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Les Maîtres Laitiers du Cotentin reaffirms its commitments by taking out a loan indexed to the achievement of its CSR goals

The co-operative group has raised €220 million in capital, including a syndicated loan and a Euro PP, both of which are indexed to its sustainable development goals. This funding will enable the group to pursue its business development and extend its ambitious investment policy in terms of social responsibility.

As a major player in dairy production and distribution to the food service industry, the Les Maîtres Laitiers du Cotentin cooperative group has decided to integrate four major CSR commitments into its financing: a bonus/penalty mechanism enabling the interest rate to be raised or lowered based on whether or not targets have been reached for these indicators.

According to Guillaume Fortin, the Group's Managing Director, *"the model used by Les Maîtres Laitiers du Cotentin is unique in France in terms of its capacity to combine production, processing and distribution all throughout the dairy chain. Through this financing, this model will ensure our future development and longevity. Coupling our main CSR objectives with our financial interests is a sign that sustainable development is an integral part of our model, in alignment with our co-operative values."*

A mark of confidence in the group's long-term future

The Société Générale bank co-ordinated the compilation of this €220 million loan using a "sustainability-linked" format, implementing a syndicated loan and a Euro Private Placement; the lenders involved are the banks Société Générale, Crédit Agricole, Rabobank, LCL, CIC, Crédit Mutuel MABN, BRED, BNP Paribas and La Banque Postale, along with non-bank lender Sofiprotéol.

Through their involvement, these financial backers are demonstrating their confidence in the long-term future of the Les Maîtres Laitiers du Cotentin Group and its action plan.

Société Générale also played the role of CSR coordinator, providing advice on how to fine-tune the four CSR indicators selected for the evaluation of the sustainable development criteria.

"Co-operating for the future" – the Les Maîtres Laitiers du Cotentin Group's CSR approach

The CSR objectives associated with this financing are aligned with the priorities the Group has set itself for the coming years. Entitled "Coopérons pour demain" (Co-operating for the future) the CSR approach adopted by Les Maîtres Laitiers is broken down into four key pillars.

- **Reducing the number of occupational accidents by 20% between 2019 and 2025** is the priority for the pillar "Cooperating with our producers and employees." This is because accident frequency rates are also a measure of operational thoroughness, adherence to working procedures, and levels of team engagement.
- **Remaining a major stakeholder in the development of the areas in which the Group operates, via procurement.** The France Frais network, which is the distribution chain for Les Maîtres Laitiers du



Cotentin, stands out for its high levels of local procurement (within its local Department and neighboring areas). Milk collection represents what is by far the main supply source for the Industrial division, and this too remains local. The Group's ambition is to allocate over 90% of foodstuff procurement to French producers and manufacturers.

- **Encouraging the renewal of dairy farming in La Manche by promoting differentiating dairy sectors.** Since 2016, the Cooperative's farmer members have been involved in producing organic milk, Isigny PDO Butter and Cream, Normandy PDO Camembert, and GMO-free grass-fed milk, and in low-carbon farming. The first four of these segments are validated via third-party certifications. The achievement of the Low-carbon ambition will be determined during the second wave of environmental assessments, to be carried out starting in 2025. By that time, the Cooperative aims to maintain its share in these four segments at over 78% of member farms.
- **Reducing the carbon footprint** by undertaking energy efficiency initiatives within the Industrial branch. These address the Group's leading cause of greenhouse gas emissions: consumption of gas and electricity in dairies. One initial objective is to have reduced the intensity of emissions by 20% by 2026 compared to 2017 levels.
The second-highest source of direct emissions comes from France Frais' distribution vehicles. These objectives will be finalized in Autumn 2023.
Finally, the main source of indirect emissions goes back to the upstream phase of dairy production. This is why each member farm must carry out a CAP'2ER diagnostic assessment by the end of 2025. This assessment will enable producers to decide which actions are best-suited to their farming operations, with the help of the Cooperative's technicians.

About the Les Maîtres Laitiers du Cotentin Cooperative, Industrial and Business Group

Dairy production:	1020 member farms; 470 million liters of milk
Processing:	4 dairies in La Manche, 1 in Toulouse, 1 facility in the Paris region
Distribution:	Over 120 Business Units and storage facilities across France
The Group in 2022-23:	5500 employees; €2.4 billion in revenues

A century's worth of history led up to the moment when a dozen small local cooperatives and visionary leaders would come together to form the UCALMA in 1962, which in 1985 would become Les Maîtres Laitiers du Cotentin. The Group is 100% independently owned by producers.

From milking to distribution

Between its cooperative of producers, its processing facilities, the construction of a national distribution network and ownership of prestige brands, the Les Maîtres Laitiers du Cotentin model is unlike any other in France. It covers the entire dairy chain: production, processing and distribution.

- ⇒ The cooperative represents 1,020 member farms, including 630 farms in La Manche, collecting 470 million liters of milk over the course of the 2022-2023 milking period.
- ⇒ The Group employs 5,500 staff and generated revenues of €2.4 billion during the 2022-23 financial year.



Brands that carry local flavor

Les Maîtres Laitiers du Cotentin covers the entire dairy chain, offering dairy products which are 100% sourced from a unique area with a wealth of flavors and crafts, such as Isigny PDO butter and cream or Normandy PDO Camembert. There's also Yéo Frais in Toulouse, which has developed a rich culture of innovation starting with organic yogurts and followed by goat and sheep milk, and now with local products such as Yo'Gourmand and La Brique Rose.

- ⇒ With its five brands, the group is an established ambassador for local farm produce: La Mère Richard, Édouard Conus, Réo, Yo'Gourmand, and Campagne de France.

A major player in non-residential catering and the supermarket sector

The cooperative is a leading European producer of fromage frais and cream cheese for the non-residential catering sector, as well as the supermarket retail sector.

Its France Frais network, with over 120 business units and warehouses across France, is a major player in distribution to the restaurant and catering industry, and a leader in the distribution of chilled products.

- ⇒ 5 major markets: non-residential catering, exports, supermarket retail (notably through store brands), speciality segments (bakery/pastries, dairy goods, cheeses, fine foods) and food industry companies.

Innovation and social responsibility as a lodestar

The Normandy-based cooperative, already highly active in the implementation of sustainable development solutions for its buildings, is also developing partnerships in the search for solutions in both transformation and distribution. Using a holistic and pro-active approach that reflects its long-term vision, aiming to achieve both decarbonization in transport and plastic recycling, as well as a reduction in workplace accidents.

- ⇒ Energy efficiency programs since 2017
- ⇒ Participation in the PS25 consortium
- ⇒ Member of the Club Déméter Logistique in 2023

For more information:

Les Maîtres Laitiers du Cotentin : <https://www.maitres-laitiers.fr/fr>

Campagne de France (the cooperative's brand): <https://www.campagnedefrance.fr/>

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