

15



# Bell – so good. Since 1869.

## **Content** **Company profile 2015**

### **3 Bell at a glance**

- Important events 2015
- Key figures

### **6 Editorial**

### **9 Features**

### **18 Business overview**

- Our business
- Locations and organisation
- Products and product ranges
- Our suppliers
- Our employees

### **22 Strategy**

- Our strategy –  
reaching the top, together
- Our corporate guiding principles
- What we build on –  
corporate strategies

### **26 Situation report**

- Business development of the Bell Group
- Assessment of risks and market environment
- Division reporting
- Events after the reporting period
- Outlook for 2016

### **32 Corporate responsibility**

### **36 Contacts / publishing details**

The Bell Group is one of the leading processors of meat and convenience products in Europe and number one in Switzerland. This company steeped in tradition was established in 1869 when Samuel Bell opened his butcher's shop in the inner city of Basel. The product range includes meat, poultry, charcuterie, seafood and convenience products such as salads, sandwiches, ready-made meals and pasta. More than 8,000 employees in nine countries work hard every day to prepare top-quality products that give much enjoyment of millions of consumers. To achieve this objective, we work closely with our suppliers and distribution partners in the retail and wholesale trade, food service sector and food processing industry.

#### **The values we live by**

Bell and its products are synonymous with quality, taste, tradition and sustainability. Our employees do their best every day to ensure that we live by these values. Our products are still prepared according to traditional recipes with great care and craftsmanship. In our report, we introduce you to some of our employees who live by our corporate values with their know-how and passion for their craft.

## **Content** **Management report 2015**

- Table of contents
- Corporate Governance
- Compensation report
- Financial report
- Figures
- Contacts/publishing details

The 2015 annual report consists of the 2015 management report and the 2015 corporate profile. These are available as separate publications or can be downloaded from [www.bellfoodgroup.com/report-en](http://www.bellfoodgroup.com/report-en).

# Important events 2015

## Full consolidation of Hilcona

The specialist for convenience products has been consolidated in full in the financial statements of the Bell Group since 1 May 2015. Hilcona delivers its fresh convenience products to the impulse, retail and wholesale trade as well as the food service sector.

## Encouraging result

The Bell Group's sales revenue increased by 8.5 percent to CHF 2.82 billion in 2015. At 275,308 tonnes, sales volumes were up 27.7 percent on the previous year.

## Scrapping of the EUR / CHF floor

Due to currency translation, the scrapping of the EUR / CHF floor in January 2015 affected the annual financial statements. The decision by the Swiss National Bank also boosted the already popular shopping tourism to our neighbouring countries.

## Dividend and share split

Given the good result, the Board of Directors is requesting the General Meeting to approve an increase in the dividend by CHF 5 to CHF 70. In consideration of the current price of the Bell share, the Board of Directors is also proposing a share split in a ratio of 1 to 10.

## Growing number of employees

At 8,148 employees, the Bell Group employed more than 8,000 people for the first time in 2015.

## The Bell Group posts a better annual profit

At CHF 95 million, the Bell Group's annual profit for 2015 is 8.0 percent higher than in 2014.

## Bell invests in Switzerland as a production location

Bell will be laying the groundwork for improving its already powerful production facilities in Switzerland by drawing up a substantial new investment programme for new buildings and conversions between 2016 and 2025.

## Acquisition of the Huber Group

Bell is completely taking over the Huber Group, which specialises in the production of top-quality poultry at its facilities in Austria and Germany. Some 900 employees generate annual revenues of more than CHF 320 million. By the editorial deadline, the acquisition was still subject to the approval of the European Competition Commission.

## Investments in production sites

Bell invested around CHF 40 million in a new production facility in Cheseaux-sur-Lausanne that was commissioned in 2015. The modernisation and extension of the existing plant in Poland was finished.



Proceeds from sale of goods  
**CHF 2,817.8 million**  
↑ **8.5 %**

## Key figures 2015

The Bell Group's financial performance is discussed in detail in the separate management report.

**Gross profit**  
in CHF million

**1,025.8**

↑ **20.7 %**

Gross profit margin  
**36.9 %**

**Annual profit**  
in CHF million

**94.8**

↑ **8.0 %**

**Equity**  
in CHF million

**909.5**

↑ **15.6 %**

Equity ratio  
**52.2 %**



Net investments in  
property, plant and equipment  
**CHF 110.3 million**  
↑ **29.4 %**

**EBITDA**  
in CHF million

**235.1**

↑ **19.8 %**

**EBIT**  
in CHF million

**123.0**

↑ **10.6 %**

**Operating cash flow**  
in CHF million

**191.4**

↑ **27.6 %**

Share price as of 31.12.2015  
in CHF

**3,390**

↑ **38.5 %**



EBITDA per share in CHF

**589**

↑ **19.8 %**

EBIT per share in CHF

**308**

↑ **12.6 %**

Earnings per share in CHF

**238**

↑ **8.0 %**

Dividend per share in CHF

**70**

↑ **7.7 %**



Production  
**31 sites**

Sales volume

in tonnes

Fresh meat

**54,798**

↓ **1.4 %**

Charcuterie Switzerland

**31,004**

↑ **0.2 %**

Poultry

**27,557**

→ **0 %**

Charcuterie international

**94,674**

↑ **0.1 %**

Seafood

**6,781**

↑ **11.6 %**

Convenience

**59,632**



Training  
in **15** different  
professions



Number of employees as of 31.12.2015  
**8,148**



The Bell Group's employees represent  
**69 nationalities**



Share of women  
**40 percent**





**Hansueli Loosli**  
Chairman of the Board of Directors



**Lorenz Wyss**  
Chairman of the Group Executive Board

## **Editorial**

# **Successful financial year 2015 – good prospects going forward**

## Dear Shareholders

We will remember the 2015 financial year as an eventful year, a year that was shaped by the scrapping of the EUR/CHF floor, the acquisition of the majority stake and thus the first full consolidation of Hilcona in the Bell Group, and the commissioning of two new production facilities in Switzerland and Poland. We consistently pursued our strategies and worked hard to realise the existing potential. We are therefore proud that we can present such a solid result for the 2015 financial year.

### Encouraging development in spite of challenging parameters

The Bell Group's sales revenue increased by 8.5 percent to CHF 2.82 billion. The first consolidation of Hilcona added CHF 361 million to the Group's revenues, while currency-related translation differences and the deflation in raw material prices reduced nominal revenues by more than CHF 100 million. Sales volumes for the Group as a whole were 275,308 tonnes (+ 27.7 %). The gross profit exceeded CHF 1 billion for the first time. The concentration on products that add more value and the restructuring of the product range made an important contribution to this result. EBITDA increased substantially by 19.8 percent to CHF 235 million because of the consolidation of Hilcona and the operational progress made in other international activities. The annual profit increased by 8.0 percent or CHF 7 million to CHF 95 million. This is an encouraging result in light of the current challenging conditions.

### Operational progress in the divisions

In Switzerland, shopping tourism and the currency-driven decline in the number of visitors to the country created unfavourable circumstances. Bell Switzerland nevertheless managed to hold its own and increased its sales volumes for all product groups. In spite of the deflation in raw material prices, we managed to improve our earnings with effective cost management processes and an increase in productivity.

Bell Germany's result improved considerably in the reporting year despite a slight contraction in sales. The promotion of product ranges with higher added value was successful, and process efficiency could also be increased further.

The performance of the individual organisational sectors of the Bell International division differed. Sales for the division as a whole were better than the previous year, and sales volumes also improved. Poland and Hungary are headed in the right direction, while France and the Czech Republic lagged behind our expectations.

Hilcona can look back on a successful financial year. It expanded its market position through innovation, particularly in the field of vegetarian products. Improvements in the value chain and a noticeable increase in productivity also deserve a mention.

### Added value for shareholders

The encouraging results and good prospects allow us to propose an increase in the dividend of CHF 5 to CHF 70 to the General Meeting. The price of the Bell share developed very positively in the reporting year and closed much better than the market. In consideration of the current high share price, the Board of Directors is proposing a share split in a ratio of 1 to 10 to further improve the marketability of the Bell share.

# CHF 70

Increase in dividend  
by CHF 5



### **The groundwork for the future has been laid**

We continued to consistently pursue our vision of “Reaching the top, together” in the reporting year. We launched a substantial investment programme for Switzerland, underlining our explicit commitment to Switzerland as a production location and the processing of Swiss agricultural products. We are laying the groundwork for improving our already powerful production facilities in Switzerland with a number of new buildings and conversions in Basel and Oensingen. The projects will now be finalised for the period from 2016 to 2025 and should be ready for the decision process in the next two years. In Spain, we purchased land for the construction of another production facility. The new plant will be commissioned in 2018 and will considerably expand our production capacity.

We opened up new areas of growth with the acquisitions of the Huber Group and the Eisberg Group, both of which still have to be approved by the relevant competition authorities. With the takeover of the Huber Group, which specialises in the production of poultry, we are securing our access to an important raw material and entering the Austrian and German markets with a new product group. The acquisition of the Eisberg Group will strengthen Hilcona’s own business with prepared salads and salad components. This will allow us to solve capacity bottlenecks in Switzerland and exploit further potential for international growth.

### **Strategic focus is pursued consistently**

This year will remain a challenge as we expect raw material prices to rise and competition to intensify further. The results for the past year reinforce our decision to continue to focus on our strategic ambitions. The spotlight falls on the smooth integration of the two acquisitions, the upcoming major investments, and products with higher added value. As we can selectively exploit the available potential in all areas, we are looking forward to the challenges of 2016 with confidence.

We would like to thank our employees and all our partners for their sustained confidence in us and their continued support on the path we have chosen.



Hansueli Loosli  
Chairman of the Board of Directors



Lorenz Wyss  
Chairman of the Group Executive Board



# THE VALUES WE LIVE BY

Bell is one of the leading processors of meat and convenience products in Europe. This company of great tradition has been synonymous with quality, taste, tradition and sustainability since 1869. Our employees do their best every day to ensure that we live by these values. Our products are still prepared according to traditional recipes with great care and craftsmanship.



TRADITION



SUSTAINABLE  
PERFORMANCE



TASTE

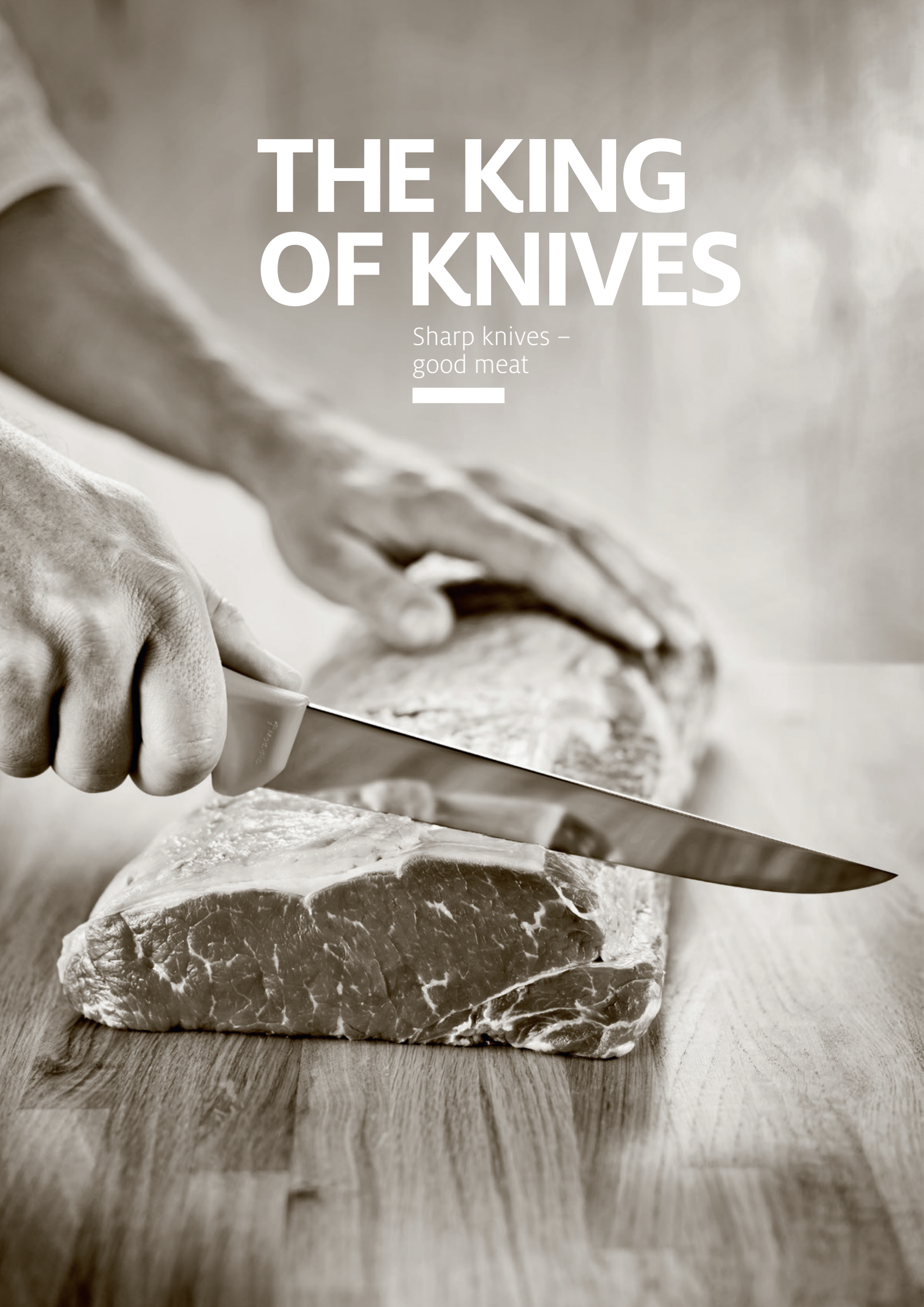


QUALITY

# THE KING OF KNIVES

Sharp knives –  
good meat

---





**Marco Ghidini** (51)

The man with the fast  
knife at Bell Oensingen

With Bell since 1990

A good knife is the most important tool for deboning and dressing. "For us butchers, our knife is almost holy," says Marco Ghidini. It must be sharp and fit the hand perfectly. This is why every butcher has his own knife which he uses and cares for every day.

The knife or a very early form of it was one of the first tools ever made. For the butchers at Bell, it is still the most important tool. Since Samuel Bell opened his butcher's shop in Basel in 1869, our products have been prepared with care and craftsmanship according to traditional recipes. One thing is sure: at Bell, knives are not only a tradition, they also have a future.



Our **TRADITION**  
makes us rich in  
experience







# FRESH FISH

Sustainability and quality  
go hand in hand

---



**Noémie Oesterlé** (38)

The quality watchdog  
at Bell Seafood

With Bell since 2008

“Fresh fish does not smell. That’s the first rule,” says Noémie Oesterlé, who also has many other tips to share. Good fish must look firm and beautiful, the scales must be bright and shiny, the eyes must be glassy and the gills should be dark red. In the end, the fish does actually smell – like a fresh sea breeze at the beach.

The origin and type of fish are not determined by looking at a fish, however, but by DNA analysis. This ensures that the fish meets Bell’s strict sustainability criteria. And that is also important, because Bell does not simply see sustainability as the latest catchword, but as a key condition for the quality of its products. As a founder member of the WWF Seafood Group, Bell sets particularly high sustainability standards for seafood.



We stand for  
**SUSTAINABLE  
SERVICES**





# SPRINKLE WITH SALT ONCE, WASH AND DRY

Salt makes  
the difference

---







**Markus Jäggle** (34)

The ham guru  
at Bell in Basel

With Bell since 2009

Ham and salt. A trusted pair. Salt is what gives ham the taste that has made it one of the world's most popular charcuterie specialities. Whether boiled ham or air-dried ham, the manufacturing process always starts with salt. Salt has a special importance for Markus Jäggle: "No salt, no ham, it's as simple as that."

"I'm a true connoisseur," Markus Jäggle likes saying. Which is why one thing is important to him: "I want only products that I enjoy to leave our plant." Our employees are motivated by a love for working with the products and an ambition to prepare food of an excellent quality. Because Bell mostly wants one thing: to give people moments of real pleasure.



Our products  
offer **TASTE** and  
a zest for life





A black and white photograph of a person's hands holding a perfectly round, textured object, possibly a piece of dough or a stone, covered in fine dust. The person is wearing a light-colored shirt. The background is a wooden surface with scattered dust. The text "A PERFECT CONCEPT" is overlaid in large, bold, white capital letters.

# A PERFECT CONCEPT

Neither too thick  
nor too thin

---





**Simone Hennrich** (31)

The pasta manager  
at Hilcona in Schaan

With Hilcona since 2013

Planning, coordinating, tasting. As product manager for pasta at Hilcona, Simone Hennrich wears many hats. For her, good pasta is the perfect combination of a good dough and a tasty filling. "The dough must be firm and have a good colour," says Simone Hennrich. The texture of the dough is also important – neither too thick nor too thin. And finally the taste, which should be natural and authentic.

"Preferences differ from country to country," says Simone Hennrich, who implements pasta projects for Switzerland and the European market. But one thing is always true: "Quality is the be-all and end-all." The quality of our products is a natural prerequisite for the satisfaction of our customers. So that our vision of "Reaching the top, together" can become reality.



**QUALITY** is our core  
competence





#### Fresh meat

In Switzerland, we process our own meat and offer a full range of products



#### Charcuterie

A broad range of scalded sausages, cured sausages, ham and regional specialities throughout Europe



#### Poultry

Integrated poultry production in Switzerland

**The Bell Group is one of the leading meat processors and processors of convenience products in Europe**



#### Seafood

Biggest fish specialist in Switzerland



#### Convenience

Large-scale provider of fresh convenience products in Switzerland and a focused range of products in Europe

### Locations in Europe



Since

# 1869

Bell has been synonymous with quality, taste and tradition



# Business overview

## Our business

The Bell Group is one of the leading processors of meat and convenience products in Europe and number one in Switzerland. The product range includes meat, poultry, charcuterie, seafood and convenience products such as salads, sandwiches, fresh meals and pasta. Bell's products are sold in more than 20 countries. With the brands Bell, Abraham, ZIMBO, M<sup>o</sup>ssieur Polette and Hilcona, the Bell Group meets a diversity of customer needs. Bell counts the retail and wholesale trade, food service sector and food processing industry among its customers.

### Core markets

In our core market Switzerland, we cover all product groups in the meat, poultry, charcuterie, seafood and convenience segments with our own production facilities. Bell has a completely integrated production process for Swiss poultry and controls the entire value chain, from the egg to the final, ready-to-serve product.

Internationally, we focus on top-quality regional charcuterie products in the air-dried ham, scalded and cured sausage, and convenience product groups.

### Customers and sales channels

Our customers include the retail and wholesale trade, food service sector and food processing industry. As a rule, we supply the food service sector through the wholesale cash and carry and delivery channels. In the Czech Republic, we also service end customers directly through our butcher shops.

## Locations and organisation

---

The Bell Group is present in nine European countries with its **production facilities, logistics platforms, shop-in-shop branches** and **sales branches**

The Bell Group is present in nine European countries with its production facilities, logistics platforms, shop-in-shop branches and sales branches. The 31 production facilities are specialised and focus on a specific range of products. We have independent production facilities for the manufacture of regional charcuterie specialties for the most important designations of origin.

### Regional organisational structure

We are close to our customers everywhere in Europe. The divisional structure of the Bell Group reflects the partition into geographic regions. In addition to the two divisions Bell Switzerland and Bell Germany (including Bell Benelux), the Bell International division comprises the country units in France and Eastern Europe. The Bell Finance/Services division provides services to the entire Group. The Hilcona Group has been consolidated in the Bell Group since 1 May 2015 and is active in the Swiss and EU markets.

### Brand management

We offer a diverse product portfolio serving a diversity of customer needs under the umbrella of the strategic brands Bell, Abraham, ZIMBO, M<sup>o</sup>ssieur Polette and Hilcona. Brand management is aligned to our values: quality, taste, tradition and sustainability. The brands are clearly differentiated and positioned with regard to product groups, geographic presence and distribution channels. We also have much expertise in the manufacture of many different trade brands.

Our core business is safe, top-quality meat and convenience products. With more than 10,000 articles, we offer a wide selection that serves a diversity of customer needs.

#### Distribution of sales by product group in percent

Fresh meat	30 %
Charcuterie international	21 %
Charcuterie Switzerland	16 %
Poultry	13 %
Seafood	5 %
Convenience	13 %
Other	2 %

## Products and product ranges

### Fresh meat

In Switzerland, Bell produces and processes fresh beef, veal, pork and lamb. Our own meat production is supported with targeted purchases of meat ready for processing from suppliers inside and outside Switzerland. We offer a complete range of self-service and over-the-counter products to the retail trade as well as special product ranges specifically developed for major customers in the food service sector and food processing industry.

### Poultry

Bell offers Swiss poultry from its own integrated production in all product ranges. The range is completed with selected poultry specialities from abroad.

### Special meats

We also offer a wide selection of special meats, including venison such as red deer and roe deer, wild boar as well as rabbit and ostrich.

### Charcuterie

Thanks to more than 20 production plants in seven countries, Bell offers a wide range of charcuterie products from its own production. These include scalded sausages, cured sausages, air-dried ham, cured meat products and dried meat. The range also includes a large number of specialities with protected geographical status such as Black Forest ham or Bündnerfleisch.

### Seafood

Bell Seafood is the biggest fish specialist in Switzerland. It sells fresh domestic and imported fish as well as seafood for self-service and over-the-counter sale by the retail trade. Thanks to our own processing facilities, we can also offer seasonal products and products that involve a higher degree of preparation. In addition to top quality, we attach particular importance to the sustainable sourcing of seafood. Bell is a founder member of the WWF Seafood Group.

### Convenience

Hilcona AG with its registered office in Schaan, Liechtenstein is the leading convenience provider in Switzerland. Fresh, frozen and non-perishable fresh convenience products such as fresh meals, pasta, sandwiches, pizzas and fresh salads are prepared at four facilities. In addition to Switzerland, Hilcona is also active in Germany, Austria, France, Poland and Benelux.

## Market position and customers

### Bell Switzerland

The Bell Group has its origins in Basel and is the leading Swiss meat processing company. Bell is the leader or a market determinant in most product groups. In 2015, sales revenue amounted to CHF 1,851 million and sales volumes reached 123,453 tonnes. Our customers include the retail and wholesale trade, food service sector and food processing industry.

### Bell Germany

Bell Germany is the market leader in the air-dried ham segment and a relevant supplier of cured sausages, scalded sausages and meat convenience products. In 2015, sales revenue amounted to CHF 420 million and sales volumes reached 64,016 tonnes. Bell Germany sells the goods produced in the production facilities in Germany, Spain and Belgium to the retail and wholesale trade as well as bulk consumers and the food processing industry in more than 20 countries in Europe. The Bell Benelux sales organisation has been part of the Bell Germany division since 2016.

### Bell International

The activities in France, Poland, Hungary and the Czech Republic were merged under the organisational umbrella of Bell International. In 2015, the division posted sales revenue of CHF 230 million and sales volumes of 35,411 tonnes. Our customers include the whole spectrum from the retail and wholesale trade to bulk consumers and end customers. In **France**, Bell is a relevant supplier of cured sausages and air-dried ham specialities. Several production plants in the Auvergne, Lyon and Savoy manufacture top-quality regional cured sausage and air-dried ham specialities. Bell markets a wide range of its own products and merchandise in various Eastern European countries. Local charcuterie specialities are produced in two plants in **Poland** and in **Hungary**. In the **Czech Republic**, we independently operate more than 90 Novak butcher shops. Another 30 or so butcher shops are managed by franchisees.

### Hilcona

When it comes to fresh convenience products, Hilcona is the market leader in Switzerland and the leader in the market for fresh pasta in Germany and Austria. The convenience specialist has been fully consolidated in the Bell Group since 1 May 2015 and posted sales revenue of CHF 361 million. Hilcona delivers its fresh convenience products to the impulse, retail and wholesale trade as well as the food service sector.

## Our suppliers

For Bell, quality management starts with the selection of the best raw materials. Important criteria for animals include elements such as farming, feeding methods and breed. Bell has defined clear basic rules for the purchase of slaughter animals, meat and fish in corresponding guidelines. The route taken by the meat is fully documented and can be traced all the way from receipt of the raw materials to the individual consumer units. We prefer suppliers who meet our requirements for sustainable business practices.

## Our employees

Some 8,148 employees of the Bell Group make sure that there is a wide range of fresh meat, poultry, charcuterie, seafood products and convenience foods ready to be distributed to the market fresh each day.

### Staff development

For Bell, education and training are important aspects of a responsible staff policy. In the Group, we offer basic training in more than 15 professions, from meat specialist to commercial specialist, from IT specialist to mechatronic specialist. Bell also continuously reviews the possibilities of introducing training courses for additional professions and upgrading our existing training courses. We make sure that every employee is in a position to meet the requirements of the job, and we build on the strengths and interests of our employees. Our talent management concept was developed to identify employee potential and promote this potential with targeted measures geared to employees' needs and their level of responsibility.

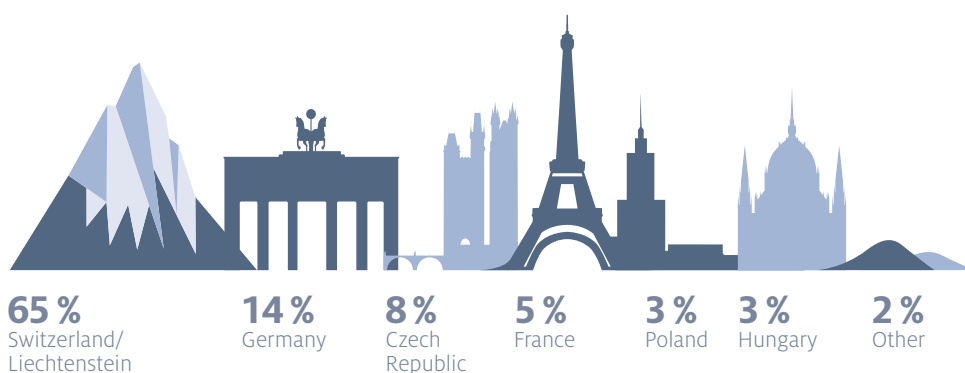
### Dialogue with employees

To maintain the ongoing dialogue, employees have access to a number of contact persons. In addition to the direct line manager, all employees have a contact in the HR department. Some locations also have an employee representation council. Our internal communication tools such as the intranet and employee magazine serve as additional platforms for the promotion of a culture of dialogue.

### Occupational safety

The health and safety of the employees enjoy the highest priority. Safety concepts with regular training courses and safety officers at every plant ensure that these concerns are met, always and everywhere.

### Employees (FTEs) by country



### Employee figures

**8,148**

people work for Bell:  
4,557 in Switzerland,  
3,591 in Europe.

**69**

nations are employed  
by the Bell Group.

**15**

trainee programmes in  
different professions.



## Quality

is our  
core competence

Quality takes  
absolute precedence  
in everything  
that we do.



## Our tradition

makes us rich in experience



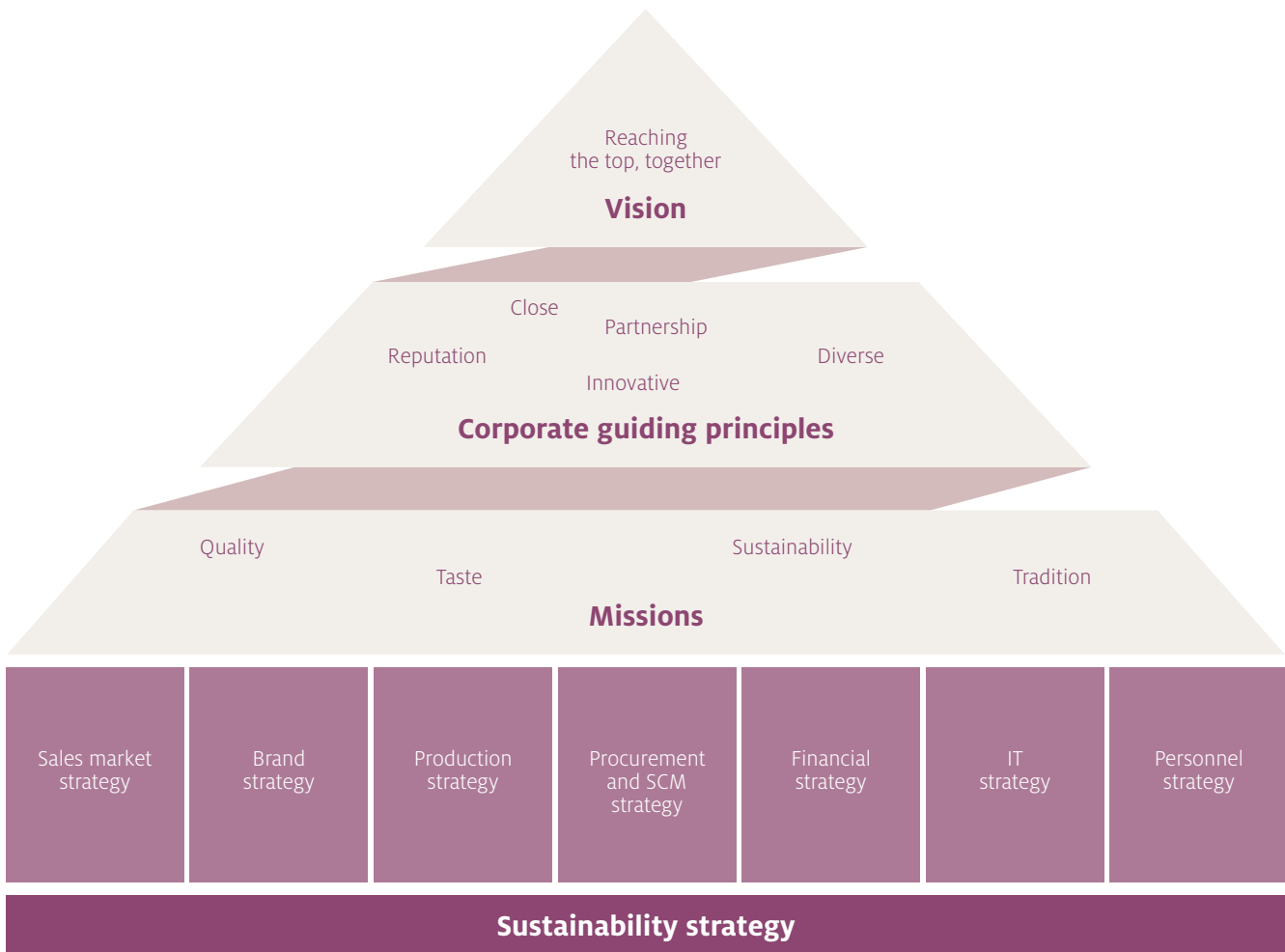
## We stand for sustainable

performance



## Our products offer taste

and a zest for life



# Our strategy

## Reaching the top, together

From its humble roots more than 145 years ago in a small butcher's shop in Basel Old Town, Bell has grown to become a leader in the food processing industry.

When it comes to the achievement of our vision and the specific implementation of our missions, we are guided by the collected rules of conduct that define our binding **corporate guiding principles**. The corporate guiding principles are rounded out by our Code of Conduct ([www.bellfoodgroup.com/codeofconduct](http://www.bellfoodgroup.com/codeofconduct)), the framework for our detailed internal compliance guidelines.

Our strategy is guided by a **vision**. It is called "Reaching the top, together". We want to be the "top" in many respects: with our range of products and services, our skills, our market success and our corporate reputation with our customers, employees, investors, neighbours and everybody who has a stake in Bell. Together with our internal and external partners, we strive towards making our vision a reality in our everyday operations.

Our way to the goal, our vision, is founded on four **missions**, the basic values that guide our entrepreneurial actions. Quality takes absolute precedence in everything that we do. Born from a small butcher's shop in Basel Old Town, we are still building on the tradition of a company founded on a craft profession. With the experience gained in more than 145 years and its focus on continuous development and innovation, Bell has gained a leading position in the market. Eating well gives quality to life; that is why our products offer taste and a zest for life to consumers in large parts of Europe. We are also committed to providing sustainable services in the best interests of our customers, suppliers, employees, shareholders and the public at large. We want to set an example for our industry and assume responsibility.

## Our corporate guiding principles

### Diverse

#### Together we achieve convincing targets

We are players on the international, national, regional and local stages. We build on the individual strengths of our employees and offer them a wealth of development and career progression opportunities.

### Close

#### Together we come closer to one another

We know our customers and speak their language. We take customer concerns seriously and offer round-the-clock services. We ourselves are passionate customers of our company.

### Reputation

#### Together we create added value

We have a reputation for freshness and quality. We are uniquely committed to sustainability in all its dimensions: economic, ecological and social. We set the standards for service and customer guarantees. We communicate proactively and effectively.

### Innovative

#### Together we shape our future

We are initiators and multipliers of new sustainable services. We facilitate effective and fast processes by combining skills and discretionary competence. We inspire the courage to be creative and the will for change. We measure ourselves against the best and pay attention to detail. We use new technologies to design intelligent solutions. We are a learning organisation.

### Partnership

#### Together we create trust

We agree objectives and measures. We act in compliance with defined customer and supplier principles, internally and externally. We find solutions as part of a constructive dialogue. We consistently implement decisions. We lead by example. We act responsibly and in a socially acceptable manner. We reward success.

## What we build on

Our corporate strategies are derived from our vision, corporate guiding principles and missions. These refer to our markets, brands, production, procurement and supply chain management (SCM), finance, information technology and personnel. In view of the growing awareness of sustainability issues in all areas, we have also formulated a sustainability strategy that encompasses all individual areas. As the foundation of our corporate conduct, it forms an integral part of all other strategies and is at the heart of our corporate responsibility (see p. 33 et seq.).



The current portfolio of regionally renowned charcuterie specialities still offers some potential for international marketing.

The **sales market** and **brand strategies** were adopted to serve as a guideline for the development of our product portfolio and marketing programme. The objective of these strategies is to define which product ranges and brands are offered to which customer groups in which geographical markets. We want to consistently align our strategies to market needs and at the same time exploit the opportunities and synergies offered by the Group. For example, the current portfolio of regionally renowned charcuterie specialities still offers some potential for international marketing. The launch of an international charcuterie range under the Bell umbrella brand is planned in several countries for 2016. A new line of snacks will also be launched in the current financial year. The concept was developed by an international project team and adapted to the individual countries by the national sales teams.

### Our strategic brands



#### Bell

One of the leading food brands in Switzerland offering a wide range of meat, poultry, charcuterie and seafood products. The full range of marketing tools is used for brand management: TV, print media, point-of-sale specials, sales promotion, etc. The Bell International brand will be launched in 2016 with a range of specialities and snacks. [www.bell.ch](http://www.bell.ch) and [www.bell1869.com](http://www.bell1869.com)



#### Abraham

Abraham is one of the leading air-dried ham brands in Europe and the market leader for this segment in Germany. The market presence was considerably strengthened by the modern new package design. Abraham's leading position as a specialist for Mediterranean and in particular Spanish air-dried ham specialities was cemented further and supported by the introduction of attractive packaging formats. [www.abraham.de](http://www.abraham.de)



#### ZIMBO

Zimbo is the umbrella brand for charcuterie products with a strong market position in Germany and Eastern Europe. The fresh new packaging with the modernised logo increases its shelf impact. Following the successful launch of the folded packaging, this format was expanded to other product segments, for example, products carrying the animal welfare label of the German Animal Welfare Association that have to meet higher standards regarding animal rearing. [www.zimbo.de](http://www.zimbo.de)



#### Monsieur Polette

This is the umbrella brand for top-quality French cured sausage and ham specialities. The focus falls in particular on regional specialities from Auvergne, Savoy and Lyon. In France, the traditional products Jambon d'Auvergne and Saucisson sec d'Auvergne now have protected geographical indication (PGI) status. This opens up new marketing opportunities in France and abroad for the Monsieur Polette brand. [www.monsieurpolette.fr](http://www.monsieurpolette.fr)



#### Hilcona

The Hilcona brand is known for first-class fresh and natural convenience products of the best quality. With its healthy eaters guarantee, Hilcona assures consumers that additives are not used. The brand offers fresh products and a comprehensive range of services to customers in the retail trade, food service sector and impulse trade. In the EU, the product range focuses on fresh pasta, but in Switzerland Hilcona offers a wide range of fresh products. [www.hilcona.com](http://www.hilcona.com)

In addition to the strategic brands, Bell's brand architecture is supported by the supplementary brands Gastro Star, Hoppe, Novak and Sanchez Alcaraz.

### Production strategy

Our production strategy defines the medium- and long-term infrastructure and production programmes for the 31 Bell production facilities in nine countries. Taking a far-sighted approach, we also plan the future development of our production sites. While working on these plans, synergy potential is identified and conditions for process optimisation and a structured approach to quality management are defined.

In the reporting year, the new charcuterie plant in Cheseaux-sur-Lausanne (CH) was commissioned and the modernisation and expansion of the charcuterie plant in Niepolomice (PL) was finished. In Spain, the starting pistol was fired for the construction of a new production facility for Spanish air-dried ham with the purchase of a suitable plot of land. A dedicated project team for the Swiss sites in Basel and Oensingen is currently working on a substantial investment programme to further develop these facilities. The planning horizon runs from 2016 to 2025. With its plans for new buildings and conversions, Bell is laying the groundwork for improving its already powerful production facilities in Switzerland.

### **Procurement and SCM strategy**

Given the fact that the cost of the materials used for our products represents around 63 percent of revenues and our markets are sometimes very volatile, procurement is of central importance. Procurement is a function critical to corporate success and makes an important contribution to the achievement of the Group's strategic objectives. Measures that enable value-centric purchasing management are defined along three lines of action: cost reduction, risk avoidance and growth support. These include, among others, the introduction of an international lead buyer system for all product groups.

The SCM strategy defined for the whole Group in the reporting year will be adopted in 2016. The objective of the strategy is the continued development of all processes, systems and the organisation itself to meet the demands of a cross-divisional SCM approach that is closely coordinated for all countries. The focus should fall on a holistic and superordinate understanding of costs and the improvement of service and cost transparency. Other core elements of the strategy include the continued development of employee skills and the entrenchment of sustainability aspects in the supply chain management policies of all countries.

### **Financial strategy**

The financial strategy aims to strengthen the targeted application of resources to improve profitability and productive capacity and ensure the company's freedom of action at all times. The financial strategy formulates rules for different topics, including external and internal financing, the management of interest rate risks, liquidity and foreign exchange management, and the payment of dividends. The financial strategy defines key indicators for profitability, financing, liquidity and the balance sheet and regulates their monitoring.

### **IT strategy**

IT at the Bell Group assumes an active role as business enabler and innovation driver. The IT strategy should help to enable competent, solution- and service-focused IT services at all locations of the Bell Group. The lines of action of the IT strategy include the sensible harmonisation of the hardware and software landscape, harmonised processes for the evaluation, procurement, implementation and operation of IT systems and equipment, and clearly regulated IT governance and compliance. Uniform and consolidated IT controlling also enables efficient cost management.

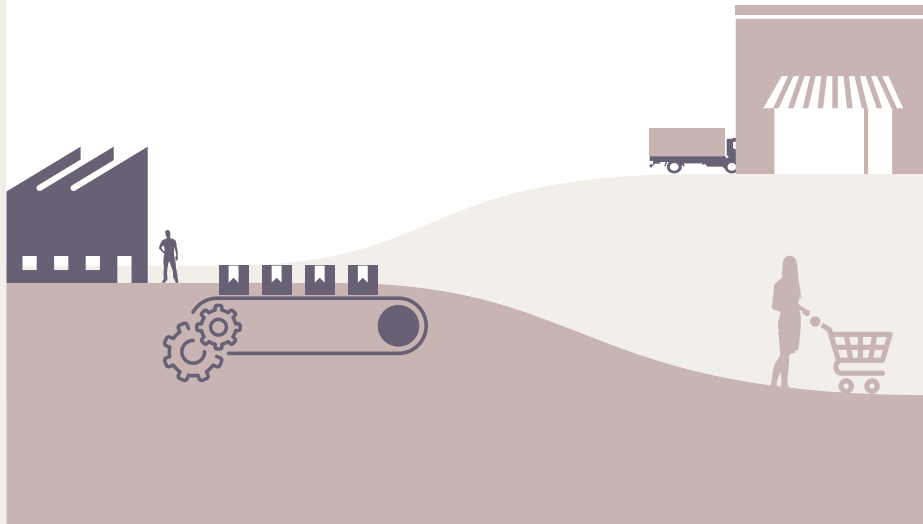
### **Personnel strategy**

8,148 employees from 69 countries work hard every day to prepare top-quality products that give much enjoyment to millions of consumers. The personnel strategy comprehensively analyses the complex situation of our international company. As a responsible employer, we accord a high priority to the recognition and development of the employees. One of the main objectives of our personnel strategy is to ensure that all employees are qualified for a permanent profession. It also formulates the code of conduct and management principles that are binding for all employees and serves as the foundation for our belief that staff interaction should be guided by a spirit of partnership.

## **We are dedicated to improving the employability of our employees through basic training and further education.**

Bell's personnel strategy creates added value for the employees, among others with attractive employment conditions. We are dedicated to improving the employability of our employees through basic training and further education. We want to fill vacancies with suitable internal employees whenever possible; our target for internal appointments to management and key functions is 75 percent. Our talent management process is designed to identify employees with potential, who are supported individually. The personnel strategy is implemented at all the companies of the Bell Group, taking account of national and regional differences and needs.

9 countries  
31 locations  
147 years of tradition  
8,148 employees  
275,308 tonnes of  
sales volumes



Sales revenue

↑ **8.5 %**

Sales growth to CHF 2.82 billion;  
full consolidation of Hilcona,  
currency-driven translation and  
deflation affected sales revenue

Annual profit

↑ **8.0 %**

Rose to CHF 94.8 million; encouraging  
result under the current challenging  
conditions

Investments of around  
CHF 110 million  
made in 2015



Hilcona

When it comes to fresh convenience  
products, Hilcona is the market  
leader in Switzerland and the leader  
in the market for pasta in Germany  
and Austria



Switzerland

Continued strong  
growth for poultry  
and seafood



Germany

Positive development for  
all product groups in spite  
of shrinking markets



International

Further progress for  
earnings situation in  
the divisions

# Situation report

## The groundwork for the future has been laid

In a challenging market environment with many sagging markets, we posted a good performance in 2015. We are on a sound footing in Switzerland and have succeeded in achieving operational progress in our international business. We also focused consistently on the implementation of our strategy.

We will remember the 2015 financial year as an eventful year. The scrapping of the EUR/CHF floor in January 2015 challenged us and currency translation affected the annual financial statements significantly. The already popular shopping tourism was also boosted by the decision of the Swiss National Bank. In May, Bell exercised the agreed option to buy a further two percent of Hilcona AG, increasing its stake as majority shareholder to 51 percent. The consolidation of Hilcona in the Bell Group goes hand in hand with material changes in the balance sheet and the results recognised before and after non-controlling interests. The new production facilities in Cheseaux (Switzerland) and Niepolomice (Poland) were commissioned in summer and autumn. The launch of a substantial investment programme for Switzerland from 2016 to 2025 was announced in December. Another milestone was reached in December with the planned takeover of Huber, the Austrian/German specialist for poultry products. With some 900 employees, this company specialising in top-quality poultry generates annual revenues of more than CHF 320 million. It has a strong market position in Austria and Germany. By the editorial deadline, the acquisition was still subject to the approval of the European Competition Commission.

### Pleasing result for the Bell Group

Sales revenue  
**CHF 2,818 m**  
↑ 8.5 %

Sales volume  
**275,308 t**  
↑ 27.7 %

The Bell Group's sales revenue increased by 8.5 percent to CHF 2.82 billion in 2015. Sales revenue was nominally reduced by currency translation differences of CHF 89 million and deflation of more than CHF 13 million in raw material prices. The first consolidation of Hilcona contributed CHF 361 million to the Group's sales revenue. Sales volumes for the entire Group were 275,308 tonnes (+ 27.7%).

The gross profit exceeded CHF 1 billion for the first time and was up 20.7 percent or CHF 175 million on the previous year (adjusted for currency differences CHF + 204 million). The relative gross profit margin increased from 33.0 percent to 36.9 percent, reflecting the higher added value on fresh convenience products resulting from the full consolidation of Hilcona. The Bell divisions reaped the fruit of the restructuring of their product ranges and the concentration on products with higher added value. In Switzerland, the gross profit margin was on a par with the previous year in spite of more sales promotions.

On the cost side, personnel expenses, adjusted for currency differences, rose by CHF 112 million, mainly because of the consolidation of Hilcona. Volume increases in the other areas were compensated by further efficiency enhancements. Other operating costs, adjusted for currency translation differences and acquisitions, were on a par with the previous year. The effects described above and the operating improvement in the results from international activities resulted in a substantial increase in EBITDA of 19.8 percent or CHF 39 million to CHF 235 million. Bell recognised additional depreciation of CHF 10 million for value adjustments to non-current assets in the 2015 financial year. Adjusted for this additional depreciation, EBIT was CHF 133 million (reported CHF 123 million), which equals growth of CHF 22 million or 19.7 percent.

Financial income was some CHF 6 million less than in the previous year, mainly because of the switch from equity to the full consolidation of Hilcona. The value adjustments on Group loans recognised in 2014 were accepted by the tax authorities. As a result, deferred taxes of CHF 11 million could be reversed through profit and loss and the annual profit increased by 8.0 percent or CHF 7 million. This is an encouraging result in light of the current challenging framework conditions.

Given the good result, the Board of Directors is requesting the General Meeting to approve an increase in the dividend for the 2015 financial year by CHF 5 to CHF 70. With an increase of 38.5 percent in the share price, the Bell share did very well and closed considerably better than the market (SPI + 2.7 percent). The share has posted an average return from price increases and dividends of around 14.6 percent for the last ten years. In consideration of the current price of the Bell share compared to the rest of the Swiss stock market, the Board of Directors is proposing a share split in a ratio of 1 to 10 to the General Meeting. This split should improve the marketability of the Bell share. The nominal value of the share would be reduced from CHF 5 to 50 cents.

### **Solid balance sheet**

Bell exercised the agreed option to purchase a further two percent of Hilcona AG as of 1 May 2015. This makes Bell the majority shareholder with a 51 percent stake and the Hilcona Group has been fully consolidated in Bell's financial statements since 1 May 2015. This means significant changes in the balance sheet and in the results recognised before and after non-controlling interests.

The depreciation of the euro against the Swiss franc reduced our equity nominally by CHF 37 million. The non-controlling interests in equity now come to CHF 89 million. At 52.2 percent, the Bell Group has a very solid equity ratio. The financial liabilities amounted to CHF 469 million as of 31 December 2015. After deduction of the persistently high amount of cash and cash equivalents, the net financial liabilities amount to CHF 275 million, up from the previous year due to the consolidation of Hilcona.

### **Investments to improve productive capacity**

Every year, the Bell Group invests around CHF 100 million in its existing infrastructure. The new production facility in Cheseaux-sur-Lausanne was commissioned in 2015. It replaced the now obsolete plant in Lausanne. Approximately CHF 40 million was invested in this plant designed to handle the efficient manufacture of first-class charcuterie specialities and small product ranges (2014 to 2016). In Poland, the modernisation and expansion of the current facility was finished and the renovated plant was commissioned in autumn of the reporting year. In Spain, a plot of land close to our existing plant was acquired for the construction of a new production facility. The new plant should be commissioned in 2017/2018. This will considerably expand our own production capacity.

As part of its production strategy, the Board of Directors has decided to continue to invest in the existing Swiss facilities. This confirms Bell's explicit commitment to Switzerland as a production location and the processing of Swiss agricultural products. Bell will be laying the groundwork for improving its already powerful production facilities in Switzerland by drawing up a substantial new investment programme for new buildings and conversions between 2016 and 2025. A dedicated project team will work on finalising projects for Basel and Oensingen that will be ready for the decision process in the next two years.

Bell also constantly invests in process optimisation. A "Bell productive management" pilot concept was implemented in the charcuterie plant in Basel. With this concept, the employees can analyse their own processes and actively identify potential for improvement. The test phase was successful and we are working on copying the concept at the other Swiss sites.

In 2015, a total of around CHF 110 million was invested in infrastructure. We expect to invest a similar amount in 2016. The first payments under the Swiss and Spanish investment programmes can already be made in the current financial year. We want to expand our strong market competence in Switzerland in the fresh convenience food segment internationally through acquisitions and targeted investments in existing production facilities.

## **Assessment of risks and market environment**

Bell's business results and development are shaped by important external factors that can only be influenced by the company to a limited extent and therefore also harbour certain risks. Two of these important factors are the prices for raw materials and consumer behaviour.

### **Raw material prices**

The cost of raw materials and supplies accounts for around 63 percent of net earnings. Raw materials make up the biggest share by far. Market prices are highly volatile and can change at short notice due to availability, regulatory market intervention, speculation or short-term changes in consumer habits. The inclusion of inflation in sales prices is difficult, in particular for charcuterie. Fierce competition in the processing and retail segments makes it even more difficult to increase sales prices quickly, while competitive pressure kicks in immediately when raw material prices fall. To secure the procurement of the high-quality raw materials needed for our products, Bell is constantly testing options for binding upstream services to the company more strongly.

Sales revenue  
**CHF 1,851 m**  
↓ 9.1 million   ↓ 0.5 %

Sales volume  
**123,453 t**  
↑ 1,328 t   ↑ 1.1 %

Sales revenue  
**CHF 420 m**  
↓ 69 million   ↓ 14 %

Adjusted for currency differences  
↓ 9 million   ↓ 2.2 %

Sales volume  
**64,016 t**  
↓ 1,449 t   ↓ 2.2 %

### Consumer behaviour

In our markets, consumption largely depends on consumer sentiment and the development of purchasing power. In our core market Switzerland, the EUR/CHF exchange rate not only has a direct impact on the already pronounced shopping tourism, but also on the development of the economy and consumer sentiment. Reports about animal epidemics or food scandals can also have a strong impact on short-term consumption. These fluctuations differ according to country and cultural circles and are difficult to predict. We defend ourselves against such risks by constantly adjusting our product ranges to market needs and placing the greatest emphasis on the quality of our raw materials.

### German Cartel Office proceedings

On 15 July 2014, the German Cartel Office imposed a fine on Bell for around EUR 100 million for alleged illegal price fixing in the years before the acquisition of Abraham and ZIMBO. As Bell does not believe this fine to be justified, either in fact or on the merits, it has filed a timely appeal. The appeals process through different courts will take several years. There were no new developments in this case by the reporting date.

## Division reporting

### Bell Switzerland

The impact of the removal of the EUR/CHF floor is making itself felt in the Swiss market. A number of studies and surveys seem to indicate that shopping tourism has increased by more than 10 percent. Private imports of meat and meat products therefore also increased substantially. According to Bell's estimates, these imports are already worth approximately EUR 500 million, which equals around 15 percent of meat sales in the Swiss retail sector. The entire retail sector and food service market are affected by this shift of consumption to other countries. The meat and meat products segment shrank compared to 2014 because of cross-border shopping tourism and the currency-driven decline in the number of foreign visitors to Switzerland.

However, Bell Switzerland held up well in spite of these difficult circumstances. Sales volumes improved for all product groups. Sales volumes for the retail trade improved thanks to successful sales promotion measures and good seasonal business. Sales to the gastronomy and industrial sectors also increased after we gained market share in this segment through targeted activities. However, expressed in money terms, sales were down by more than 2 percent on the previous year because of deflation in raw material prices. Earnings could be improved through effective cost management and an increase in productivity.

The new charcuterie plant in Cheseaux (VD) was commissioned in summer. The new plant replaces the now obsolete facilities in Lausanne and focuses on the production of specialties. The modernisation and expansion of the poultry facility in Zell (LU) is proceeding according to plan. The introduction of new product concepts is planned for 2016. Combined with exclusive market activities, this will allow us to further expand our position as the strongest meat brand in Switzerland.

### Bell Germany

The German economy remained healthy in 2015 and continues to grow in spite of political uncertainties. This solid situation and the improvement in real earnings are putting consumers in a friendly mood. The market environment in Germany had a positive effect on Bell Germany's earnings, which improved considerably in 2015 despite a slight contraction in sales. The promotion of product ranges with higher added value was successful and remained a focal point together with efficient cost management. Spanish air-dried ham did particularly well and sales improved again in the reporting year.

The rise in employment means that consumers have less available time. Fewer charcuterie products are bought from retail outlets, but consumption outside the home rises and delivery services are used more often. These are some of the reasons why the retail market for sausage products declined again in 2015. Bell Germany is exploiting this trend and has considerably improved its sales to the food service delivery sector.

In autumn, several promising product concepts were introduced at Anuga, the world's largest food and beverage fair, such as new products in the strongly growing snack segment. We are also successfully developing competitive packaging concepts such as scalded sausage and boiled ham platters and folding packaging for cured sausages and air-dried ham. Volume increases are planned for 2016 in the air-dried ham segment, the sausage and convenience segment and the fresh meat trade. Bell Germany sees further opportunities in the consistent exploitation of the potential offered by cooperation within the Group and the distribution of its new product ranges to existing customers.



#### Sales revenue

**CHF 230 m**

↓ 43 million   ↓ 15.7 %

Adjusted for currency differences

↓ 10 million   ↓ 4.2 %

#### Sales volume

**35,411 t**

↑ 3,079 t   ↑ 9.5 %

#### Bell International

Daniel Böhny took over as Head of the Bell International division on 1 November 2015. The performance of the individual organisational sectors of the Bell International division differed. Sales revenue for the division as a whole, adjusted for currency translation differences and the closure of the branches in Slovakia and the Czech Republic, was higher than in the previous year. Sales volumes also posted growth.

In France, the demand for top-quality, air-dried charcuterie products rose in the reporting year. Sales of regional specialities produced from domestic raw materials in particular increased. **Bell France** managed to exploit this trend and improve its sales volumes as well as its sales revenue in local currency. The earnings situation, however, remains unsatisfactory. Measures to improve the operating result were initiated. The Abraham France sales organisation was integrated into Bell France and its former head has taken on the overall leadership of Bell's activities in France. In addition to the organisational changes, a total of CHF 5 million was invested in the infrastructure. The sales side also harbours new potential. The traditional products Jambon d'Auvergne and Saucisson sec d'Auvergne were added to the protected geographical indication (PGI) register. This opens up new marketing opportunities for Bell as an important regional producer.

The Polish market also did well in 2015. In this environment, **Bell Poland** increased its sales volumes and sales revenue, not least because it stepped up its marketing activities. To meet the growing demand, the Polish production facility was expanded in the reporting year, which considerably increased production capacity. The trend towards top-quality food continued in 2015. Bell Poland exploited this trend and successfully launched several first-class charcuterie specialities.

Although the meat market in Hungary showed signs of a recovery in the 2015 financial year, the economic and political climate remains difficult. In this challenging environment, **Bell Hungary** managed to gain market share and improve its sales volumes as well as its sales revenue. This was driven by the focus on product ranges with higher added value and the launch of new products in the retail trade. The focus on first-class products and products with higher added value, new product developments and more efficient production and distribution structures is expected to lead to further improvements in 2016.

The loss of a long-standing business partner in Belgium depressed the sales revenue of the **Bell Benelux** trading company. Increases in sales to existing customers partially cushioned the loss. Sales of products from facilities of the Bell Group increased again in 2015. This objective is being consistently pursued. Bell Benelux was integrated organisationally into the Bell Germany division in 2016.

2015 was a year of radical change for the **Novak shops** in the Czech Republic. Measures were introduced in the first half of 2015 to restore the non-performing shops to their former earning power. In the second half of the year, the new management organisation managed to stop the negative trend and stabilise the earnings at the previous year's level. With a stronger organisation and a new shop concept, a more discerning customer base will be addressed in 2016.

#### Hilcona

Hilcona recorded much progress in Switzerland as well as in Germany and France. The company continued to grow in the Swiss market thanks to successful marketing activities and innovative products. Hilcona further expanded its market position as the leading provider of fresh convenience foods. The export business suffered from the scrapping of the EUR/CHF floor at the beginning of the year and posted a strong, currency-driven decline in sales revenue. Competition in the German market remains very challenging. The food service segment did very well in spite of the weak euro. The Hilcona subsidiary Gastro Star can also look back on a successful financial year. Gastro Star produces and sells fresh leaf salads, prepared salads and ready-cut fruit.

After the conclusion of major construction work at the facilities in Orbe and Schaan, efficiency was considerably improved again. Here, the focus fell on the sustained improvement of the entire value chain. The new competence centre for development and product marketing also contributes to the sustained strengthening of the company's innovative power.

#### Sales revenue

**CHF 361 m**

#### Sales volume

**59,650 t**

## Events after the reporting period

With the planned takeover of the **Huber Group**, Bell is securing its access to the important raw material poultry from the DACH countries and laying the foundation for further **growth in the poultry convenience sector**.

With the planned takeover of the **Eisberg Group**, Hilcona's **competence in the fresh convenience market** is strengthened and further potential for growth is realised.

### Expansion of poultry procurement

Bell plans to completely take over the Huber Group, which specialises in the production of top-quality poultry, in March 2016. Some 900 employees generate annual revenues of more than CHF 320 million. This family company has a strong position in the Austrian and German markets. The Huber Group comprises the Austrian leader in the poultry market, Hubers Landhendl GmbH in Pfaffstätt, Austria, the turkey specialist Süddeutsche Truthahn AG in Ampfing, Germany, as well as a hatchery and a logistics company in Austria. By the editorial deadline, the acquisition was still subject to the approval of the European Competition Commission.

Like Bell in Switzerland, the Huber Group applies an integrated production model with more than 400 partner fatteners. The Huber Group already provides Bell with poultry for the Swiss market from plants that meet at least the standards of the Swiss Animal Welfare Act.

Demand for top-quality poultry products is constantly growing. Raw material availability is playing an ever more important role for convenience and charcuterie products in particular. With the takeover of the Huber Group, Bell is securing its access to the important raw material poultry from the DACH countries and laying the foundation for further growth in the poultry convenience sector. Thanks to the acquisition, the Bell Group can also enter the Austrian and German markets with a new product group. By selling to Bell, the Huber Group guarantees the continuity of its business model. As a member of the Bell Group, Huber will also have new opportunities for growth and access to new sales channels. Bell intends for the Huber Group to continue as an independent company under its proven management team.

### Expansion in the convenience salad product segment

The planned full takeover of the Eisberg Group was announced at the beginning of February 2016. By the editorial deadline, the acquisition was still subject to the approval of the Swiss Competition Commission.

The Eisberg Group is a successful company with a strong market position in the countries where it operates. Some 400 employees generate annual revenues of around CHF 55 million. The Eisberg Group specialises in the preparation of prepared salads and salad components. With production facilities in Switzerland (Dänikon/AG), Poland, Hungary and Romania and a purchasing office in Spain, the Group's customers include the food retail and food service sectors. Organisationally and strategically, the acquisition is part of the Hilcona Group.

For the Bell Group, the takeover of the Eisberg Group means the strengthening of its own convenience salad segment with Gastro Star. The acquisition will help to solve capacity bottlenecks in Switzerland. Internationally, further growth potential can be exploited with Hilcona's competence in the fresh convenience segment.

## Outlook for 2016

The smooth integration of the acquisitions of the Huber and Eisberg Groups remains a focal point in the current financial year. We will handle the upcoming major investments in Switzerland and Spain with our own dedicated project teams.

We expect conditions to remain challenging in 2016. Raw material prices are likely to be higher and competition fiercer. The Bell Group will continue to focus on its strategic ambitions. The restructuring of the product ranges and the promotion of products with higher added value will be continued. We want to differentiate ourselves from our competitors with our productive capacity and our innovative, sustainable products. Finally, optimisation of the organisational structure and processes and the exploitation of synergies should lead to operational progress. We are confident that we will further expand our position in Switzerland and improve the revenue and earnings situation in the international markets.

The **quality of the products** is the foundation for our business success and a prerequisite for the **satisfaction of our customers**



#### Sustainable fishing methods

Bell is a founder member of the WWF Seafood Group and sets high standards for the procurement of seafood



Total energy consumption  
**383 GWh**



Total volume of waste  
**39,000 t**



CO<sub>2</sub> emissions through energy  
**60,300 t**

CO<sub>2</sub> emissions by transport  
**48,500 t**



Total water consumption  
**4,050,000 m<sup>3</sup>**

Because data for the whole Group was collected for the first time and Hilcona was included in the consolidation for the first time, the data cannot be compared to the previous year.

Training in

**15**

different professions

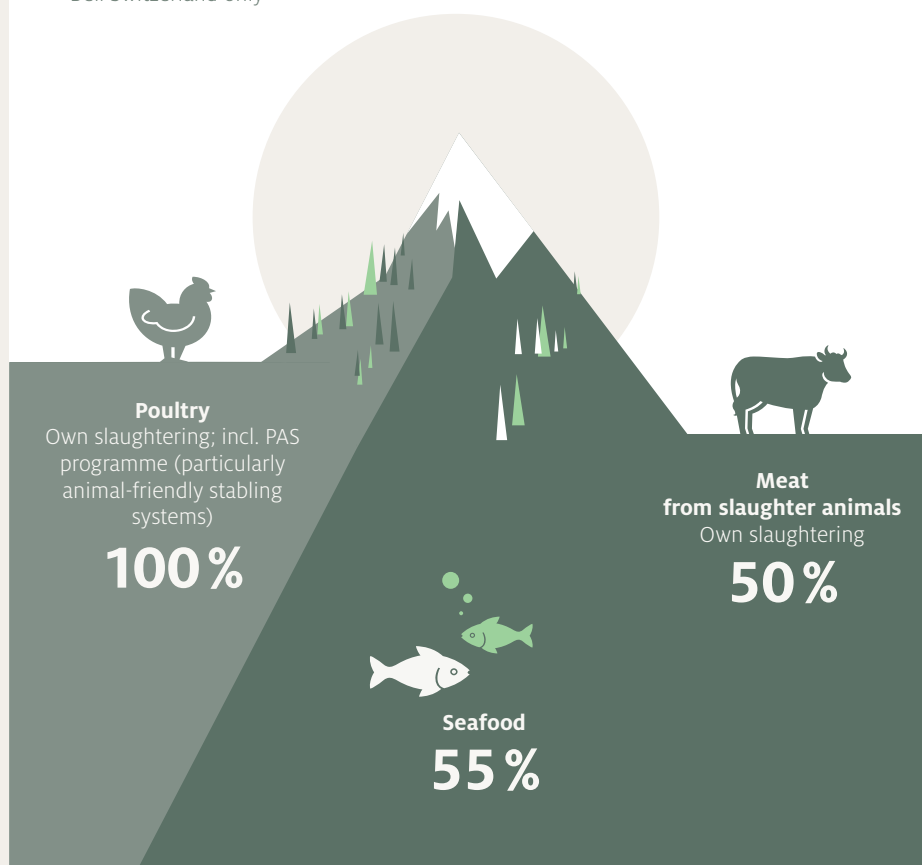


#### Animal welfare

By 2023, we aim to have a minimum animal welfare standard for all Group products that is better than the statutory standards in the individual countries

## Share of raw material extraction from sustainable labels

Bell Switzerland only



# Corporate responsibility

It is our corporate responsibility to secure the long-term success of Bell. For us as a leading meat processing company in Europe, this not only applies to the quality of our products. It is also the foundation for our business success and naturally also a prerequisite for the satisfaction of our customers. To be successful in the long term, we have to gain the acceptance of all social groups who have a stake in Bell. This means that we have to responsibly design the entire value chain, from the conditions in which the animals we process are kept and our slaughter and production processes to the employment conditions of our staff, the efficient husbanding of resources and the way in which we interact with our environment and everybody who is interested in our work, whether well meaning or critical.

By actively accepting and shaping our corporate responsibility, we not only ensure acceptance of our activities, but can distinguish ourselves in the market and gain long-term competitive advantages. Minimum standards that apply for all products of the Bell Group are just as important as the creation of added value for the consumer.

Our corporate responsibility is based on our sustainability strategy, which supports all our actions. It covers all the relevant fields of action and topics as well as the organisational framework conditions for implementation and control. Our sustainability strategy divides our responsibilities into three fields of action: our product responsibility, our responsibility for resource efficiency and climate protection, and our responsibility as an employer and towards society.

Incorporating new findings, we are further developing the strategy for 2016 and determining the topics that are highly relevant to Bell – social, economic and ecological. We take account of social developments as well as legislative requirements and derive our projects from our strategy.

## Our product responsibility

### Relevant topics

- Animal welfare
- Critical additives/ingredients
- Rejection of genetically modified organisms
- Climate relevance of meat/soya consumption
- Feed no food
- Use of medication, antibiotics and multiresistant germs
- Sustainable fishing methods
- Sustainable aquaculture
- Social procurement criteria

Animal welfare has the highest priority when it comes to our reputation as a manufacturer of meat and meat products. In Switzerland, where we slaughter and cut our own meat, Bell sold a relatively high share of meat certified to be from particularly animal-friendly farms. This is mainly because of widespread acceptance across the entire value chain and the high purchasing power of the people in the country. Outside Switzerland, consumers are also becoming more aware of this topic. In Germany, Bell sold products certified by the German Animal Welfare Association for the first time. As a member of the advisory board on labels of the German Animal Welfare Association, Bell Germany is committed to improved animal welfare. We specifically used beef from the Baltic Grassland Beef programme (organic suckler cow husbandry) and poultry raw materials from the international PAS programme (particularly animal-friendly stabling) for the launch of a new product group in the German, French, Benelux and Swiss markets.

In the long term, i.e. by 2023, we aim to have a minimum animal welfare standard for all Group products. From this year, we will only use sustainably farmed soya for poultry fattening. The organic chickens are fed entirely on soya from the Danube Soya project. Danube Soya is top-quality, GMO-free, source-identified soya from the Danube region and is a sustainable alternative to the conventional soya grown in South America.

The dual purpose poultry project was continued in 2015. With this project, roosters and hens of the same chicken breed are used to produce organic meat as well as organic eggs – the roosters as broilers and the hens as laying hens. Progress was also made with poultry imports in 2015. The turkey imported from Germany all came from farms that meet the Swiss standards for animal welfare. The PAS standard will be implemented in 2016.

We continue to promote sustainable fishing. Ninety-eight percent of Bell Seafood's products meet the WWF criteria for sustainable fishing. The share of sustainable labels (ASC, MSC, Bio-Suisse-Knospe) increased from 50 to 53 percent in the reporting year. The objective for this year is to further increase the share of these labels. The partnership project with the WWF promoting the sustainable fishing of yellow fin tuna received the 2015 Environmental Leadership Award of WWF Philippines. This year, Bell Seafood is also including fish from the Azores sustainably fished with hand lines in its product range.



## Our responsibility for resource efficiency and climate protection

### Relevant topics

Energy consumption  
Water consumption  
Fuel consumption / CO<sub>2</sub>  
Waste / recycling  
Packaging

These projects aim to provide a dual benefit by reducing costs while improving our environmental record. We have defined the key parameters and established the necessary monitoring system. For Switzerland, we have already defined specific reduction targets. By 2023, we want to reduce energy consumption by one percent, heat consumption by two percent and water consumption by one percent per year in the Swiss production plants. We have started a joint project with the Bern University of Applied Sciences to reduce energy consumption and CO<sub>2</sub> emissions in poultry fattening facilities by around eight percent by 2020. The Group-wide recording of waste volumes has started and provided detailed figures for all locations for the first time in the reporting year. Specific targets for reducing waste and increasing the share of recycling have been defined for this year.

Proper refrigeration and heat recovery are very important for resource efficiency in our production plants. Modern new cooling systems using recovered heat were installed at our plant in Edewecht and our new factory in Poland. The old two-tier cooling system at our poultry factory in Zell will also be replaced by a modern meat ageing refrigeration system in the new building. The new plant will be commissioned in May 2016. Rational refrigeration and cutting processes speed up the flow of goods by up to two days so that customers benefit from fresher goods.

## Our responsibility as an employer and towards society

### Relevant topics

Bell as a reliable employer  
Bell as an attractive employer  
Bell as promoter and enabler  
Social engagement

### Responsible employer

As sustainability begins with the recognition and development of employees, we will apply for a quality label this year that confirms our commitment to being an excellent employer. The TOP concept was successfully implemented at the charcuterie plant in Basel in the reporting year. TOP aims to improve efficiency and productivity at the workplace by involving all employees. The plan is to implement TOP at all Swiss locations in 2016. An employee survey to evaluate the needs of employees was also carried out in 2015. The results were encouraging for criteria such as team cohesion and work content, but other topics can do with some improvement. Measures to further improve employee satisfaction will be derived from these results in 2016.

Programmes to promote health and safety at the workplace were also implemented in the reporting year. These include ergonomic workplace analyses and information on health-relevant topics such as allergies and flu viruses. Guidelines for a Group-wide safety concept were drawn up to serve as the basis for implementing comparable safety standards in all countries. Implementation in Switzerland is planned for 2016. Other countries will follow one by one.

Bell's employees have a wealth of sector-specific know-how. In order to retain and expand this know-how, Bell systematically promotes its employees. As part of the career promotion programme, every vacancy is reviewed to see if it can be filled with an internal candidate. In 2015, the first measures to improve our employer marketing in Switzerland were implemented. The "We are Bell" brochure sets out the framework conditions for employer marketing. All new employees also receive a gift to welcome them on board. Adaptation for the whole Bell Group and the implementation of further measures are planned for 2016. Exchanges among the apprentices at the different locations of the Bell Group were furthered by mutual visits and a joint apprentice event.

#### Breakdown by activity

Production/ near-production functions	77 %
Sales/marketing *	13 %
Administration	10 %

\* without sales employees at Novak branches

#### Bell Group employees

	2015	2014
<b>Number of employees</b>		
Average number of employees expressed as full-time equivalents <sup>1</sup>	8 364	6 548
Number of employees as of 31 December in persons	8 148	6 299
<b>Number of employees by division as of 31 December</b>		
Switzerland	3 419	3 369
Germany	1 191	1 195
International	1 607	1 735
Hilcona	1 931	–
Share of full-time employees	82 %	80 %
Share of part-time employees	18 %	20 %
Share of men	60 %	60 %
Share of women	40 %	40 %
Share of women in management	22 %	22 %
Number of nationalities	69	72
<b>Age structure</b>		
up to 29 years	20 %	20 %
30 – 49 years	55 %	55 %
aged 50 and over	25 %	25 %
<b>Education and training</b>		
Trainees	102	77
Number of training days	11 917	6 095

<sup>1</sup> The average number of employees (FTEs) for the Hilcona Group refers to the full 2015 financial year.  
The average number of employees (FTEs) for the period from May to December 2015 was 1,306.  
Temporary employees are included in the FTE calculation.

#### Food waste

A number of studies have shown that, in affluent countries, around one-third of food ends up in waste bins in private households. Consumers also often buy mostly prime cuts or minute steaks, chicken breasts or ham, while meat with longer cooking times, chicken thighs and wings or sausages are less popular. A programme to educate consumers about using and preparing all parts of the animal is currently being developed. This should enhance the pleasure of eating meat and reduce the waste of meat and meat products.

## Sustainability organisation

The sustainability strategy is adopted by the Board of Directors. The Group and division management teams are responsible for its implementation. On their instructions, the new cross-divisional specialist unit for quality management, sustainability and animal production plays a functional and advisory role. The sustainability team was enlarged in the reporting year. The objective for the coming year is to establish a comprehensive, Group-wide system of sustainability monitoring and to selectively implement projects to improve resource efficiency, sustainable production and employee satisfaction.

## Sustainability communication

The topic of sustainability should be approached systematically on three levels. It must be a central component of the internal and external corporate communication policies. We also have to establish a regular dialogue with the important stakeholders in all our markets. In the final instance, we want to integrate the value added to our products by our sustainability projects into our brand communication.

# Contacts & publishing details



Online

[www.bellfoodgroup.com/report-en](http://www.bellfoodgroup.com/report-en)

## Latest news

Additional information on the annual report and up-to-date information on the Bell Group is available on the internet at [www.bellfoodgroup.com](http://www.bellfoodgroup.com).

## Contacts

### Headquarters

Bell Ltd • Elsässerstrasse 174 • 4056 Basel • Switzerland  
Tel. +41 58 326 2000 • Fax +41 58 326 2100  
[info@bellfoodgroup.com](mailto:info@bellfoodgroup.com) • [www.bellfoodgroup.com](http://www.bellfoodgroup.com)

### Share register

Bell Ltd • Elsässerstrasse 174 • 4056 Basel • Switzerland  
Tel. +41 58 326 2020 • Fax +41 58 326 2119  
[share.registry@bellfoodgroup.com](mailto:share.registry@bellfoodgroup.com)

### Compliance

Michael Gloor • Chief Compliance Officer  
Bell Ltd • Elsässerstrasse 174 • 4056 Basel • Switzerland  
Tel. +41 58 326 2754 • Fax +41 58 326 2100  
[michael.gloor@bellfoodgroup.com](mailto:michael.gloor@bellfoodgroup.com)  
[www.bellfoodgroup.com](http://www.bellfoodgroup.com)

### Corporate Communication

Bell Ltd • Elsässerstrasse 174 • 4056 Basel • Switzerland  
Tel. +41 58 326 3030 • Fax +41 58 326 2114  
[media@bellfoodgroup.com](mailto:media@bellfoodgroup.com)

### Bell Switzerland

Bell Schweiz AG  
Elsässerstrasse 174 • 4056 Basel • Switzerland  
Tel. +41 58 326 2626 • Fax +41 58 326 2100  
[info@bellfoodgroup.com](mailto:info@bellfoodgroup.com) • [www.bellfoodgroup.com](http://www.bellfoodgroup.com)

### Bell Germany

Bell Deutschland Holding GmbH  
Brookdamm 21 • 21217 Seevetal • Germany  
Tel. +49 40 768005 0 • Fax +49 40 768005 30 1  
[info.de@bellfoodgroup.com](mailto:info.de@bellfoodgroup.com) • [www.bellfoodgroup.com](http://www.bellfoodgroup.com)

Bell Benelux Holding N.V.  
Z.3 Doornveld 70 • 1731 Zellik • Belgium  
Tel. +32 2 4816 676 • Fax +32 2 4816 679  
[info.be@bellfoodgroup.com](mailto:info.be@bellfoodgroup.com) • [www.bellfoodgroup.com](http://www.bellfoodgroup.com)

### Bell International

Bell France Holding SAS  
Champ Saint-Pierre • 63460 Teilhède • France  
Tel. +33 473 64 3131 • Fax +33 473 64 3140  
[info.fr@bellfoodgroup.com](mailto:info.fr@bellfoodgroup.com) • [www.bellfoodgroup.com](http://www.bellfoodgroup.com)

Bell Polska Sp. z o.o.  
Ul. Mokra 11 • 32-005 Niepolomice • Poland  
Tel. +48 12 28100 34 • Fax +48 12 2812103  
[info.pl@bellfoodgroup.com](mailto:info.pl@bellfoodgroup.com) • [www.bellfoodgroup.com](http://www.bellfoodgroup.com)

ZIMBO Perbál Húsipari Termelő Kft.  
Ipari Park 5 • 2074 Perbál • Hungary  
Tel. +36 26 570 500 • Fax +36 26 570 021  
[info.hu@bellfoodgroup.com](mailto:info.hu@bellfoodgroup.com) • [www.bellfoodgroup.com](http://www.bellfoodgroup.com)

ZIMBO Czechia s.r.o.  
Na Zátorách 8 • 170 00 Praha 7, Holesovice • Czech Republic  
Tel. +420 266 712048 • Fax +420 266 712047  
[info.cz@bellfoodgroup.com](mailto:info.cz@bellfoodgroup.com) • [www.bellfoodgroup.com](http://www.bellfoodgroup.com)

### Hilcona

Hilcona AG • Bendererstrasse 21 • 9494 Schaan  
Principality of Liechtenstein  
Tel. +41 58 895 9595 • Fax +423 232 02 85  
[info@hilcona.com](mailto:info@hilcona.com)

### Brand websites

[www.bell.ch](http://www.bell.ch)  
[www.bell1869.com](http://www.bell1869.com)  
[www.zimbo.de](http://www.zimbo.de)  
[www.abraham.de](http://www.abraham.de)  
[www.monsieurpolette.fr](http://www.monsieurpolette.fr)  
[www.hilcona.com](http://www.hilcona.com)

## Publishing details

### General information

The language in this report is as far as possible gender neutral, but in the interest of readability only the masculine form may have been used. All terms used refer to people of both genders.

All amounts have been rounded individually.

### Print deadline

02.02.2016

### Forward-looking statements

The annual report includes certain forward-looking statements. These statements are based on assumptions and estimates as well as information available to Bell on the editorial deadline, which means that actual results and events could deviate substantially from the expectations included or implied in the forward-looking statements.

Our annual report is published in German, together with French and English translations. The printed German version shall prevail at all times. Additional printed copies of the annual report are available at our head office or can be ordered via the internet.

It can be downloaded from our website at:

– German version:  
[www.bellfoodgroup.com/report-de](http://www.bellfoodgroup.com/report-de)

– French version:  
[www.bellfoodgroup.com/report-fr](http://www.bellfoodgroup.com/report-fr)

– English version:  
[www.bellfoodgroup.com/report-en](http://www.bellfoodgroup.com/report-en)

### Published and produced by

Bell Ltd  
Elsässerstrasse 174  
4056 Basel  
Switzerland

Davide Elia, Bell Ltd,  
Head of Marketing / Communication

Fabian Vetsch, Bell Ltd,  
Project Manager Corporate Communication

### Concept, design

Phorbis Communications AG

### Photos

Philipp Jeker, Zurich  
Eugen Leu & Partner AG, Riehen

### Printing

Werner Druck & Medien AG, Basel





Bell Ltd • Elsässerstrasse 174 • 4056 Basel • Switzerland  
Tel. +41 58 326 2000 • Fax +41 58 326 2100  
[info@bellfoodgroup.com](mailto:info@bellfoodgroup.com)

[www.bellfoodgroup.com](http://www.bellfoodgroup.com)

