

# Groupe Grimaud Report to the United Nations Global Compact:

Updated December 2012

## - Contents -

- Groupe Grimaud Chairman's Commitment p. 2
- The development of Global Compact principles within Groupe Grimaud p. 3
  - 1. With internal teams p. 4
  - 2. In continual improvement p. 10
  - 3. In Quality – Safety - Environment policy development p. 11
- Summary of the key actions that boosted in 2011-2012 Groupe Grimaud's Global Compact commitment p. 63

# The Chairman's undertaking to support Global Compact:

Groupe Grimaud is committed to corporate world citizenship, with industrial and research facilities located in 9 countries, and marketing products and services to around one hundred countries in all.

The story of our company is a human adventure in which People are placed firmly at the centre of our concerns, in a Win-Win relationship where the company grows through the fulfilment of individuals.

It goes without saying that although we don't live in a perfect world - the crisis-stricken economic environment being difficult, demanding, and sometimes aggressive - we have no doubt that enterprise remains an excellent tool for development, in the broadest sense of the term.

Our commitment to Global Compact is in keeping with our principles of continual improvement, the sustainable development of our corporate objectives, and taking into account the fundamental values in which we believe and to which I am personally committed - both within the company and in our dealings with our partners.

This year Groupe Grimaud launched the "Natural Concept", original perspective to focus on the importance of our activities and to share an innovative view to face the challenge of feeding the world.

Together with my team, I now invite you to discover, within these pages, Groupe Grimaud and its fundamental values.

Have a good read !

Frédéric Grimaud

*December 2012*

# The development of Global Compact principles within Groupe Grimaud

## 1. With internal teams:

*Because “a champion alone cannot go far”, we are particularly attached to our Group’s Human Resources Management.*

- **Recruitment:**

- At all levels of the Group, the line manager is responsible for the recruitment of team members. In other words, the human resources department offers technical support - particularly in terms of regulatory aspects - but does not stand in for managers in the choice of employees. Beyond the minimum technical skills required, our main concern is the constitution of well-matched teams sharing a system of harmonious values. In 2012 the Group acquired almost 147 new team members.
- There is of course no question of using child and/or adolescent labour below the minimum legal working age (nor of systematically having teams work beyond legal working hours).
- Considering its international organisation, the Group employs team members from many countries. Nevertheless, a local manager has been chosen to head each subsidiary, in order to seamlessly integrate the subtle cultural details that are essential to the smooth operation of both the teams and the organisation.
- Within the Group, the Male/Female ratio is almost 50/50 and the accent is on increasing female representation in posts - as much from an ergonomic point of view as in terms of flexible working hours. There is no doubt that this mixed environment encourages the development of creativity and balance within the company.
- Lastly, wherever possible, we choose internal promotion over external recruitment; this is an excellent generator of motivation. In 2011-2012, around 20 employees were thus able to develop their responsibilities within the Group.



## 1. With internal teams:

- Training:

*This is a major issue, in terms of both company performance and individual fulfilment - two criteria which are intimately linked.*

- Each year the Group invests more than twice the legal minimum in training.
- Initially revolving around technical post-related objectives around 800 people participated to individual or collective training sessions
- Each training course is part of an overall plan, and the subject of a specific evaluation.

## 1. With internal teams:

- Delegation:

*This is a true company value - supporting each person's undertaking to carry out the delegated task as though it was for him or herself.*

- Delegation begins at the level of the Group's strategic thinking. The Strategic Orientation Committee (SOC) meets quarterly. It is made up of company managers and the main people responsible for transversal services. The 5-year project is formulated and shared at this level.
- With his or her own team, each manager then autonomously transforms the Group's 5-year project into annual priorities for the company for which he or she is responsible with his or her Steering Committee (SC).
- Simple and practical steering tools have been developed within the Group, to enable efficient management at both group and individual levels. In concrete terms, this is a matter of:
  - electronic-format meeting invitations and minutes, allowing us to implement precise monitoring of all decisions without the possibility of any being 'forgotten' or neglected
  - face-to-face intercalary meetings between general managers and their operational managers, systematically taking place between 2 SCs
  - 5 systematic management charts: commercial – production – quality - human resources - economic
  - annual evaluation meetings with all team members
- The right to make a mistake is one of the values promoted within the Group to stimulate - and above all to enable - initiative and innovation.
- We support the stimulation of proactivity, both through formal means and by making time available to employees, within their working hours. This takes the form of:
  - an Economic Proposals Group (EPG) – this is a fixed-term transversal working group, which has a precise working method, and whose task is to suggest improvements which will generate performance. In 2011-12, 7 EPG worked on different items such as management of ergonomics, optimization of the logistics and administrative efficiency.
  - 'Progress Proposal Sheets' are also available to all employees. The General Direction always gives answer to these "sheets".

## 1. With internal teams:

- **Information:**

*Transparency in terms of information encourages people to initially subscribe to - and remain committed to - the Group project in the long term.*

- A convention is organised every year, at which a large part of the Group's workforce is present. In 2012, more than 500 employees from all over the world attended it. This is a special event, at which the results for the last financial year are presented, and the corporate objectives re-examined. At the end of this convention, a mini-booklet is personally handed to all of the Group's team members, summing up the essential points of the updated corporate objectives.
- A 'Quarterly Meeting' is organised every 3 months at the Group's main sites. This is an 'informal' taking of stock, hosted by the company's GM and if possible the Chairman of the Group, usually followed by a light meal. Each person is then able to express themselves, free of hierarchical barriers. In 2012, around 20 'Quarterly Meeting' were held on different sites.
- A 'Newsletter' is published once per semester and distributed to all employees.
- We have also implemented 'Tigrou' – a Group tele-information system relaying important live information (on screens) about the life of our companies. In addition, on the main production sites, it displays charts monitoring, for example, accidents at work, customer satisfaction levels and printed paper.
- The fact that the Group has signed up to Global Compact has been broadly relayed in the companies, both through the Group newsletter and through a poster campaign.
- The open door policy is also broadly developed within the Group. In concrete terms, in order to remove partitions from offices whilst preserving a minimum level of privacy, doors are openwork, and large windows ensure the transparency of premises whilst respecting 'private' work spaces.
- Labour relationships are also constructed through ongoing exchange and dialogue with bodies representing employees: personnel delegates, Works Committees, Trade Unions and Health, Safety and Working Conditions Committees. Annual pay negotiations are carried out in consultation with personnel representatives and Trade Unions. In these organisations, votes systematically take the form of secret ballots.
- In 2011, we renewed the 'internal social satisfaction barometer'. This is a bi-annual survey which is anonymously completed by all employees, to assess their perception of the company and its management. Initiated in 2009, the first barometer obtained a 50% rate of answers. Two areas of progress were particularly worked in 2010: the training of middle management and the communication on opportunities of internal promotion.

## 1. With internal teams:

- **Rewarding success:**

10 *'Well-dones' for every reproach !*

- Success, and above all its acknowledgement, fuel motivation: within the Group, no day should pass without a manager having congratulated or thanked his or her team members for the quality of their work and the contribution they make. Being attentive to success, and creating a dynamic of trust and motivation, is a vital aspect of behaviour. This positive aspect also guarantees the credibility of the manager when he or she has to correct any drift or errors.

## 1. With internal teams:

- **Sharing success:**

*Our Group distributes more than one quarter of pre-tax current income to employees before anything goes to shareholders !*

A diverse range of financial reward systems is used:

- Bonus related to objectives, performance and efficiency,
- Obligatory and Optional Profit-Sharing, mainly on an egalitarian basis rather than proportional to salary. In France, in 2012, based on 2011 results, we distribute 1.148.406 € for Obligatory and Optional Profit-Sharing.
- Results Bonus, proportional to the earnings before tax and interest of the company for which they are responsible, for managers,
- Stock Options Group members of the Strategic Orientation Committee.

## 2. In continual improvement:

*Today's record should be tomorrow's baseline!*

- **Rationalizing and standardizing best practice:**
  - Observing our best practice is quite simply a matter of regularly taking a close look at how we work, and making sure it evolves positively against force of habit.
- **Producing at lowest cost:**
  - Although we have only limited control over our retail prices - which are mainly dictated by market conditions - we do have control of our cost prices. So it's up to us to make the gap between these two variables as wide as possible – this is essential to our economic effectiveness.
  - We therefore have summary charts which allow us to continuously track our production performance. These charts – just like the quality charts – are permanently displayed on the production sites. They are, of course, shared with employees - as well as with many visitors.

### 3. In the development of the quality, safety, environment policy: *A commitment to resources implemented with determination and rigorousness!*

- **Looking after employee safety**

- The accidents at work chart is displayed via ‘Tigrou’ (decentralized electronic information), or in paper format, on all production sites, with a ‘longest incident-free period’ challenge. For us, this is a major issue to be taken into account by all employees.
- A Health, Safety and Working Conditions Committee operates in every company, under the leadership of the General Manager.

- **Making sure our products and services are safe**

- The Group’s analysis laboratories meet ‘COFRAC’ (French Accreditation Committee) standards. More than 70,000 control analyses are carried out every year, enabling us to ensure the sanitary safety of products. This guarantee of resources is totally transparent with regard to customers who, in the event of any health risk, are given preventive information and can therefore refuse the batch in question.
- Within our biotech activities, the development of vaccines is carried out in facilities meeting world standard ‘GMP’.
- All these technical resources are piloted in compliance with standardized procedures, constituting the best possible safety pledge for our customers. Groupe Grimaud has been ISO 9001 certified on 16 industrial sites since 1995.
- The Group also produces its own auto-vaccines – a biological solution to fighting bacterial pathologies. In this way, use of antibiotics as a preventive measure is forbidden, being exclusively reserved for therapeutic treatment in the event of contamination in spite of the vaccinations. This approach allows us to considerably limit instances of antibiotic resistance.
- Within the context of this preventive approach, and relying more on biology than on chemistry, the Group is also developing new approaches to hygiene based on bio-films, a concept which is explained on the next page.

## ...3. In the development of the quality, safety, environment policy

- **To welcome people with disabilities**

- In 2012 a particular action has been initiated with employees based on our headquarter for the integration of disabled workers. On the one hand, a multi-year work in close collaboration with ESAT has the mainstreaming of two employees recognized as disabled workers. An employee has been designated "Referent Disabled Worker," with a mission to accompany, assist, inform, guide disabled workers within their careers and ensure their successful integration into teams and continued employment.  
On the other hand, to go beyond the answer to a legal obligation, and implement policy objectives with sustainable prevention (to improve working conditions and job retention ) and the inclusion of disability in the company, a Working Group was established. Accompanied by a firm HR, the group initiated its work by distributing a questionnaire that measured the level of awareness and sensitivity of each employee on this subject.

- **To prevent the risk of physical disorders related to professional activities**

- 2 years are betting available employees based in Roussay free Shiatsu sessions in the context of well-being at work and preventing the risk of musculoskeletal disorders. More than 100 people attended regularly. Meanwhile the short warm-up sessions are initiated at the sites of production before the start of work.



### ...3. In the development of the Quality, Safety, Environment policy:

- In 2012 Groupe Grimaud launched the “Natural Concept”





# Natural Concept

*Biology at the heart of  
sustainable development...*

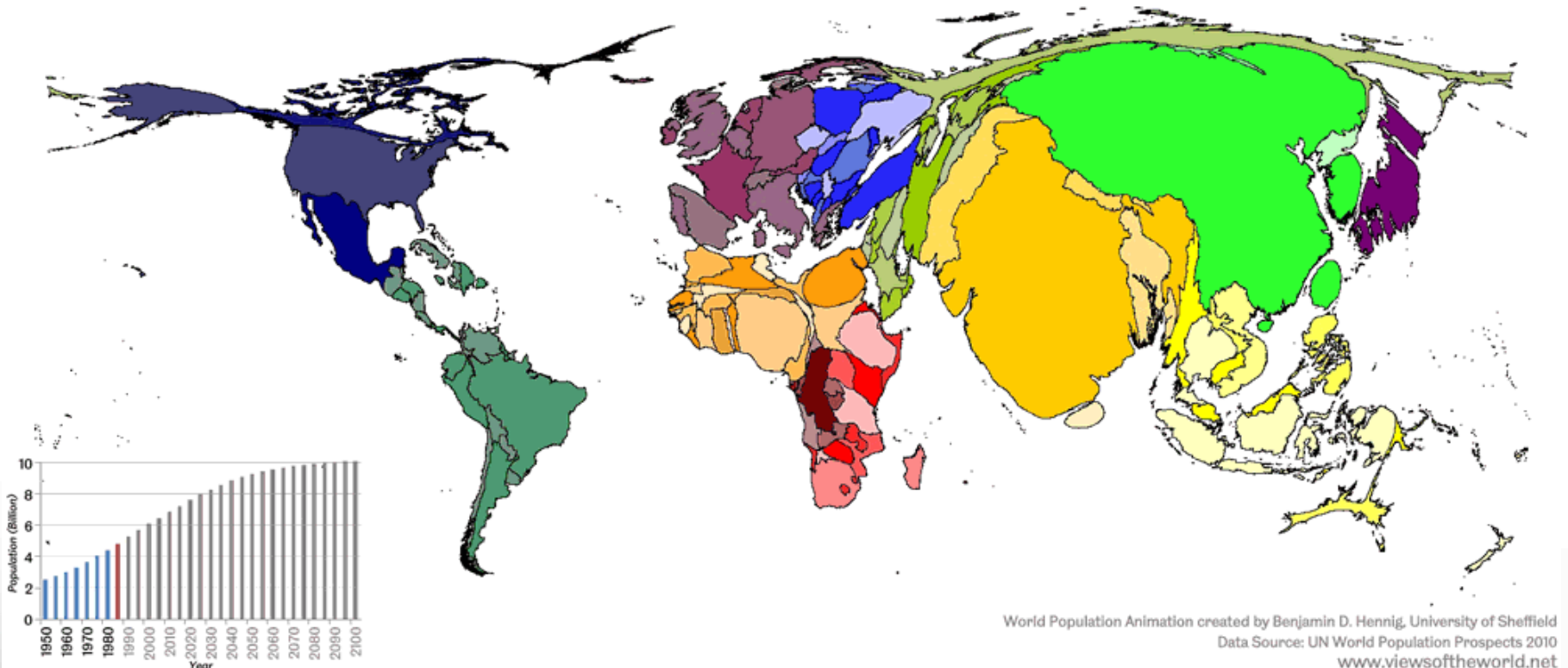
<http://www.worldometers.info/>

# Have a look on this counter:

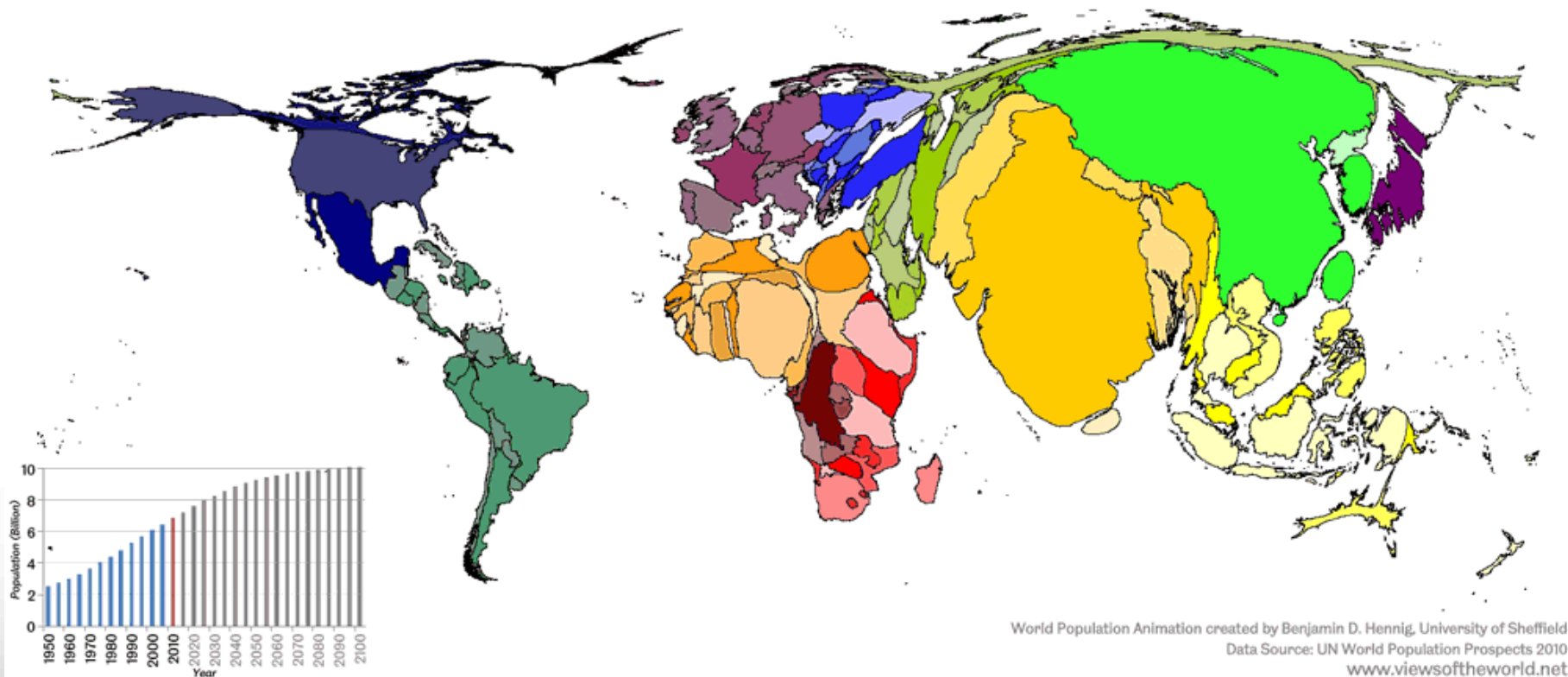
- <http://www.worldometers.info/>
- Increase of 220 000 people per day
- 80 M / year, which is more than the UK

These maps show a scale of world population proportionally with the size of the countries:

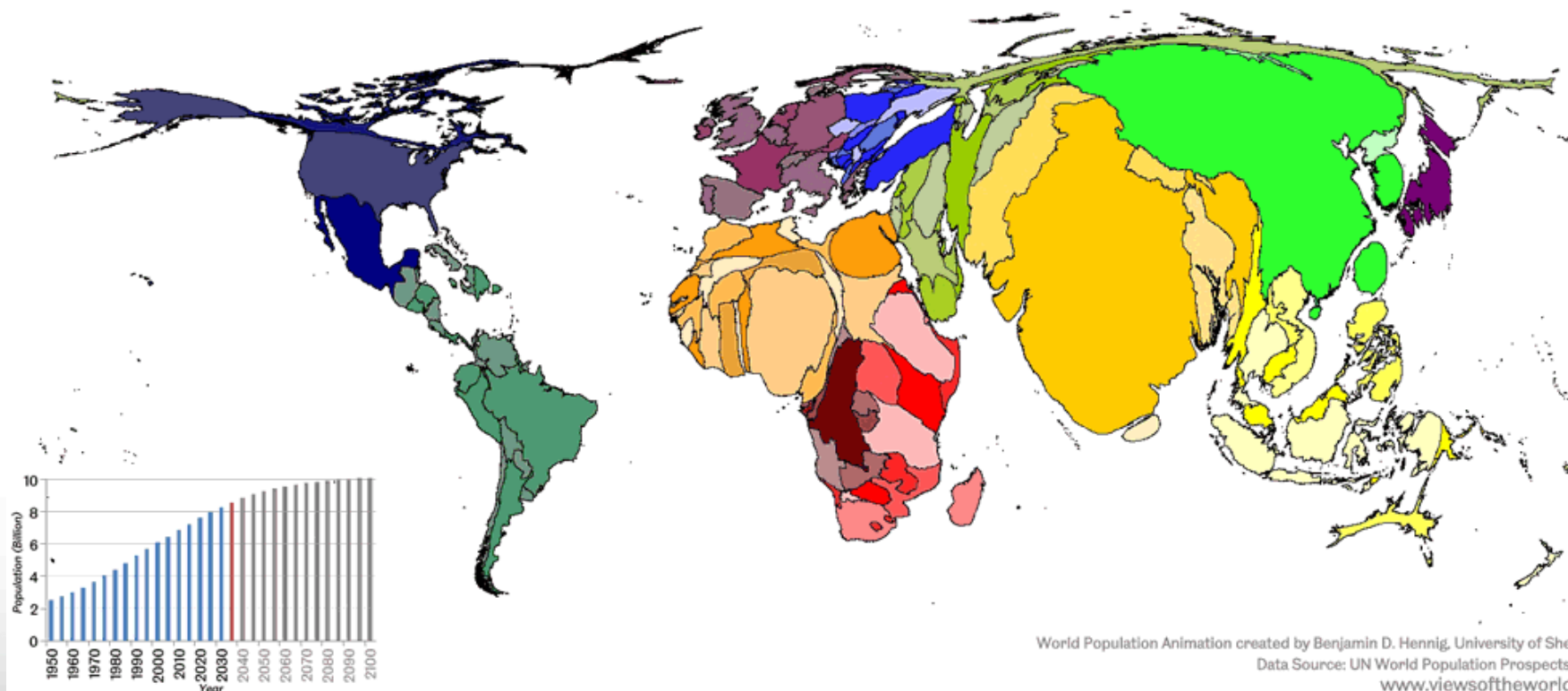
World Population 1985



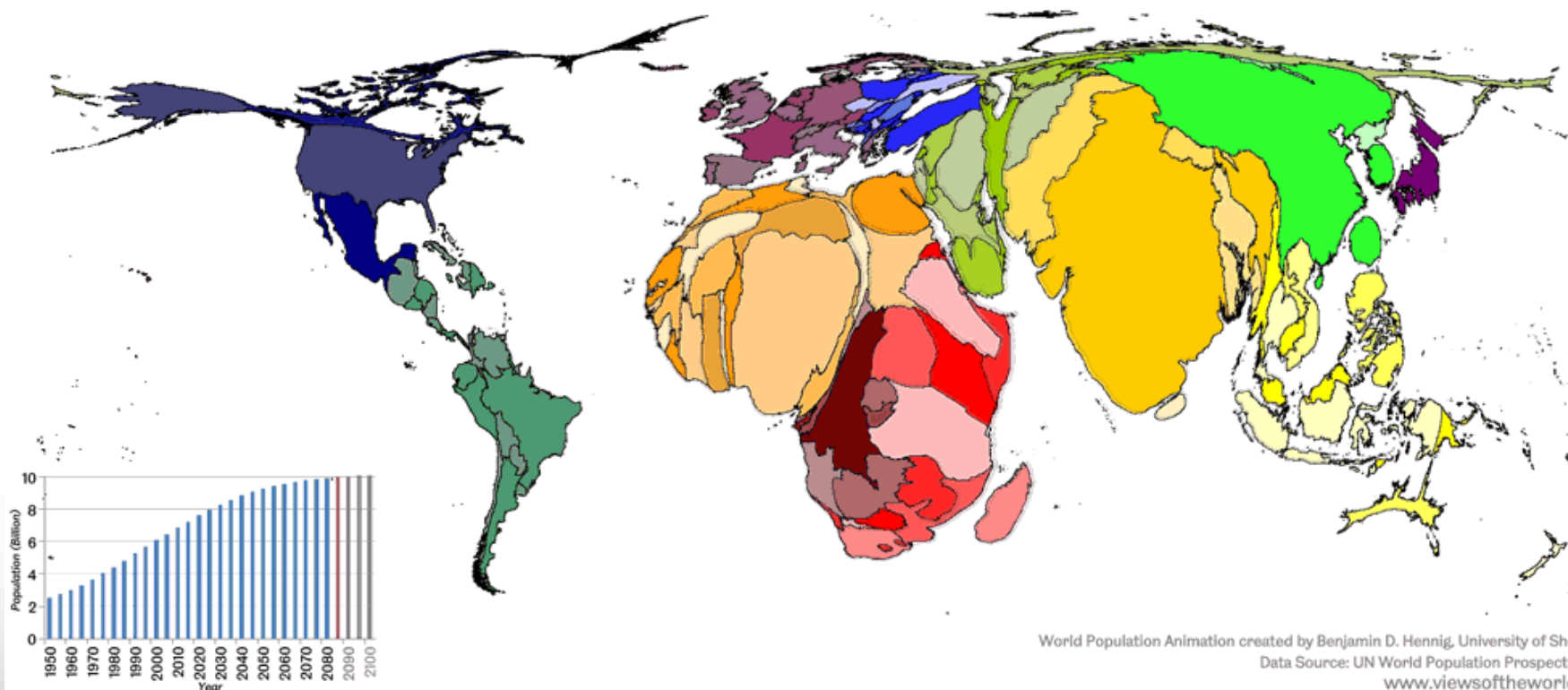
## World Population 2010



## World Population 2035



## World Population 2085



# What do we see?

- The world population is growing in Africa and India
- Stable in China
- Reducing in Europe, except France, and you know why...
- Reducing fast in Russia
- More or less stable in the Americas...



Have a look now on humans dying worldwide...

# What the world eats

*from the book: Hungry planet of Peter Menzel*



**Mali:** The Natomos of Kouakourou

**Food expenditure for one week:** 17,670 francs or \$26.39

**Family Recipe:** Natomo Family Rice Dish

# What the world eats

from the book: *Hungry planet* of Peter Menzel



**India:** The Patkars of Ujjain

**Food expenditure for one week:** 1,636.25 rupees or \$39.27

**Family Recipe:** Sangeeta Patkar's Poha (Rice Flakes)



# What the world eats

from the book: *Hungry planet* of Peter Menzel



**Guatemala:** The Mendozas of Todos Santos

**Food expenditure for one week:** 573 Quetzales or \$75.70

**Family Recipe:** Turkey Stew and Susana Perez Matias's Sheep Soup

# What the world eats

*from the book: Hungry planet of Peter Menzel*



**China:** The Dong family of Beijing

**Food expenditure for one week:** 1,233.76 Yuan or \$155.06

**Favorite foods:** fried shredded pork with sweet and sour sauce



# What the world eats

*from the book: Hungry planet of Peter Menzel*



**Great Britain:** The Bainton family of Cllingbourne Ducis

**Food expenditure for one week:** 155.54 British Pounds or \$253.15

**Favorite foods:** avocado, mayonnaise sandwich, prawn cocktail, chocolate fudge cake with cream

# What the world eats

from the book: *Hungry planet* of Peter Menzel



**United States:** The Revis family of North Carolina

**Food expenditure for one week:** \$341.98

**Favorite foods:** spaghetti, potatoes, sesame chicken



# What the world eats

*from the book: Hungry planet of Peter Menzel*

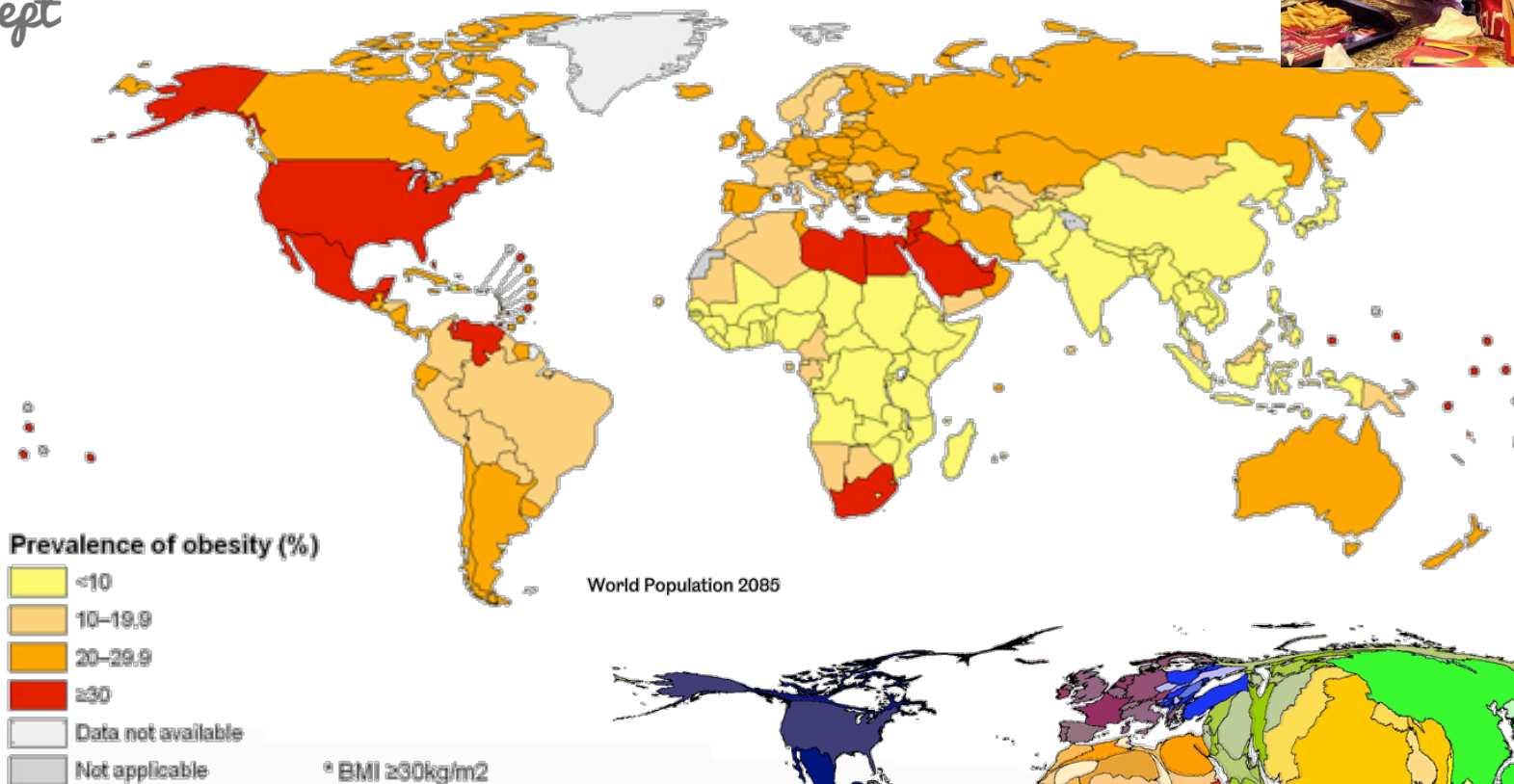


**France:** The Le Moines of Montreuil

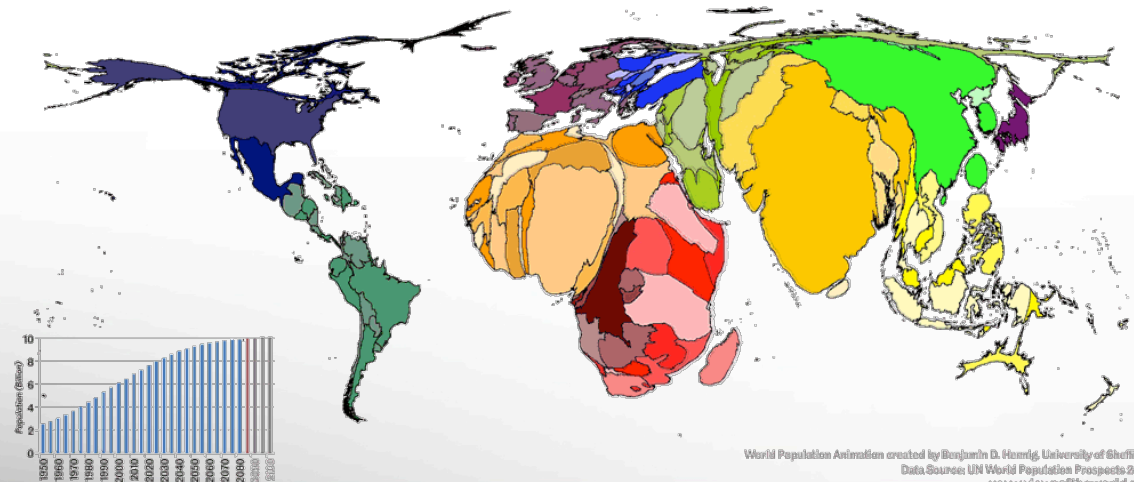
**Food expenditure for one week:** 315.17 euros or \$419.95

**Favorite Foods:** Delphine Le Moine's Apricot Tarts, pasta carbonara, Thai food





Source: [World Health Organization](http://www.who.int)



World Population Animation created by Benjamin D. Hennig, University of Sheffield  
Data Source: UN World Population Prospects 2010  
[www.fonsatheworld.net](http://www.fonsatheworld.net)

- What do we see on these maps?
- If you compare the 2 maps, you see the spectacular parallel between prevalence of obesity and population decrease (in proportion of the total world population... )  
→ is there a link somewhere?
- or, even more spectacular, the fact that where the population is growing the faster, they are the “leaner”.
- Is the conclusion that you need to be lean to be good breeder? (it's truth in the animal kingdom)
- **More seriously, it shows very clearly, that the challenge of food production just to feed the growing world is a very big deal!**

# Did you know that?

- Every day 30.000 people die from starvation
- 1 billion people in the world are undernourished, while an equal number is overweight
- For a balanced diet, an adult needs an average of 45 grams of animal protein per day  
→ the equivalent of 180 g of poultry meat or 4 eggs
- Agriculture produces fewer green house gases than transportation and half of those emitted by manufacturing...

# So what?

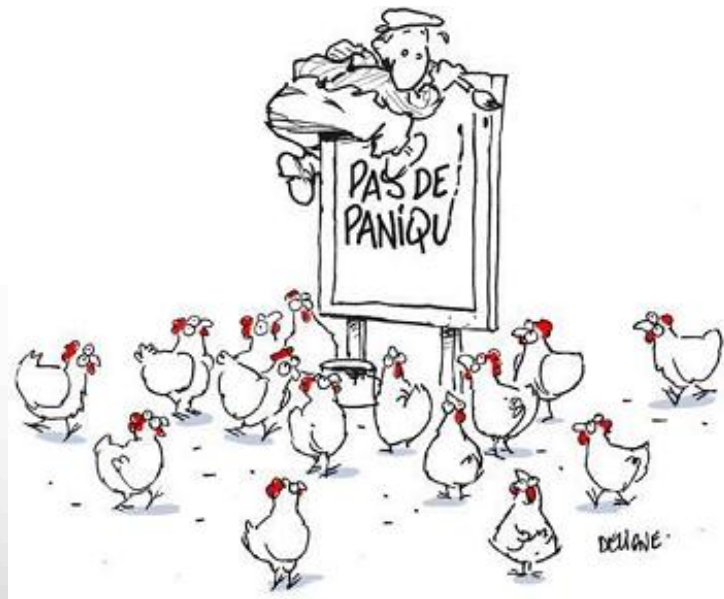
- The challenge is still to produce more varied and healthy food...



# Taking into account that...

- These productions, just like the growth of the world population, exert a strong pressure on the environment:
  - Physical and chemical pollutions
  - Climatic impacts
  - Competition for «vital space»
  - Destruction of arable lands
  - Medical risks
- **If we break the balances, we will simply not be able to produce sufficiently**






# In this context most of the time



- There are 2 opposed « visions » on agriculture:
  - “industrial”  
against
  - “organic”  
and vice versa.
- If the first must be put into question,
- the second cannot be the only solution to feed the world...



A close-up photograph of a vibrant red ladybug with black spots, perched on a green plant stem. The ladybug is facing right, and its legs are visible as it grips the stem. The background is a soft, out-of-focus green, suggesting a natural, healthy environment.

Here is the favourite  
pesticide of the organic  
products

So, we have to imagine new solutions...

- I now ill explain you more on what we call the “Natural Concept”,
- giving a new perspective in the way of producing more, because we need to produce more
- in implementing better sustainable practices for animal protein production



# Natural Concept

*Biology at the heart of  
sustainable development...*

# The 5 keys of the "Natural-Concept"



- 1. Favour robustness and feed efficiency traits in our breeding programs**

# 1. Favour robustness and feed efficiency traits in our breeding programs



- Maintain **genetic diversity** through a large gene pool





# 1. Favour robustness and feed efficiency traits in our breeding programs

- Run **Selection under field conditions** to develop animals' vitality & robustness



# 1. Favour robustness and feed efficiency traits in our breeding programs



- Offer breeds with **differentiated growth** (slower growth, but more robust) to the livestock production industry





# 1. Favour robustness and feed efficiency traits in our breeding programs



- Keep focussing on **feed efficiency** to produce more economically as well as to reduce the carbon footprint of the livestock production industry
  - During the last decade, thanks to quantitative selection, the improvement of the FCR of poultry and swine have been 0,2 kg of feed per kg of live weight, representing the equivalent of 23 M acres of arable land, 20% of the french territory





# 1. Favour robustness and feed efficiency traits in our breeding programs



- Consider the most efficient use of the **whole product** output...



# The 5 keys of the "Natural-Concept"



1. Favour robustness and feed efficiency traits in our breeding programs
2. **Better prevent infectious risks through bacterial ecology management in breeding environment**

## 2. Better prevent infectious risks through bacterial ecology management in breeding environment



## 2. Better prevent infectious risks through bacterial ecology management in breeding environment



- We are talking about the management of the microbial ecology, to facilitate the expansion of the good one, creating a barrier (a protection) against the entry of the pathogens such as salmonella, E-Coli...
- This is a change of the paradigm, of a real break with the last decades, when the model has been to consider the elimination of all germs by using massive chemical products.
- Some germs are bad, but some other are really friendly. So, why not to use these?

## 2. Better prevent infectious risks through bacterial ecology management in breeding environment

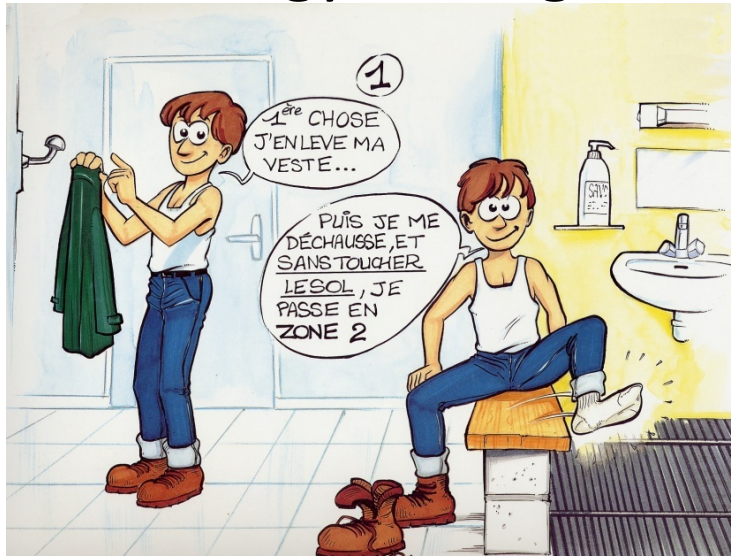
• Obviously, first of all, we have to apply simple, rational and systematic **rules of hygiene**

- "3 areas clean zone" in each building.  
Imagine we would do that in the hospitals... no more nosocomial infections...
- Thorough cleaning, disinfection and drying of buildings between each flock



## 2. Better prevent infectious risks through bacterial ecology management in breeding environment

Natural  
Concept



# The 5 keys of the "Natural-Concept"

1. Favour robustness and feed efficiency traits in our breeding programs
2. Better prevent infectious risks through bacterial ecology management in breeding environment
3. **Stimulate the immune system of the animals:**
  - natural by competition - acquired by vaccination

### 3. Stimulate the immune system:

- natural by competition - acquired by vaccination





### 3. Stimulate the immune system of the animals:

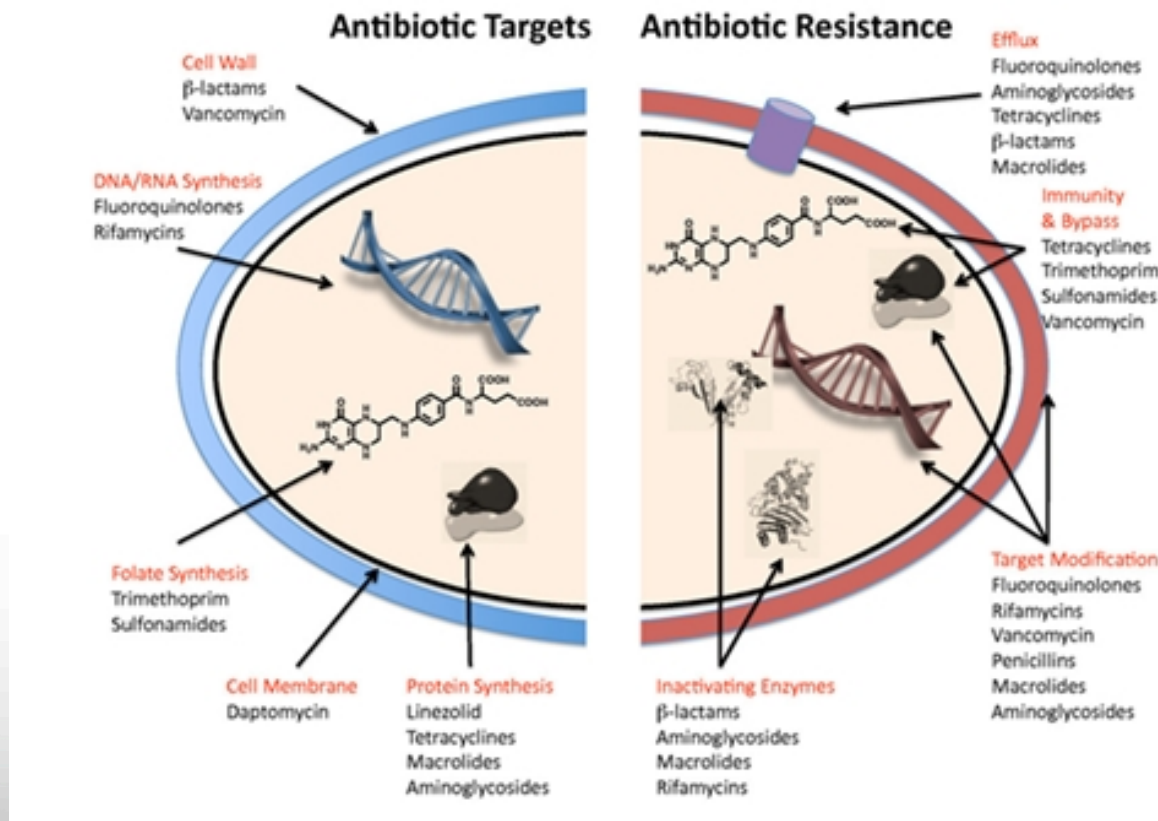
- natural by competition - acquired by vaccination

- Implement systematically **stable bacterial flora in the animal's digestive tract** to stop pathogens.  
→ *If it's good for her, imagine how good it could be for our chickens!*
- Use “tailor-made” **autogenous-vaccines** against local bacterial infections
- Extend the concept to viral diseases, by developing a range of **monovalent viral antigens and specific additives**
- **Vaccinate animals systematically** for a collective and adapted prevention, from breeders to commercial stock

# The 5 keys of the "Natural-Concept"

1. Favour robustness and feed efficiency traits in our breeding programs
2. Better prevent infectious risks through bacterial ecology management in breeding environment
3. Stimulate the immune system of the animals : - natural by competition - acquired by vaccination
4. **Because they are very valuable, use the chemical "super-molecules" only in case of proven pathology or as prevention in case of major stress**

4. Because they are very valuable, use the chemical "super-molecules" only in case of proven pathology or as prevention in case of major stress



4. Because they are very valuable, use the chemical "super-molecules" only in case of proven pathology or as prevention in case of major stress



- To **limit the development of bio-resistance** and to preserve all their irreplaceable effectiveness in case of an emergency

# The 5 keys of the "Natural-Concept"

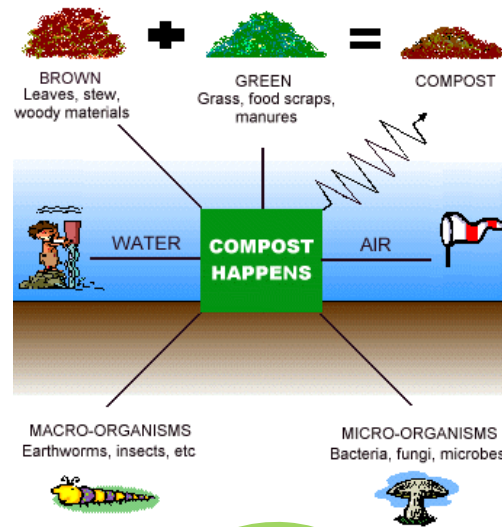
1. Favour robustness and feed efficiency traits in our breeding programs
2. Better prevent infectious risks through bacterial ecology management in breeding environment
3. Stimulate the immune system of the animals : - natural by competition - acquired by vaccination
4. Because they are very valuable, use the chemical "super-molecules" only in case of proven pathology or as prevention in case of major stress
5. **To give back to the earth the necessary nutrients by the composting of the organic by-products**



## 5. To give back to the earth the necessary nutrients by the composting of the organic by-products



## 5. To give back to the earth the necessary nutrients by the composting of the organic by-products



## 5. To give back to the earth the necessary nutrients by the composting of the organic by-products



- Why spend a fortune on logistics and energy for an industrial scale concentration of organic waste destruction (manure & dead animals), when it is so natural **to compost waste products?**
- Implementation of specific protocols for composting activated by bacterial flora adapted with sanitising effects



# The 5 keys of the "Natural-Concept"

1. Favour **robustness and feed efficiency** traits in our breeding programs
2. Better prevent infectious risks through **bacterial ecology management** in breeding environment
3. Stimulate **the immune system** of the animals : - natural by competition - acquired by vaccination
4. Because they are very valuable, use the chemical "**super-molecules**" **only in case of proven pathology** or as prevention in case of major stress
5. To give back to the earth the necessary nutrients by the **composting of the organic by-products**

### 3. In the development of the Quality, Safety, Environment policy:

- **A Corporate Citizen Company**
  - Groupe Grimaud also supports certain humanitarian and re-integration initiatives:
    - support for a re-integration centre for young disabled people, at a pilot farm
    - financing of an original solution for the improvement of tropical gardens, allowing familial production of vegetables in a sub-Saharan climate
    - financial support of the Red Cross in its emergency humanitarian actions.



# Summary of the key actions which moved Groupe Grimaud forward in terms of its Global Compact undertakings in 2011-2012:

It should be remind that this approach is first in a continuous process of improvement and no question to use it as marketing promotion.

Do what we say and stick to it. Remain coherent and consistent is our first objective, conscious of our imperfections and the road still to go.

- Human Rights:
  - Promotion to all employees of the fact that the Group has signed up to 'Global Compact'
  - Use of the internal social satisfaction barometer results
- Working Standards:
  - Action on disability
  - On this point there can be no question of compromise. We take great care, we respect obligations and local rules
- Environment:
  - Launch of Natural Concept
- Anti-corruption:
  - Promotion of the fact that we have signed up to 'Global Compact' and its principles within our customer-supplier economic environment