offering assistance to the most disadvantaged.

In 2020, Prospérité Fermière dairy farmers donated 60,400 liters of milk to the Restos du Coeur soup kitchens. This community-oriented initiative enables people in vulnerable situations to access healthy, balanced and tasty products. Milk is fundamental for beneficiaries of food assistance, particularly for children, thanks to its nutritional richness.

Employees also gave 1,368 bottles of milk to the La Brique and Food Bank, charitable organisations in the Pas-de-Calais region.

In 2020, the company also provided assistance to the regional health facilities that had an acute shortage of equipment at the end of March 2020 and supported its local network during lockdown with thousands of bottles of milk donated, see p. 17.



Banques Alimentaires



Differentiated milk steadily rising

Milk from grass-fed cows, organic farming, goat's milk - the share of differentiated milk within the group is rising year on year, enhancing the value of milk production. Collective projects contributing to the setting up of young people in milk production are strongly encouraged.

Milk from grass-fed cows

86
members
producing milk
from grass-fed
cows

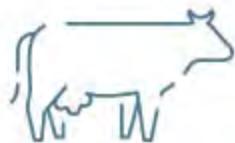
**AVICERT
certification**
for milk from grass-fed
cows for the 2nd year

33.3
million liters
collected

**Goal
for 2021**
to obtain the equivalent
of VLOG GMO-free
certification

Organic cow's milk

24
certified Organic
producers



6.3
million liters
collected

Improvement of the quality achievements

and protein content in milk
collected during 2020

Goat's milk

7
certified Organic
producers



1.1
million liters
collected

2021
1 installation and
3 in prevision of
conversion

Liters of differentiated milk collected in 2020 (in L)

	2020	2019	2018	2017	2016
Conventional	380,944,856	380,684,370	379,055,735	404,868,803	411,358,462
Milk from grass-fed cows	33,683,603	33,382,602	33,950,043	7,955,377	1,324,786
Organic Dairy Cows	6,262,265	5,346,559	4,111,944	2,662,648	2,346,596
Goats	1,089,234	734,788	215,131		
TOTAL	421,979,958	420,148,319	417,332,853	415,486,828	415,029,844
% differentiated milk	9.72%	9.39%	9.17%	2.56%	0.88%



*Differentiated milk (from grass-fed cows, organic) represent
10% of the total collection in 2020 compared with 0.89% in 2016*

Supporting the young Organic goat-farming sector

Launched in 2018, Prospérité Fermière Ingredia's goat collection extends from the limit of the Seine-Maritime, through the borders of Aisne before climbing back up northern France. To support this new sector and **develop new farming projects**, the group has entered into a new partnership with Yséo, distributors of products and services to Hauts-de-France farmers.



Training initiatives were continued in 2020 despite the health crisis. Our members were able to benefit from the advice of the Organic Goat technician made available by our partner Agrial, especially on the **specific details of goat feeding on organic farms**.

Interview



Olivier LEDEZ,
goat farmer
in Baincthun

In 2018, this type of farming was viewed with some amusement.

Over the past year, curiosity has turned into real interest and we are now meeting candidates with very structured projects, asking a multitude of technical questions. The goat has changed status.

“ ”

Attitudes are changing!

From the "poor man's cow", it earned its recognition and become an appealing, social and very profitable animal in our collective psyche. And judging by the figures communicated to us by our accountants, the first economic results will not contradict this impression!





Promote wellness and good health

Dairy farmers by nature, our researchers use the best of milk to extract unique, innovative, natural active ingredients with scientifically proven health benefits, intended for nutrition and health manufacturers. Managing stress, diabetes, the health of athletes and seniors are public health issues to which we are fully dedicated.

LACTIUM®, the anti-stress dairy ally

Lactium

Stress is a natural physiological reaction sparing no-one. Observing the pacifying and calming effects on newborns of recently ingested milk, the researchers at Ingredia,

in collaboration with the University of Nancy, discovered alpha-casozepine, a bioactive peptide with relaxing properties. Launched in 2002, today LACTIUM® is included in the composition of nearly 200 products globally, acting gently on stress, sleeping disorders, loss of appetite, snacking, reduction of libido, mood swings, concentration and memory problems etc.

In 2020, LACTIUM® volumes increased by 36% thanks to the authorization of claims corresponding to its benefits for sleep in Korea, and for sleep and stress in the USA, as well as very good results on food and care for animals.

To find out more, visit:

www.lactium.fr

Interview

Jae-Chul Jung, Ph.D.

Director General NOVAREX Co
Research and Development & International Business



In 2020 we had great success in Korea, obtaining the claim for Lactium® for sleep in addition to the one already obtained in 2008 for stress. This is the result of two years of clinical studies to study the mechanisms of efficacy of Alpha-s1 casein hydrolyzate, which have been avowed by several scientific publications

This is very good news as many Koreans suffer from sleep disorders, especially students and workers. The recognition by the Korean Food and Drug Administration of Lactium® as a supplement that helps sleep better is consequently very welcome in a country where melatonin is not authorized as a food supplement.

A consumer study is underway to objectify user feedback. Its results should be available in September 2021.



Proferrin®, for enhanced immunity

Proferrin

Directly produced from our premium quality, fresh milk from France, the glycoprotein contained in Proferrin® has an exceptional iron-binding capacity and offers multiple benefits for immunity and gut health, for example. Lactoferrina was proven to have antimicrobial, anti-inflammatory and anti-oxidant properties – characteristics that made our protein an asset in the midst of a health crisis.



Pep2Dia®, to improve blood sugar regulation



Pep2Dia® is the first patented dairy hydrolysate for the prevention of type-2 diabetes for prediabetics.

Launched in 2019, this hydrolysate contains a bioactive dipeptide that inhibits an enzyme in the digestive system. Once this enzyme permitting the absorption of sugar is neutralised, blood sugar levels are regulated by reducing the appearance of sugar in the blood.

It has been developed by Ingredia scientists in collaboration with the LIENSs-CNRS laboratory at La Rochelle University after years of research.

To find out more, visit:

www.pep2dia.fr



Feeding better with natural products, Ingredia's innovative proteins respond to the Clean Label consumer trends.

Latest two innovations in the PROMILK range

In 2020, Ingredia launched two new proteins in its PROMILK range for agrifood manufacturers: PROMILK® B MAX and PROMILK® Yogfluid. The launch was online, the Food Ingredients Europe exhibition during FI CONNECT taking place digitally because of COVID-19.



PROMILK® Yogfluid is a milk protein specially designed for protein-enriched drinking yoghurt. Its unique properties enable the protein content to be increased to 12% in the finished product while retaining perfect fluidity, the creaminess of an unctuous yoghurt and a delicious milky taste. A high protein drink treat for the sporty...and not so sporty!



PROMILK® B MAX is an innovative solution making it possible to maximise the texture of a clean label dairy product. This new functional protein allows additives and stabilisers included in the recipe to be removed or reduced, contributing firmness and stability to the finished product. For a tasty product made with 100% milk ingredients!

Interview

Aliénor DRAGO

Product Manager of the Food Protein Range at Ingredia

“ ”

The Clean Label is a search of naturalness, of simplicity and sustainability.



The concept of "clean label" was born 10 years ago and continues to evolve according to consumer expectations. Today, 3 in 5 global consumers want to know where their food comes from and how it was made*. They want recognizable, natural and simple ingredients, and they also want to know the impact of their diet on their health and the environment.

At Ingredia, we are working to make the Clean Label a tangible reality. The transparency provided by the QR codes of the Prosperity bottles is a good example of this (see p39), just as the launch of the PROMILK® BMAX protein is a huge step forward in reducing the amount of additives in dairy products.

To find out more, discover our Clean Label white paper from mid-2021 on www.ingredia.fr

Ingredia Market Insights: Ingredia Identifies Top 10 Food and Beverage Trends to Accelerate Innovation in 2021. 2020

5 GENDER EQUALITY



8 DIRECT WORK AND ECONOMIC GROWTH



Provide the best working conditions, for everyone

The 2020 health crisis has severely impacted work habits all around the world. At Prospérité Fermière Ingredia, we had to adapt very quickly to continue to produce and feed. Our innovative DNA has enabled us to create and test new ways of working. Mutual assistance and ingenuity were the key words within the exceptional context where all the stakeholders mobilized energetically for the collective good.

A new Quality of Life at Work and Gender Equality agreement

A first feedback on 2020 experiences led to the signature at the end of 2020 of a new Quality of life at work (QWL) and Gender Equality agreement for 2021/2024.

It marks the shared desire of the social partners to continue and strengthen initiatives to make our business a community with a "family spirit" where it is good to work and where we live everyday according to the Corporate values, in particular, team spirit, courage and innovation..

Key figures



Equal access to promotions:

Maximum score of **15/15** on the Equality between Men and Women Index

A birth/a cradle:

for parents' peace of mind, a place is reserved at the daycare of their choice to look after their children



Prevention and Reduction of the strain of certain tasks or workstations, particularly in the factory that operates 24 hours a day, 7 days a week.



Internal career development

- End-of-career planning for employees
- Priority of access to vacant positions, with less exposure to strain than the position currently occupied



Long-term establishment of working remotely: post-COVID crisis, organised according to 3 models (1 day a week, 2 days a month, 2 days a week) taking into account the distance between home and work, medical recommendations and pregnant women approaching their maternity leave



Gender equality, not only in terms of remuneration under comparable employment conditions, but also to promote the employment of women in trades where they have been so far under-represented in the industry (manufacturing and logistics).

Train and support, despite everything

Despite of delays and schedule changes due to the health crisis, the **2020 training plan** went ahead with 97% of mandatory employee training courses (recycling and various accreditations) done!

We also support our employees in new ways of working: **specific modules** are being prepared to make managers aware of psycho-social risks, the right to disconnect, or the specificities of managing a remote team.

The company also supports its employees in their skills and career development. One of our workers has just obtained a Customs Manager diploma after 18 months of hard work as part of the development of their in-house position, for example!



CAP
Chambre Agricole du Pas-de-Calais
Sécurité

Protect our employees by preventing risks

There are always too many accidents for any business. But 2020 has been a good year for us in terms of accident rates. Our CAP Safety Management System produced good results with a significant drop in the number of accidents compared to the previous year.

- **28%** on the total number of accidents
- **15%** on the accidents declared to the MSA (French social security agency for the agricultural industry)



Short films were produced in 2020 to raise awareness of the risks

Bird Pyramid for Ingredia (at December 31 2020)





Better preserve and use our water resources

Managing consumption at source, promoting the use of renewable energy, supporting farmers in their energy transition: Prospérité Fermière Ingredia is committed to limiting the environmental impact of its agricultural and industrial practices on a day-to-day basis.

Improve our water management

The dairy industry and complex production processes are huge water consumers. The group is implementing numerous initiatives from farm to factory to preserve this essential resource and ensure the development of activities at a consistent level of consumption in our catchment.

In 2020 we saved around 90,000 m³ of water compared to 2019.

Environment - water	2020 goals	2020
Water/Milk Ratio	2.5	2.5
Volume of water sampled (m ³)	1,300,000	1,314,493
Waste water discharged into system (m ³)	1,000,000	929,212
Phosphorous discharged to plant (Ternoise in kg)	11,500	9,455
Nitrogen discharged to plant	52,000	39,498

 **Water is a universal asset that we must preserve, to be shared and to benefit everyone.**



Recycling water on the farm

The Agricultural Supplies department installs overpressure tanks on farms to wash the milking room and milking dock. This autonomous water system contributes to significant savings: water in the milking room prewashing and rinsing circuit, normally discarded, is recovered for cleaning the dairy cow milking dock; this dirty water is then collected in the system. An estimated water saving of 180 m³ of water per year, per farm!



Reprocessing water at the plant

Ingredia has been reclaiming cow water from the evaporation of milk to supply its boilers and produce the steam it needs for many years. But this is no longer enough: we need to collect and reprocess water as soon as possible. To do this, we need a reprocessing process but also a system and additional buffer storage tanks. The reverse osmosis process is under consideration for 2021. It is already used to process water pumped into the water table.



Save our energy resources



Limiting chlorate residues

Chlorates are by-products of chlorine-based disinfectants used in cleaning the milking plant and tanks at dairy farms as well as in the treatment of drinking water.

European regulations set a maximum residue limit of 0.1 mg/kg of milk. A major milk sampling campaign was conducted on **all the farms** supplying the Saint-Pol plant in mid-November 2020 : 1,000 samples collected in 3 days, 30% of which were analysed. **96% of all tanks comply with the regulations**, 100% for the "milk from grass-fed cows" rounds

At the same time, the commissioning of new waste water chlorination systems **at the Saint-Pol plant** made it possible to reduce the chlorate content of the finished products significantly.

Save energy



At the plant

Since 2008, the group has been equipped with a **biomass boiler** enabling it to produce most of the steam from renewable energy. The other steam is produced from gas. In 2020, the biomass boiler suffered technical faults that reduced its operating time. As a result, the goals we had set were unfortunately not achieved in 2020 but our work in this area will be redoubled in 2021.

The teams have been working on the **Vulcan project**, for a **new boiler in 2023** at our St-Pol/Ternoise site.

On the farms



Energy savings are not only being made at plant level, they are also taken into account and supported on the farms.

There are multiple initiatives in 2020:

- **Milk cooling:** 2 eco-temp units and 12 scroll tanks installed, as well as 19 new pre-coolers making a total of 50 in service
- **Low consumption lighting:** 27 farms equipped with led or induction lighting



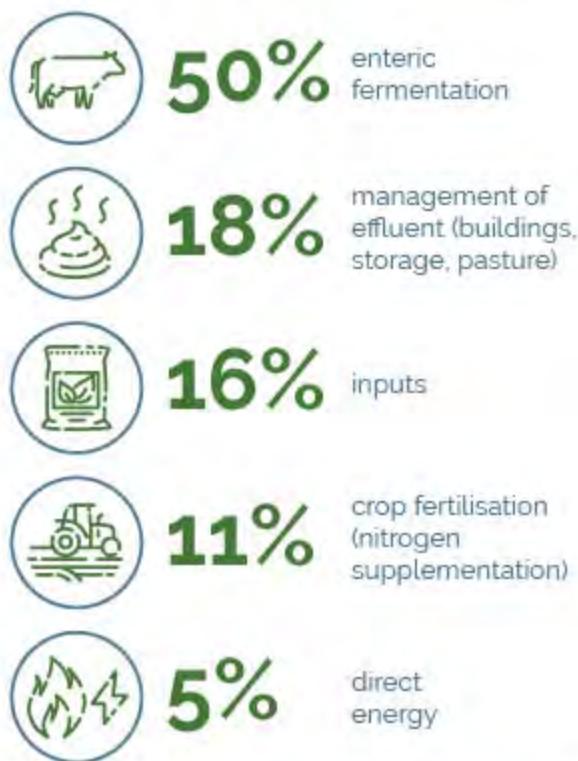


Reducing our emissions and limiting global warming

The impact of global warming on farmers is considerable: successive droughts have negative effects on the quantities and quality of the fodder to feed the animals, cows do not fare well in temperatures above 20°C and milk production and milk quality suffer as a result. Therefore, farmers share the same wish as consumers to limit global warming.

What are the drivers for reducing the carbon footprint of a dairy farm?

In dairy farming, the main points of origin of greenhouse gas emissions are as follows:



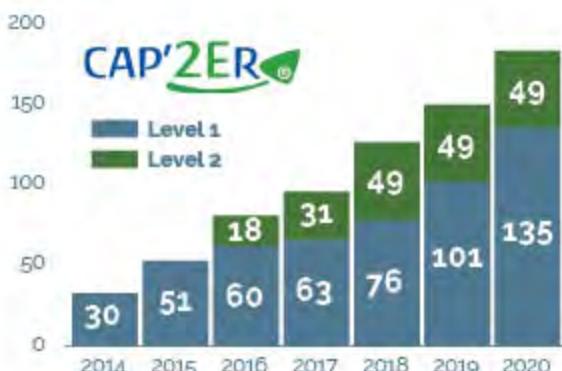
*Source: La Ferme Laitière Bas Carbone
(The Low Carbon Dairy Farm)*

Supporting farmers in the development of their practices

Intent on supporting farmers in reducing their carbon footprint (the goal is a 20% reduction by 2025), the Prospérité Fermière Ingredia group encourages the performance of CAP'2ER® diagnoses to assess the environmental and economic impact of changes in practices at farms. By the end of 2020, 35% of cooperative members compared with 20% nationally had performed a CAP'2ER® diagnosis: the goal of 50% of farmers committed to the CNIEL (French National Interprofessional Dairy Economy Centre) climate roadmap by 2025 will be achieved from 2023.

In 2021, an emphasis will be placed on the performance of level 2 CAP'2ER® diagnoses, with the technicians of our partner Oxygen Conseil Elevage.

Confirmed diagnoses



Multiple drivers of initiatives can be activated at dairy farms to improve their carbon footprint:



Reducing non-productive periods

- Reducing the 1st calving age
- Paying particular attention to the health conditions of the herd in order to optimise animal production
- Reducing the renewal rate



Improving effluent storage

(covered liquid manure pit, composting, methanisation)



Increasing carbon storage

- Establishing hedgerows
- Maintaining permanent grassland and extending the duration of temporary grassland
- Establishing intermediate crops



Optimising fertilisation

- Considering the level of doses applied
- Replacing synthetic mineral nitrogen with organic nitrogen as far as possible
- Improving spreading methods



Enriching feed

- Increasing milk production per cow
- Seeking protein and feed autonomy
- Adjusting the quantity of concentrates to requirements
- Optimising the types of concentrates
- Increasing the proportion of lipids in the diet
- Improving nitrogen nutrition



Improving energy efficiency

- Adopting efficient techniques and optimising equipment
- Optimising buildings and organisation of work
- Adopting more fuel-efficient practices (simplifying working the land, extending grazing times)
- Investing in equipment that consumes less electricity (milk pre-cooler, heat recovery unit)
- Investing in renewable energy (methaniser, solar panels and wind turbines)

Recycling and reusing, for sustainable resource management

At Prospérité Fermière Ingredia, we prioritise recycling and reuse and pursue the goal of sustainable management and rational use of natural resources. Therefore, numerous actions are in place at every step of the way.

Waste recycling and recovery



Initiated at the start of 2018, waste sorting was established at the Arras site with the help of the réseau Elise, in charge of waste collection and recycling, as well as Suez and Ecolabel.

The environmental and social benefits of your action

	1528	=	12 224	kg of CO ₂	km by bus
	92	=	662	liters of petrol	km by petrol-driven car
	19752	=	237 031	kWh	h of pc use
	99 205	=	1388	liters of water	5-min showers
	70	=	More jobs	hours of work	created

Sources: ADEME, VEOLIA, CITEO

- Paper recycling: 3,629 kg of paper and board collected in 2020
- Recycling of computer Hardware: 767 kg
- Recycling of printer/copier cartridges 135.75 kg

Key figures



We have also limited the use of paper by adopting the DocuSign tool (digital document signing). The results of this action alone speak for themselves.

- **164** kg of wood
- **4 032** liters of water
- **385** kg of carbon
- **27** kg of waste

Data for the period 01/03/2020 - 12/04/2021

4 micro-methanisation projects

Prosérité Fermière Ingredia has partnered with the Belgian group Biolectric to install micro-methanisation units on its members' farms. These units produce electricity from biogas resulting from the fermentation of liquid manure; this electricity is acquired by EDF and then reinjected into the system.

OUTCOME: less odors, less methane emissions (reduction of about 90% on a farm), production of an odorless digestate which is then applied as fertilizer, and energy savings through heat recovery produced by the plant.

Prosérité Fermière Ingredia offers its members the opportunity to install these units in order to guarantee them additional income, thanks to the recycling of liquid manure as electricity. Three units will be installed in 2021 and a project is underway for 2022.

Setting-up of selective sorting at the St.-Pol site

After introducing the selective sorting of waste in Arras in 2018, the different bins were put in place at the Saint-Pol site in 2020 in order to significantly reduce the volume of waste leaving for the compactor, and in cooperation with our colleagues to find a lasting solution common to everyone.

We have also developed a partnership with ATRE, a local operator in Saint-Pol, that already collects plastic balls and broken pallets at the site. **ATRE helps people in difficulty to find a job so it was logical for us to move forward with them on this project.**

Recycling jerrycan on the farm

Since 2011, the Prosérité Fermière cooperative has been signed up to Adivalor to recycle our packaging distributed to farms.

Thus, all the cans of disinfectant or udder hygiene products can be collected for recycling, after rinsing to avoid any accident with the residues.

Our collection has continued to increase over recent years: **in 2020 we collected 21.2 tonnes of plastic cans for Adivalor recycling, 75% more than in 2019!** More than 18,000 cans which will make 3,600 metres of PE plastic piping after treatment.

Collection exchange policy:



For many years, Prosérité Fermière, the hub of the basin, has applied a collection exchange policy with the different local dairies. In this way, a producer can deliver its milk to the closest dairy.

BENEFIT: save costs and energy expenses on trips during collection. **28.1% of the annual PF collection in 2020 consisted of volumes exchanged with our partners!**



Contribute to animal well-being and preservation of biodiversity

Preserving biodiversity, preserving our future

Aware of the potential impact of its industrial and agricultural activities on flora and fauna, for many years alongside associations, Prospérité Fermière Ingredia is involved in the preservation and promotion of biodiversity.



Preserve pollinators

Three beehives were installed at the plant to raise awareness amongst our workers and members of the importance of pollinating insects for biodiversity.



This project started in 2019 in association with **Beecity**, an Hauts-de-France enterprise specialising in biodiversity in business.

180,000 worker bees live at the entrance to the industrial site! Their honey is distributed to employees and members. 2020 was a very positive year for them as they were able to profit from a reduction of human activity to produce an exceptional quantity of honey of exceptional quality!



Preserve the Ternoise, its flora and fauna

The Ternoise river in the Hauts-de-France region runs close to our Saint-Pol plant and borders considerable pastures belonging to our members.

Therefore, we take steps to protect its fauna and flora from industrial and agricultural impacts.

Fish stocking attracts the arrival of new plants species improving colonisation of the banks and their stabilisation, for example.

Roots will limit the risks of erosion and act as filters for our land and the Ternoise.

They are many benefits for our pastures: **better stability for animals, less leaching of pastures and better nutritional quality of fodder.**





Promote the diversity of breeds...

Whether we're referring to cattle or goats, our members own colourful livestock made up of different and varied breeds. **This animal diversity results in quality milk and the maintenance of bovine and caprine biodiversity.**

The Prim'Holstein is still very common but the Normande, the Montbéliarde and even the Jersey are populating our landscapes. Our own herd comprises Saanen and Alpine goats that will soon be joined by the Poitevin breed!

...and pastures



Our pastures are a reservoir of biodiversity (grasses, flowers, insects and crop auxiliaries).

Our farmers make them prosper: the "milk from grass-fed cows" sector guarantees that each cow has at least 30 acres and 170 days' grazing! Rich from an hilly landscape, the curves of the Hauts-de-France region are favorable to this practice.



The CAP'2ER® diagnoses show that our farms participate in the maintenance of 112 ha of biodiversity on average per farm!

CAP'2ER®



Juliette Huet,
Dairy Sourcing Manager,
General Mills Europe
& Australasia



Florian Trohay,
Sustainability and Corporate
Social Responsibility
Manager, General Mills

General Mills is committed in reducing its greenhouse gas emissions for many years. In 2020, General Mills reaffirmed this commitment by setting a target reduction of 30% by 2030 over its entire value chain. Half of the environmental footprint of our ice creams is made on the farm. Therefore, it is essential to work with our supplier partners to support the development of innovative, agricultural practices that are positive for the environment over the long term.

Our approach is not to consider agriculture as the source of the environmental problem but its solution. We have moved on from the idea of "responsible" farming to that of "regenerative" farming.

This belief is at the heart of the pilot project we are initiating with La Prospérité Fermière Ingredia aiming to support the conversion of farms to these new farming practices that combine a strong agronomic component with animal welfare, biodiversity and the measurement of carbon emissions. This program will also aim to highlight the financial viability of these conversions.

This project is part of our collaboration with Ingredia, selected for the quality of its finest ingredients that are included in the composition of our products. Today we are going one step further in our partnership by joining forces to support the development of future agricultural practices that will make it possible to continue high-quality sustainable production while reducing our environmental impact and regenerating the land.

This is an ambitious goal that we cannot achieve without a collective effort!

Respect our animals and ensure their welfare

Ensuring the welfare of our cows and goats is a prerequisite for obtaining good quality milk. Beyond the expectations of society and our customers, animal welfare forms an integral part of the background and agricultural fiber of our members.



Diagnosing to better evolve

Prospérité Fermière Ingredia, with the Welfarm association, is committed to studying animal welfare and supporting farmers with dedicated training.

A diagnostic tool was created two years ago to take stock of our producers' farming practices. 50 diagnoses were made among the Via Lacta "milk from grass-fed cows" members relating to different aspects of animal welfare such as:

- trust in humans
- body condition score (INRA score)
- lameness
- cleanliness
- stress management

The Prospérité Fermière Ingredia group was one of the first to assess animal welfare in the herds of its members. Following initial diagnoses, we were able to offer farmers training and promote the sharing of practices in order to contribute knowledge and new methods for providing even better care for their cows.

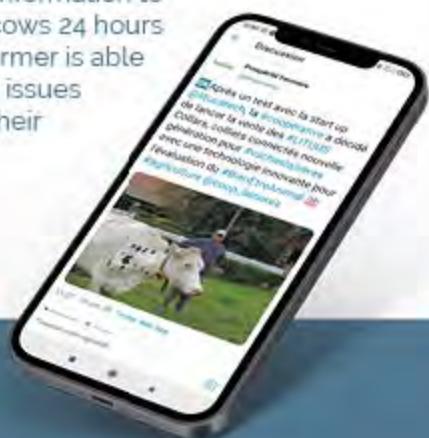
Educational sessions with animal health professionals are organised as well as exchanges between farmers to promote the sharing of practices.

In 2021, we will deploy the BoviWell diagnostic tool selected as it is the animal welfare auditing tool approved by French national dairy sector body, CNIEL. **The goal for Prospérité Fermière in 2021 will be to perform the diagnosis at 33% of its members' farms, and 100% of them by the end of 2023.**



Connected and innovative welfare

In line with its innovation process, Prospérité Fermière Ingredia is working with start-up Lituus on proposing a connected, innovative and patented collar system to its members. This system allows health and welfare disorders to be detected in the herd as well as grazing time. It provides analyses and information to the farmer about their cows 24 hours a day. As a result, the farmer is able to anticipate any health issues and/or distress within their herd.



“ ”

A healthy goat that feels good about where it is will give you everything you want!

A goat is an affectionate, calm animal that needs particular care. Its welfare is essential and it needs time and patience.

This particular care must be given to a goat's feed and living conditions as it is a fragile animal. They do not like the temperature changes we are seeing at the moment for example: they don't like draughts or humidity.

My goal is to ensure they have lovely glossy coats, which is a sign of good health!

Anthony CREPIN,
Organic goat farmer in Baincthun

9 INDUSTRY, IN INNOVATION
AND INFRASTRUCTURE



17 PARTNERSHIPS
FOR THE GOALS



Innovate & promoting partnerships to live better with our milk

At Prospérité Fermière Ingredia, we invest in digitalisation and partnerships as a source of connection within the agrifood chain, in order to connect the different stakeholders in-house but also to guarantee traceability and transparency to consumers.

Our Prospérité milk connected via blockchain

2020 was marked by deployment of the collaboration with Connecting Food for real-time traceability of our bottles of milk.

This first connected milk, an innovation brought by Prospérité Fermière Ingredia, is a collective commitment from farmer to consumer aiming at quality, traceability and transparency. Thanks to blockchain, we collect information on compliance with specifications and provide this information to the public via a dynamic QR code.



**From BtoB to FtoC (Farmer to Consumer)
and giving back confidence to the
consumer**

Prospérité Fermière farmers, located within an 80 km radius of the Ingredia dairy, undertake to comply with the company's eco-responsible specifications: cows fed on GMO-free feed, straw in the stable, a minimum grazing area for animal welfare and a guaranteed price for the farmer. All this in full transparency for the consumer!



Ets Leconte labels
(specialising in mass catering)

Where can I find Prospérité Fermière milk?

In 2020, the "local consumer" trend set in and the importance of origin was no longer national but regional and even local.

With strong regional roots, Prospérité Fermière has been able to assert its benefits to distributors that, in turn, are each launching their regional milk. Our milk can be found, therefore, under several names at Leclerc, Carrefour or Intermarché.



To find out if a bottle of milk (with a distributor brand or Candia brand) comes from the Saint-Pol plant, just look at the health stamp. If it reads "FR 62-767-030-CE", the milk is from our cooperative!

While milk from the cooperative is found in short channels on the shelves of major national outlets, it is also available in local or regional stores under the "Prospérité" brand.

FR
62.767.030
CE

Health stamp
of the St-Pol plant

Working with our ecosystem of partners: the Suppliers Charter

As part of the Prospérité Fermière Ingredia group's CSR policy, we have asked our suppliers to invest in this approach. However, not all the companies have a CSR policy or it is not fully in line with our own, which is why we have asked them to commit to our criteria.

This charter is based on four pillars:

1 Respect for human rights and the rights of the child as in the United Nations Universal Declaration of Human Rights

2 Respect for the right to work set out in the United Nations Global Compact and the conventions of the International Labor Organization

3 Ethics in business by applying the principles of integrity, loyalty and fairness and prohibiting any fraudulent practice

4 Protection of the environment by applying responsible practices in the face of environmental challenges and the protection of natural resources

In 2020



100%

of signatory energy and biomass suppliers



82%

of signatory milk ingredient suppliers



76%

of the turnover of suppliers of consumables regulated by the Charter

A high-performance innovation

At Prospérité Fermière Ingredia, innovation is at the service of performance, from upstream to downstream of our activities.

Performance that is understood not only from a financial point of view, but also performance in research and development, performance of our production, and social performance.

Economic stability despite the crisis

A stable record despite the crisis, with shareholders' equity at 48% of the balance sheet and a positive result for 3 years in succession

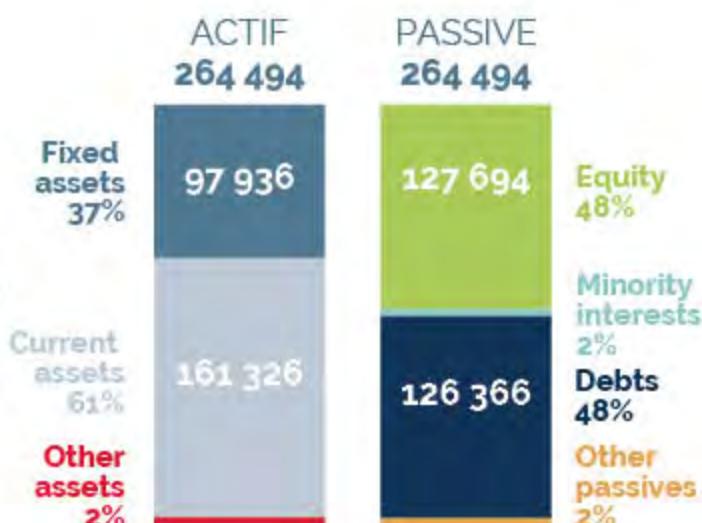
The group's consolidated balance sheet is solid with a net positive result on the rise (up €5.8 M) for the 3rd year in succession as well as €128 M in shareholders' equity.

Cash flow also remains high, €17 M in 2020.

2020 Profit and Loss Account (in € K)

	Turnover	373,409
Member Milk Contributions		149,612
Operating result		4,800
Net result		5,803
Cash flow		17,342

Balance Sheet at 31/12/2021 (in € K)

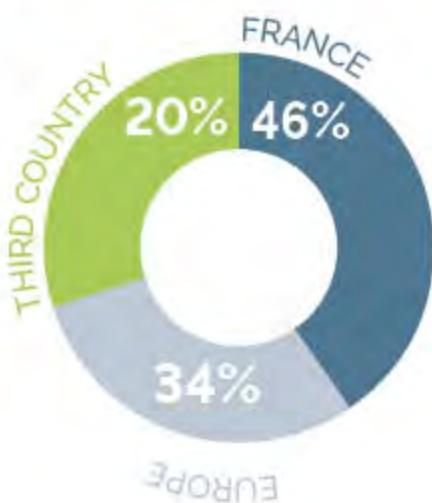




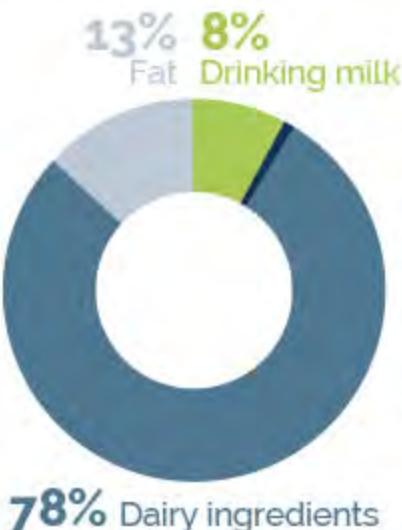
A balanced turnover distribution

The turnover distribution by geographic area by sector of activity was maintained in relation to 2019. There was a slight increase internationally (up 2%) with **54% of the turnover realised from exports**, as well as in milk ingredients (up 3%).

Turnover distribution by geographic area



Turnover distribution by sector of activity



Collected milk price on the rise in 2020

At Prospérité Fermière Ingredia, the price paid to farmers per liter of milk went up between 2019 and 2020 despite a drop in global prices, and at the same time, we realized a profit to finance our investments.



Across all premiums and qualities, our milk price rose to €358/1,000 L in 2020, compared with €351 in 2019.

The regularity premium also increased in 2020, the Board of Directors having decided to double the budget set aside. The criteria allowed more producers to receive this premium that rewards regular production throughout the year: €6 as from 31% of their annual milk production realised between July and October, €12 at 32% and €20 at 33%.

In total, 535 members answered the call and produced 95 million liters compared with 84 million liters in 2019, that is a rise of 11.8%.



A family-run model preserved for even greater productivity

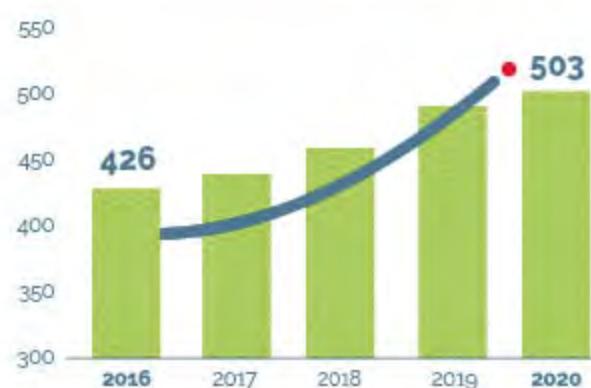


2020 ended with a stable cumulative milk collection volume and an average volume per member (in all systems) that continues to increase.

Liters collected



Average liters per farm (in thousands of liters)



Organic milk (number of producers)



The continuous growth in volumes in parallel with a decrease in the number of collection points clearly demonstrates the increase in performance of farms retaining a family-run model that are increasing their productivity.

Key figures

- +67 million liters collected in 10 years
- +62% in volume collected per collection point in 10 years
- +10% in share of differentiated milk



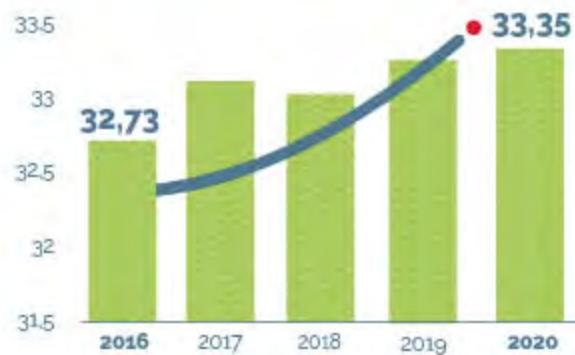
Protein, an Ingredia speciality, enhanced from the farm

Encouraging producers to increase the Protein Level of their milk makes it possible to maintain consistency between the activities of Ingredia, the leader in innovative milk protein, and the production methods of the members.

An extra premium for Protein Level rewards the quality of the protein in the milk delivered by the farmers and training is organised to support farmers in this process.

Challenge met successfully in 2020 with Protein Levels on the rise.

Protein (in grams/liter)



Technical support has been given to members via webinars organised with our partner, Oxygen.





An extended collection of colostrum

The collection of colostrum is an important business for the cooperative with high market expectations. Our product, Prodiel® Colostrum®, is one of the outlets.

Colostrum is naturally rich in immunostimulant factors (including immunoglobulin G), growth factors and nutrients. Our farmers are selected according to strict quality criteria and Prodiel® Colostrum is processed in a high-performance plant before inclusion in the composition of dietary supplements, functional food and drinks or cosmetics.



A reduction in volume collected with an increase in quality

Commercial demand continues to grow worldwide. Our markets are expanding, despite a reduction in our collection volume owing to multiple factors: a spring heatwave, lower quality pastures and an active search by suppliers for a higher quality colostrum collected.

Following the establishment of an online refractometer on the production chain at the end of 2020, a third quality category was created. It will meet a market demand while limiting the volumes without added value.



Collection down 14% but the number of colostrum suppliers rose 32% compared with 2020.



Geographic expansion of the collection

After Basse Normandie (Lower Normandy), Haute Normandie (Upper Normandy) and the entire Hauts-de-France region, we are continuing our expansion in eastern France with two new partners in 2020: Pôle Ardennes Elevage, reaching 566 dairy farmers in this region, and Union Laitière de la Meuse (ULM) / OPTIVAL (Seenorest) deploying our collection from 1,600 dairy farmers in the departments of Moselle, Meurthe-et-Moselle and Vosges.



We trained our farmers the use of the refractometer via our partnership with Oxygen (3-4 March 2020).

Industrial quality, a priority



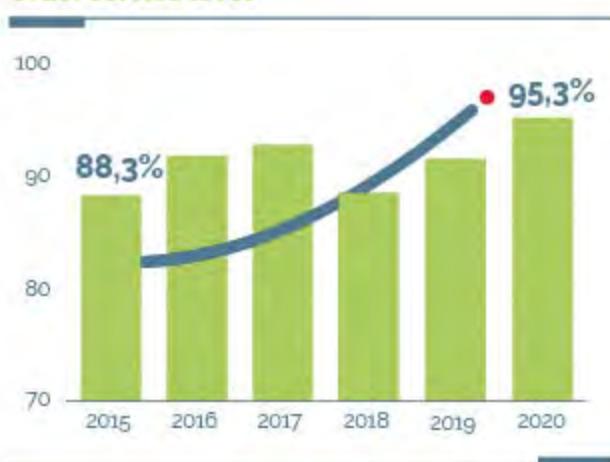
An improved Order service level

The order service level in 2020 was achieved thanks to the monitoring of analysis feedback, the establishment of Quality/Commercial Validation exceptions and better consideration of provision times.

As from 2021, it will be replaced by a new indicator, On Time In Full, in order to highlight the collective performance in the service of our customers and the establishment of the action plans required.

The quality control of the products manufactured was very high in 2020 at the St-Pol site, with a **customer complaint level at its lowest since 2015**.

Order service level



The division of responsibilities in particular at daily meetings with decision progress reports provides an effective response to the solution of problems.



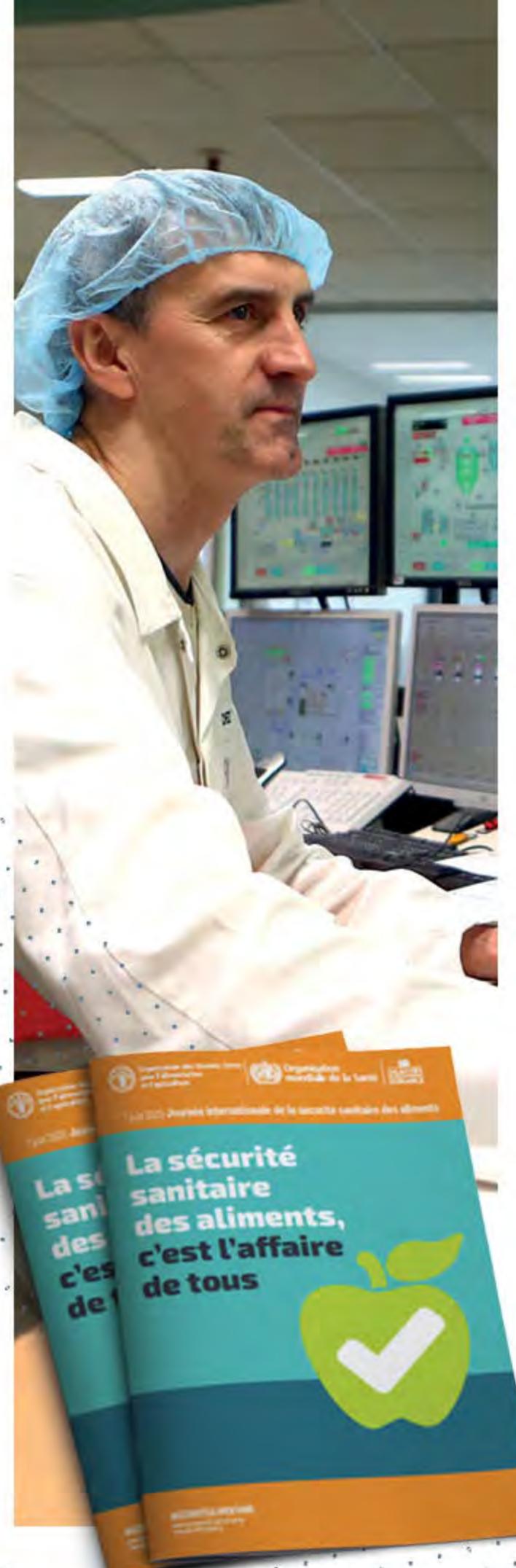
Non-compliance continues to decrease

The non-compliance level has been falling continuously for many years. A number of working groups that are ongoing today have enabled a significant rise in the compliance level and the anticipation of deviations.

Therefore, our goal was achieved with the cohesion and positive actions of all those involved.

Non-compliance level (in %)





Food Health and Safety Audits

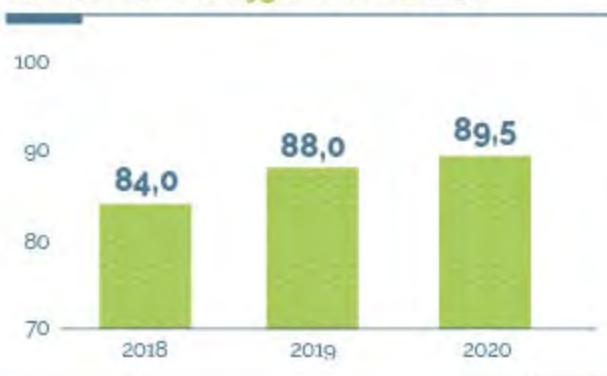
Despite the Covid-19 health crisis, **40 health audits** were performed in 2020 in the different production shops of the plant as well as at the central laboratory and Arras headquarters. **The satisfaction level is up compared with last year and above the 89% target set!**

AFAQ (food safety and quality certification) certification audits were carried out in October with a strict health protocol.

The results were very positive with:

- The renewal of our IFS certification, specific to bottles of drinking milk for which we obtained 98.5% satisfaction (higher level).
- The confirmation that our food safety and quality system is sound (for all our production lines) with the maintenance of our ISO9001 and FSSC22000 certifications.

Satisfaction rate Hygiene audits (in %)



Human and social performance



Prepare for the future by supporting Young Farmers (YF)

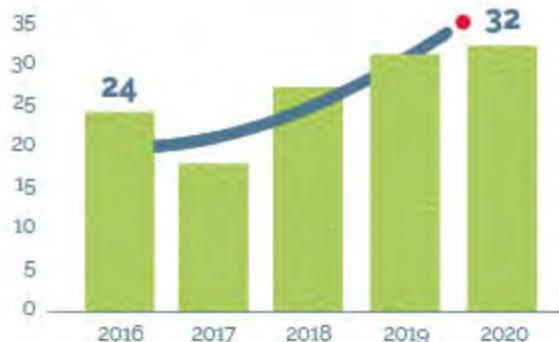
As part of its "Cap' Jeunes" programme, the cooperative supported the setting up of 32 young farmers in 2020.



The Cap' Jeunes programme includes for 5 years:

- financial support from the cooperative (up to €15,000)
- development of production volume (up to 350,000 L)
- techno-economic support via training with various speakers (3 training sessions per year)
- discovery of other production methods in France and Europe (1 study trip per year)

YF start-ups



IN 2020:

- €268 K in assistance were allocated to young farmers (YF).
- 28 YF benefited from a lump-sum payment of €4,000 on setting up, as signatories of the Good Farming Practices Charter and suppliers of colostrum.
- 62 YF also benefited from financial assistance of €2,000 accessible each year for 5 years conditional upon participation in 2 training initiatives proposed by the cooperative during the year.

Owing to the health crisis, unfortunately it was not possible to organise the annual study trip.



Support and involve employees

The activity of the human resources department was intense in 2020.

Despite unforeseen schedule changes and daily emergency management linked to the health crisis, the employee training plan went ahead and 60 people were also recruited, mainly via videoconference.

The social partners continued and even strengthened their usual cooperation, adapting to this new framework.

In total, there were more than 50 meetings of the Economic and Social Committee (CSE), Health, Safety and Working Conditions Committee (CSSCT), Board of Directors and Crisis Unit that partnered staff representatives and managers in the management of this unprecedented year.



An authentic innovation

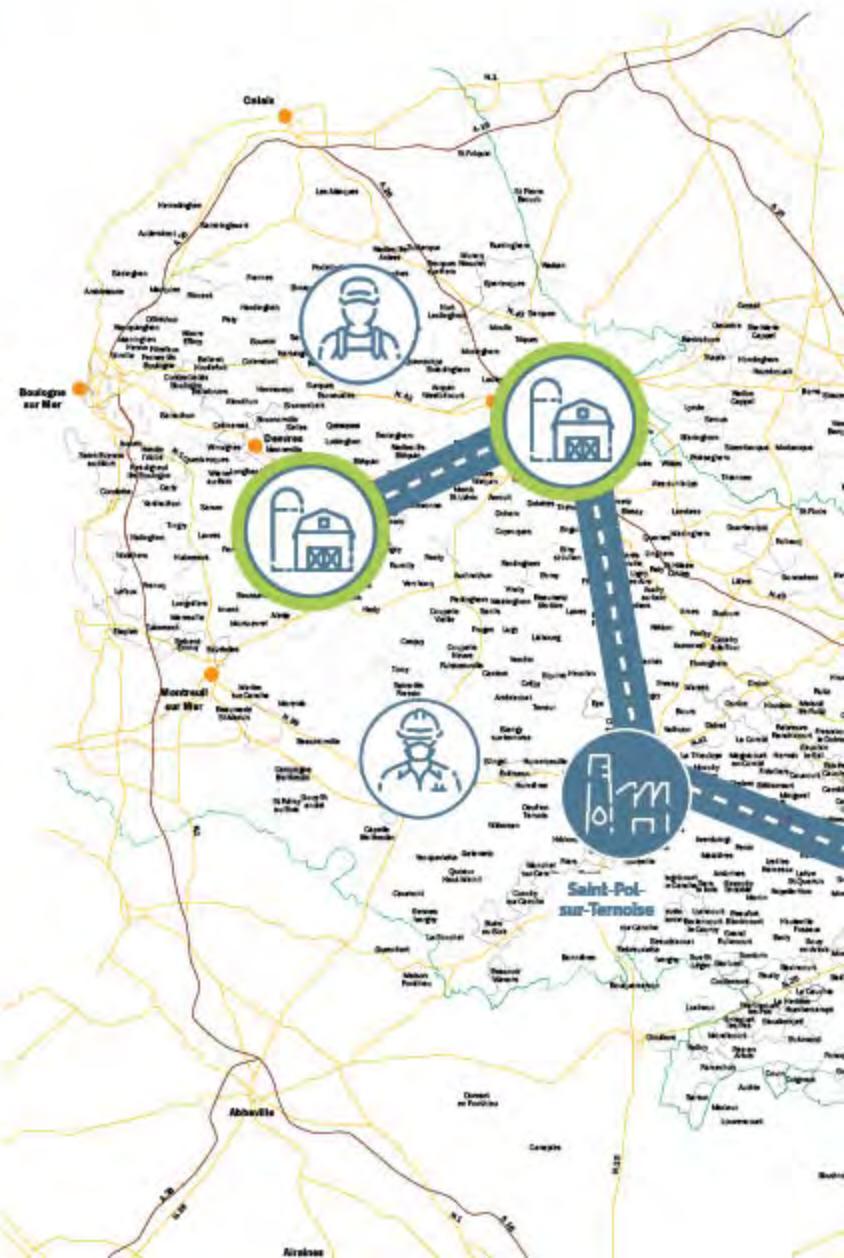
When Pas-de-Calais farmers started the cooperative in 1949 to add value to their milk, they probably could not imagine that, 70 years on, the group would be present in more than 90 countries. But it is from its regional roots that Prospérité Fermière Ingredia continues to draw its energy and innovative strength on a daily basis.



Prospérité Fermière Ingredia, a local economic stakeholder

The cooperative and its subsidiary, Ingredia, are firmly rooted in the Hauts-de-France region.

The cooperative's collection area is located within an 80 km radius of the Saint-Pol-sur-Ternoise processing plant and close to the Arras headquarters. As the provider of numerous direct and indirect jobs, the group is an essential player in the basin's economic and social development.





Representing the region and changing mentalities

In addition to collecting and adding value to the milk of its members, Prospérité Fermière Ingredia plays an active role in the development of the region and its national and international expansion. Considered an innovative, dynamic player and the engine of the Hauts-de-France, **the group is committed to flying the flag for the region.**

- **462 employees**
2 sites with ISO 9001 certification
Head Office and research laboratory in **Arras**
Industrial site with FSSC 22000 certification in **Saint-Pol-sur-Ternoise**
- Local milk **production**
Collection of **422 million liters**
1,155 members
- **Numerous indirect jobs** as a result of nearly 1,600 families of employees or members established in the region



Gauthier HUYGHE

Cooperatives and professional organisations manager,
Crédit Agricole Nord de France

Crédit Agricole Nord de France is a long-term partner of Prospérité Fermière Ingredia and its farmer members and it's something we are proud of. The cooperative is one of the emblematic flag-bearers of the region's dairy industry. We share these same regional roots.

The cooperative has a strong, pioneering spirit. This is particularly clear where CSR is concerned: the cooperative has been committed to CSR for many years, well before the crisis made it central and vital for the transition and transformation of businesses. It is also evident in R&D, as innovation forms part of the group's DNA.

The world is changing, and at a fast pace. When you have an industrial tool, you need to think proactively so as not to be dissociated from the market and to continue to add value to what you have produced.

By developing innovative ingredients that match the expectations of society on a national and international scale, Ingredia ensures viable outlets for our regional dairy farms while preserving the environment and animal welfare.



The agriculture of the Hauts-de-France region is highly developed, productive and diversified. 10% of French milk is produced here, for example.

Gauthier HUYGHE, Crédit Agricole Nord de France



CERCLE
LOUVRE-LENS

Louvre-Lens, a partnership in support of culture and region



Inaugurated in 2012, Louvre-Lens is a museum invested in promoting the renewal of the region. Established on a former mining site, it is a living space dedicated to offering a global artistic experience, accessible to everyone.

Since 2015, Prospérité Fermière Ingredia has supported Louvre-Lens' journey through the Cercle Louvre-Lens patrons, comprising regional businesses from different sectors.

A museum, figures and facts



More than 200

pieces of art from the Louvre Palace, permanently exhibited in the Galerie du temps (Gallery of Time)



65%

of visitors residing in the Hauts-de-France region



7,000 m²

of exhibition space (Galerie du temps, Galerie des expositions temporaires [Temporary Exhibitions Gallery] and Pavillon de verre [Glass Pavilion])



70,000

students welcomed every year



4 temporary exhibitions

per year



€20 M

in economic benefits for the region every year
(source: Euralens)



2nd most visited museum

in France - outside Paris - with more than 500,000 visitors per year



More than 100

business sponsors have supported the museum since its opening in 2012

"The Tables of Power" exhibition until end of July 2021

Prosperité Fermière Ingredia supports Louvre-Lens' major exhibition dedicated to the culinary arts. Its chronological journey melds archeological objects, paintings, sculptures, crockery, silverware and precious artefacts. This is an opportunity to highlight the history of social conventions that are crystallised around food practices and behaviours and official then private tables.



Exhibition scheduled until July 26, 2021

For more information, visit:

www.louvrelens.fr/exhibition/a-tables/

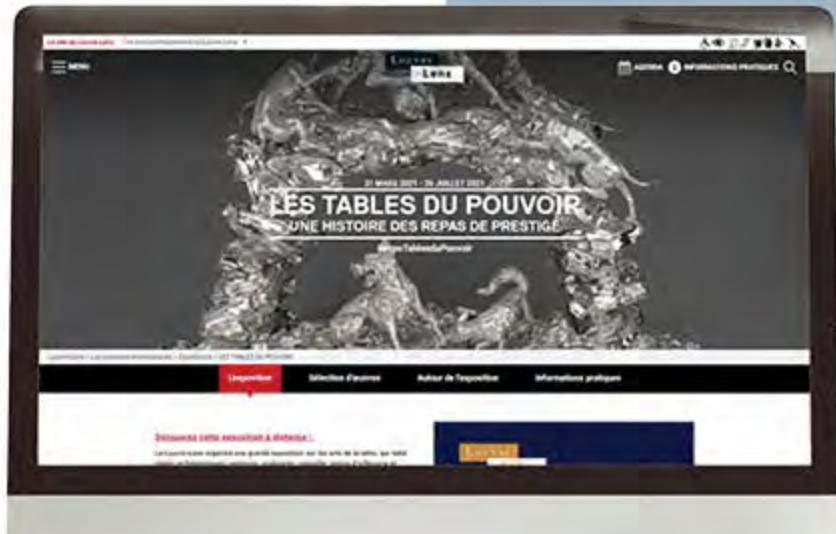


“ ”

Marie Lavandier
Director of Louvre-Lens

The Cercle Louvre-Lens is, above all, a community in motion wishing to initiate and undertake actions for the development and expansion of the region, to make it attractive, revitalise the social connection and provide everyone with access to culture (...)

Working together gives us considerable power when we share a basis of common values.





Clémence Delambre

aged 23, cattle farmer
in Magnicourt-en-Comté

When I completed my education 2 years ago, I returned to the family farm to implement my plan to set up a processing facility and a point of sale at the farm.

I have been very pleasantly surprised to see how much Prospérité Fermière has supported me in this project. The CapJeunes programme has enabled me to obtain an increase in the right to produce, receive training and share experiences with other young farmers. But that's not all, the cooperative has also supported me in the administrative process and even in the selection, choice and commissioning of the equipment for my processing facility.

“ ”

***Our shop,
"La vallée des vaches",
opened in October
2020 and has been
really popular with
customers in the region.***

Our involvement in the "Milk from grass-fed cows" with GMO-free feed specifications meets the expectations of consumers. Since the opening of the shop, they are more likely to come into the farm and ask questions. This means that we can explain how we work, respecting the environment and animal welfare, even if we haven't converted to organic farming. This consumer contact is essential to explain our work but also the cooperative and the fact that our milk doesn't travel thousands of miles to reach the Saint-Pol plant.

Paying attention and adding value to local initiatives

Prospérité Fermière Ingredia is constantly in conversation with its members and local partners in order to support their projects in the best way possible while promoting the start-ups of young farmers and the development of new formats to add value to milk production, respecting the environment and meeting social expectations.



Supporting the region's stars

Our partnership with Michelin-starred chef Marc Meurin continues for the 3rd year running. Established within the Château de Beaulieu in Busnes as well as Lille and at the Louvre-Lens museum, the Chef, like his entire profession, has suffered from the health crisis and the closing of his restaurants for long months.



Marc Meurin
Chef (2 Michelin stars)

“ “

The three keys to a recipe: seasonal products, local produce and creativity

There are 3 key elements when creating a new recipe. Firstly, seasonal products: "Which products are available to me this season?"

Then local produce. What is growing in the garden and orchard at Château de Beaulieu at the moment? What can I find in producers' farms in the neighbourhood? Quality local products are the key ingredients of a new recipe. They are carefully selected as behind each product there is a story. The provenance of products and the producer are always at the forefront in the naming of a dish.

And then, of course, what elevates the diversity of the seasonal ingredients available is creativity. It's autumn so I can have quince, endives, walnuts, squash etc. How can I marry them together and combine the tastes? "Creativity is the victory of curiosity over habit!"



Rice pudding by Marc Meurin

For 12 small glasses:

- 500 g Prospérité milk,
- 125 g short-grain rice,
- 75 g caster sugar,
- 1 vanilla pod.



- 1 Put the milk, sugar, pod and vanilla seeds into a pan and bring to the boil
- 2 Remove from the heat and leave to infuse, uncovered, for 15 minutes.
- 3 In the meantime, pour the rice into another dish and cover with cold water.
- 4 Stir with a wooden spoon until it comes to a boil then remove from the heat and sieve. Of course, the rice won't be cooked yet!
- 5 Rinse with cold water to halt the cooking process.
- 6 Then pour the drained rice into the pan with the infused milk: leaving in the pods!
- 7 Cook over a gentle heat for 20 minutes. The cooking should be gentle in order for the rice to be able to absorb all the aromas.
- 8 Stop cooking as soon as the rice is tender! The milk will still be quite liquid but that's normal! During cooling, the rice will continue to absorb the milk! Otherwise you risk the dish becoming quite compact and less pleasant to eat, so it's important to keep tasting and checking the cooking regularly!
- 9 Pour the rice pudding into the glasses, ramekins or salad bowl and keep in the fridge until ready to serve!

.03

Feeding and today and



protecting tomorrow



An ever growing global population. Food habits changing for greater environmental protection. Increased attention to animal welfare and human health. All of these developments are variables that need to be taken into consideration in order to ensure the continuation of our business in the long term and, therefore, the sustainability of our production and our jobs.

A cooperative and business with a relatively moderate size compared with the other players in the dairy market, we benefit from an autonomy and independence that give us strength to adapt to the challenges of tomorrow. Our modestly-sized collective means that we are able to swap experiences, compare our ideas and challenge our certainties so as to continue to innovate and be attentive to the expectations of our society.

We are not going it alone but hand in hand with our ecosystem that includes stakeholders as varied as our suppliers, our customers and industrial, scientific and banking partners but also our neighbours, local associations, advisers and so many others. It is together that we will be able to continue to feed and protect the world tomorrow.

Inclusive governance



At Prospérité Fermière Ingredia, members, employees and Managers work together to feed and protect the world today and tomorrow.

Thanks to the involvement of employee representatives and members in discussions and decision-making, the group's governance is inclusive and transparent in a time of crisis and to build the future.

8 specific committees so we can build together

The Board of Directors has set up specific working committees made up of employees and directors in order to reconcile interests in the best way possible at every stage.

Their aim is to generate proposals for the cooperative group's activities and operation that are then examined by the Board of Directors.





Communication: Defining communications to members and colleagues.



Volumes: Examining every member's request linked to the volumes collected.



CSR: Proposing CSR (Corporate Social Responsibility) initiatives.



Young People – Set-up and Transfer: Supporting young people who have set up new businesses as defined in Cap Jeunes and preparing them to take over businesses.



Oxygen: Finding innovative solutions for members to make them resilient.



Differentiated milk: Adapting and developing collections of differentiated milk (milk from grass-fed cows, organic cow's and goat's milk and colostrum).



Financial audit: Improving financial communication.



Plant: Examining investment requirements and monitoring the plant's performance.

A reception programme for the new directors

Over five days between September and December, the new directors met with the different managers on the Management Committee.

The goal: To better understand the activities of the cooperative and be able to take part in discussions as soon as possible!



Being transparent to better collaborate

Governance has benefited from the considerable digitalisation work carried out in 2020. This includes in particular the establishment of a **new extranet** for directors so that they have access to documents submitted to the Board prior to meetings in order to consider the items on the agenda.

Every director and every member of the Economic and Social Committee (CSE) has also been provided with a **laptop** to follow the meetings of the Board and CSE by videoconference. Finally, a **digital signing** process for official documents has been implemented to continue the day-to-day running of the business despite the distancing imposed by Covid-19.

Conversing and being inclusive even in times of crisis

Throughout 2020, the Management at Prospérité Fermière Ingredia ensured that social dialogue was maintained and even intensified. Nearly fifty meetings of the Economic and Social Committee (CSE), Health, Safety and Working Conditions Committee (CSSCT) and Board of Directors took place in total. In addition, 31 meetings of the Covid-19 Crisis Unit were held, particularly during March and April 2020.

Daniel Foulon

Secretary of the Economic and Social Committee (CSE)
at Prospérité Fermière Ingredia

“ ”

A perfect example of resilience!

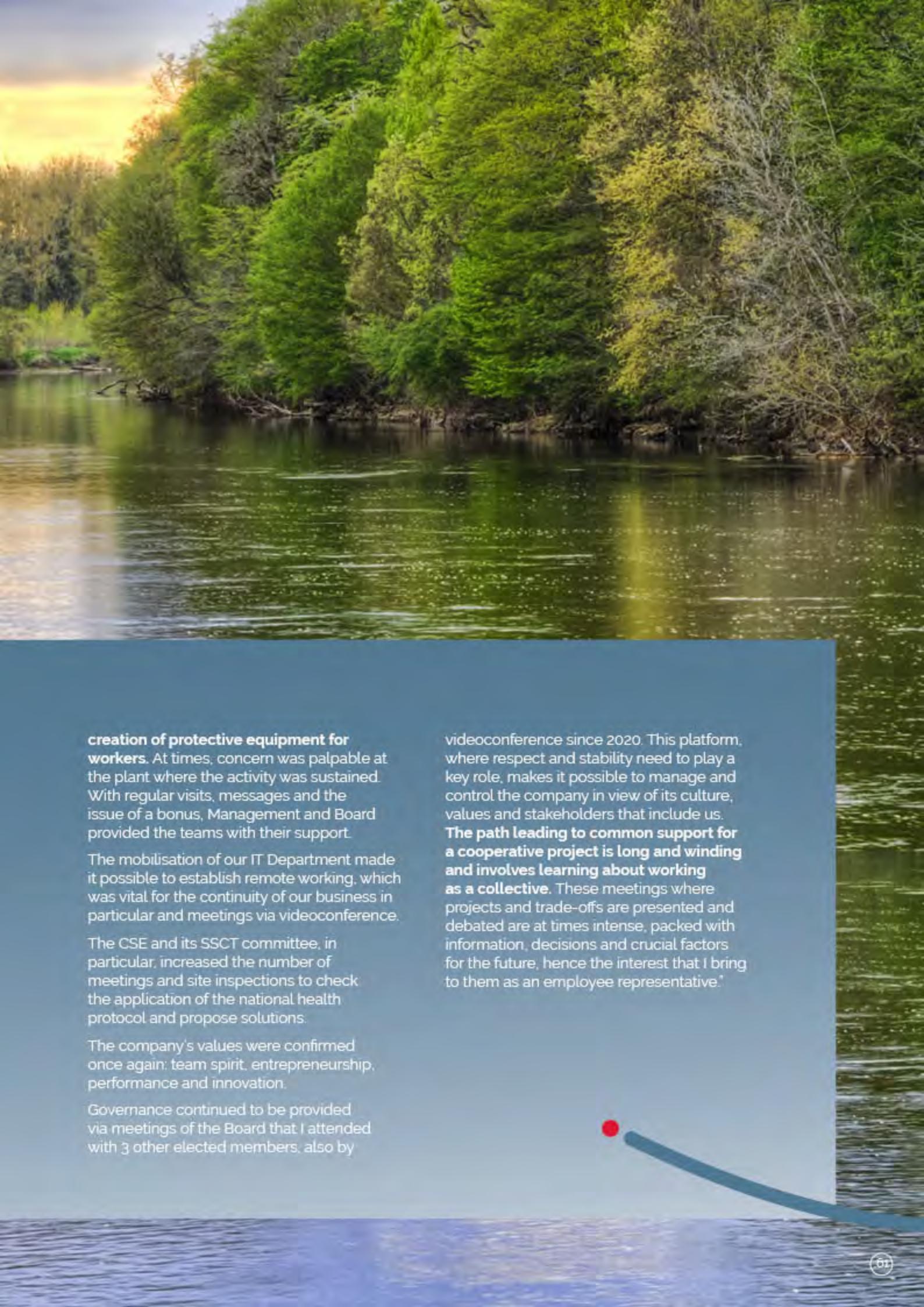
"After celebrating 70 years of Prospérité Fermière, 2019 ended with a visit by a number of Normandy cooperatives through the Expédition Apprenante Coopérative, a group comprising members, directors and employees. This enabled information to be acquired on the cooperation between members and employees, the common support for the project, shared governance, compliance, the distribution of added value and resilience.

Sharing and respecting these commitments is a condition for long-term success, we belong to a modestly-sized cooperative



and for me that is a benefit for bringing all the stakeholders together.

On 17 March 2020, the President of the Republic declared a state of war on an invisible enemy: COVID-19; resilience was on the agenda again at Prospérité Fermière Ingredia. As soon as I was asked to do so by the Management, I joined the Crisis Unit (Management, IT Department and HSE) as staff representative and secretary of the CSE to discuss the resources required for the protection of employees and business continuity. Employees, members, drivers and friends participated in the supply and



creation of protective equipment for workers.

At times, concern was palpable at the plant where the activity was sustained. With regular visits, messages and the issue of a bonus, Management and Board provided the teams with their support.

The mobilisation of our IT Department made it possible to establish remote working, which was vital for the continuity of our business in particular and meetings via videoconference.

The CSE and its SSCT committee, in particular, increased the number of meetings and site inspections to check the application of the national health protocol and propose solutions.

The company's values were confirmed once again: team spirit, entrepreneurship, performance and innovation.

Governance continued to be provided via meetings of the Board that I attended with 3 other elected members, also by

videoconference since 2020. This platform, where respect and stability need to play a key role, makes it possible to manage and control the company in view of its culture, values and stakeholders that include us.

The path leading to common support for a cooperative project is long and winding and involves learning about working as a collective. These meetings where projects and trade-offs are presented and debated are at times intense, packed with information, decisions and crucial factors for the future, hence the interest that I bring to them as an employee representative."

Take action and commit to the future



Throughout 2020, despite the disruptions and emergency management imposed on us by the health crisis, we continued to prepare for the future, working on our medium- and long-term strategies.

This future, we do not imagine it in isolation, but as part of an ecosystem. An economic, regional and environmental ecosystem but also an ecosystem of stakeholders including our customers, workers, members and partners.

#Environment

Committed from January 1st!



Our greetings card for 2021 set the tone for a year of commitment to the planet!

Made from biodegradable materials and seeds, it could be put in the ground and not in the bin and grows flowers in a few weeks to make 2021 blossom and contribute to pollination.



#Resilience

Excellence in all fields!

Our development strategy for 2025, initiated in 2015, comprises ten **cooperative commitments** to support our members in the face of market volatility and changes. Mid-way through, our goal for distinction has already proven its worth thanks to the character of our farms and our region.



#Ecosystem

Responsibility and community, keys to success

In 2020, we amended our bylaws to include the **goal of a positive, significant social and environmental impact**, as part of our commercial and operational activities.

In 2021, we continue to structure our **CSR approach** by including it within a **continuous process of improvement**. Performance indicators have been defined for both economic performance and to improve our environmental footprint. These indicators are reassessed on a regular basis.



An award-winning social and environmental commitment

At the end of January 2021, Prosperité Fermière Ingredia received the "Prize for Social and Environmental Commitment" as part of the trophies awarded at the 5th edition of the Ernst & Young (EY) Food Industry Award 2021, organised in partnership with the National Association of Food Industries (ANIA).

This "Prize for Social and Environmental Commitment" is the recognition of Ingredia by the ANIA (which groups the jewels of the French agri-food industry) for its commitment to innovative, collective initiatives driving sustainable dairy production rooted in a vibrant region. Today, Prosperité Fermière Ingredia is a player representing the synergy possible between regional roots and international development.

Selected from major names in the agri-food industry and before a prestigious panel, Ingredia received the prize for excellence in the industry, recognition of a community of Men and Women united by CSR, an agile and innovative enterprise, adding value to all the links in the regional dairy chain.

100% responsible collection from cow to transport

In February 2021, Prospérité Fermière Ingredia became the first French dairy group to choose green energy, B100 biofuel, for the transport during the collect of its "milk from grass-fed cows".

This innovative solution **100% vegetable and 100% French**, produced from rapeseed, allows a 60% reduction in greenhouse gas emissions and up to 80% less fine particle emissions.

The B100 biofuel solution benefits from rapid installation on existing equipment. 25% of the fleet will convert to this type of fuel by the end of 2021.



Farsighted R&D projects and partnerships

Although the Covid-19 pandemic impacted the progression of our projects in 2020, the drive and tenacity of our teams ensured good progress with the **development** of Promilk® Yogfluid 80 and especially its commercial launch. This **new milk protein** forms part of the *Creamy Booster* range and provides a creamy and fluid texture for yoghurt drinks that are rich in protein.



We also filed a patent in October 2020 for the Promilk® BMax protein (a functional protein for food and nutritional applications) before its commercial launch at the end of the year. To find out more about these two products, see p. 27.



An active pipeline of innovations

Other short, medium and long term projects are in place. At the end of 2020, **12 innovative projects and preliminary projects** relating to nutritional solutions are active, in addition to 4 new innovation ideas that were initiated during the year.



The transporters, who collect the milk on a daily basis are long-term partners of the group, sometimes going back to 3 generations.

They are fully on board with our CSR policy.



Public/private partnerships beneficial to all

Our academic collaborations with INRAE (French National Research Institute for Agriculture, Food and Environment) (Proteinolab project) and the Institut Charles Violette

(AllInPep project) will come to an end in 2021 after 3 years of work. At the end of 2020, the teams initiated fundamental work with their university colleagues in response to the **Joint Research Laboratories (LCR)** which gave us access to scientific skills and efficient research tools.

Interview

Professor Rozenn RAVALLEC

Unité Mixte Transfrontalière [Combined Crossborder Research Unit] INRAE
Institut Charles Violette

“ ”

***With Ingredia we feel understood, which in return
inspires us to try to better understand industrial
constraints.***



We are working with Ingredia since a very long while. Our relationship, based on trust and mutual listening, enables us to address all subjects from fundamental research to the exploitation of results.

In this type of public/private collaboration, it is very important for us, as academics, to have partners that understand and take into account of our needs and our restrictions.

The research conducted by the Ingredia teams focuses on the activity of their ingredients, optimization of production and understanding of the way that molecules act before and after clinical study. They help to strengthen the knowledge of the scientific community, which is valuable.

Since 2017, the Allinpep (Peptidic and Innovative Dairy Foods) combined team has made it possible to pool our expertise in order to remove technological barriers around the enhancement and transformation of milk proteins and bioactives.

Equipment and staff were financed by the region with ERDF funding and enabled the writing of two CIFRE theses and 5 joint projects funded by Ingredia (more than 450 k euros), the publication and preparation of 8 articles or reviews, the presentation of 6 posters and 6 oral conferences at national and international congresses and the development of a new bioactive compound in the industrial transfer process.

Allinpep is a great human adventure and a huge asset for scientific exchanges.

Today we are continuing this great success with a 4-year extension to the framework agreement and new projects, starting with the response in 2021 to the ANR Industrial Chair call for proposals with UMET (Materials and Transformations Unit, University of Lille)!

Our agenda

2021

Events

Webinars

Formations

Tarissement & colostrum - seenorest
January 12 • 14 • 19
(Remotely)

NutrEvent Virtual
January 25 – 28

Tarissement & colostrum - seenorest
January 25
(St Pol/Ternoise)

Accueil Promo Ja
February 16
(Ramecourt)

Accueil Promo Ja
March 23
(Ramecourt)

Scapartois Virtual
April 6 – 7

Ecornage - vet'el
May 14
(St Pol/Ternoise + Flers)

Nutrition sport
May 12
(Vitafoods digital week)

Vitafoods digital week
May 10 -13

Ecornage - vet'el
April 30
(Berlancourt le Coroy → Rebrevue/Canche)

UHT milk
(grass fed cows & blockchain)
May 18-19
Asia (FHA)

Ecornage - vet'el
May 18
(Samer → Westrecques)

FHA digital week
May 18 – 20

Cheese Proteins Food
May 20

FIC Shanghai
June 8 – 10



March,
31st 2021
to
July, 26
2021

THE TABLES OF POWER

A story of prestigious meals

<https://www.louvre-lens.fr/exhibition/a-tables/>

You are welcome to the museum:

- Every afternoon from Monday to Friday, except Tuesday, from 12.30 to 18.00 p.m (Mornings are reserved for school groups).
- Saturdays, Sundays and public holidays, from 10.00 a.m from 18.00 p.m

NBD France
September 14 - 16

CPHI
Philadelphia
Virtual
August 10 - 12

FI India
July 8 and 9

FML
Londres
June 29 - 30

Lactium
pet US
June 24

Pep2Dia
US
June 17

Pet Food
Forum
Kansas / USA
September 22 - 24

Pep2Dia US
October 5 - 7

Vitafoods
Swiss
October 5 - 7

Nutrition
clinique
October 5 - 7
(Vitafoods
digital week)

SSW
Las Vegas
October 25 - 28

UHT milk
(bottling)
Asia
November

Manipulation
des bovins
- MSA
december 7

FIE Francfort
Nov 30 - Dec 2

Manipulation
des bovins
- MSA
November 30

JFN Lille
(digital)
Nov 10 - 12

CPHI Milan
Nov 9 - 11

CIIE Shanghai
November

DAIRY INNOVATION
TO **BETTER FEED**
AND PROTECT

—
5th
**Integrated
Report**

2020

PROSPERITE FERMIÈRE INGREDIA
51 avenue Lobbedez – CS 60946
62033 Arras cedex – FRANCE
+33 (0)3 21 23 80 00

www.ingredia.com

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