



# Corporate Social Responsibility

- Fiscal year 2015\* -



*Tipiak, it's all about the recipe*

*(\*) Extract from the 2015 annual report*



July 2016

**Thanks to an ethical approach built over the years, shared values and high standards, Tipiak Group has been able to implement action plans in its different business areas to become a truly sustainable and responsible company.**

Tipiak's daily ambition is to ensure customer satisfaction and contribute to the sound development of the company through:

- Product quality
- The individual development of employees who are placed at the heart of the company's vision
- Respect of the environment and natural resources

Tipiak has been a member of the Global Compact since 2003. The Group is committed to taking the necessary measures to comply with the principles of the Global Compact in the firm's daily activities.

Tipiak's executive management is renewing its commitment to respecting and implementing the ten principles presented in the management report.

*Hubert Grouès  
Chief Executive Officer*

*Tipiak, it's all about the recipe*

The information presented in the following sections is published in accordance with Article 225 of the Act known as Grenelle 2 and its implementing decree. This information is the subject of an audit examination carried out by the Environment and Sustainable Development Department of Ernst & Young. The indicators have been calculated in line with the Group’s reporting procedures, which are available on request at the following address: [tipiak@tipiak.fr](mailto:tipiak@tipiak.fr).

The information provided below covers the activities of all divisions of Tipiak SA, except for Tipiak Inc, a two-person business unit located in Stamford near New York, USA, the impact of which is not considered significant in terms of Corporate Social Responsibility.

## 1. The Social Agenda

The Tipiak Group is committed to creating a social environment that is conducive to developing long-lasting professional relationships with its employees. The Group prioritises ongoing dialogue and collaborative and transverse management methods aimed at motivating and empowering as well as upholding our common values. It also actively promotes diversity and the development of talent, which are the best guarantees of the Group’s long-term success.

### 1.1. Workforce Numbers and Organisation of Labour

In 2015, the Group employed a total of 1,133 people (*average number based on full-time equivalents, excluding those employed on a temporary basis*).

The organisation of labour in working hours agreements (into 1, 2 or 3 shifts) varies depending on the production site, workshop and time of year (quieter or busier period). Employees can work in shifts (mornings or afternoons) or at nights.

#### Average Annual Workforce Numbers in Full-Time Equivalents

<b>Contract Type</b>	<b>Central Services</b>	<b>“Dry” Sector</b>	<b>“Cold” Sector</b>	<b>2015 Workforce</b>	<b>Summary 2014</b>	<b>Summary 2013</b>
Permanent Contracts	32	232	551	815	795	795
Fixed-Term Contracts*	1	31	286	318	314	295
<b>Total Tipiak Workforce</b>	33	263	837	1133	1109	1090
Temporary Employees	4	37	93	134	125	112
<b>Total Workforce</b>	37	300	930	1267	1234	1202

*(\*) As of 2015, work-study contracts (training/ professionalisation, etc.) are counted as 1 FTE and not 0.5.*

The average size of the Tipiak workforce (excluding temporary employees) increased by 24 full-time equivalents, or 2.2 %, from 2014 to 2015. The slight increase is due to additional staff hired in production for the period of high activity at year end and also because of extra resources recruited to help implement the new ERP system which continued in 2015.

The average number of temporary workers rose slightly from 125 to 134 full-time equivalents. This represents 10.6% of the total average workforce, the same proportion as in 2014. The company does indeed employ seasonal and temporary staff due to the highly seasonal variability of its business in the “Cold” Sector.

Average Annual Workforce with Full-Time Equivalent Status

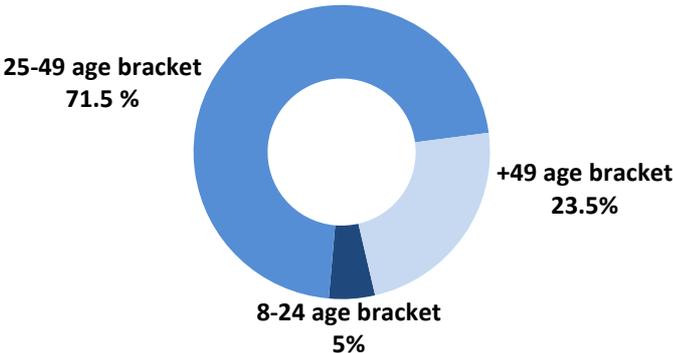
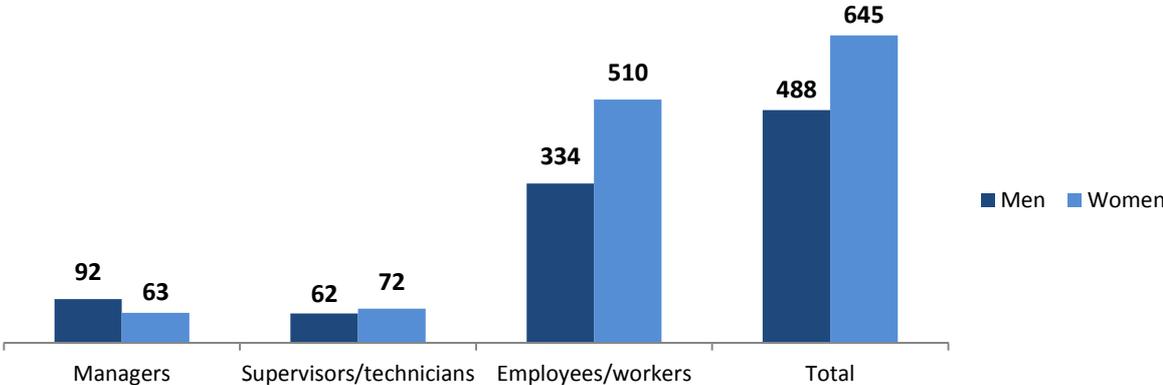
Contract Type	Central Services	“Dry” Sector	“Cold” Sector	2015 Workforce	M 2015	F 2015	Summary 2014	Summary 2013
Managers	14	63	78	155	59 %	41 %	156	150
Supervisors and Technicians	7	52	75	134	46 %	54 %	122	111
Employees/Workers	12	148	684	844	40 %	60 %	831	829
<b>Total Tipiak Workforce*</b>	<b>33</b>	<b>263</b>	<b>837</b>	<b>1133</b>	<b>43 %</b>	<b>57 %</b>	<b>1109</b>	<b>1090</b>

(\*) As of 2015, work-study contracts (training/ professionalisation, etc.) are counted as 1 FTE and not 0.5.

Location of Workforce in Relation to Gender and Age Group

> The Group’s 1133 employees are spread across 8 industrial and administrative sites concentrated in western France from Pont l’Evêque (Calvados) to Marans (Charente Maritime). Three quarters of the workforce are situated in the Nantes area (in the Loire Atlantique region).

> The total workforce (excluding temporary employees) is made up of 43% men and 57% women (a small change compared to 2014). Regarding the “Employees/Workers” status, a greater proportion of women has historically been involved in the meticulous manual tasks on the production line (mainly in the Party Food Division).



> As of 31 December 2015 (excluding temporary staff), the workforce consisted of 5 % salaried workers in the 18-24 age range, 71.5 % in the 25-49 range and 23.5 % above the age of 49. The age pyramid has changed compared to 2014: a decrease in the + 49 age range in favour of the other two age brackets.

Size of Registered Workforce as of 31 December 2015 (excluding temporary staff)

<b>Contract Type</b>	Central Services	“Dry” Sector	“Cold” Sector	Total Workforce as of 31/12/2015	Summary 2014	Summary 2013
Permanent Contracts	33	240	628	901	870	862
Fixed-Term Contracts	2	27	53	82	77	70
<b>Total</b>	35	267	681	983	947	932
<i>Part-Time</i>	4	11	72	87	89	106

Employees with fixed-term contracts make up 8.3 % of the total workforce of the Group as of 31 December 2015 (8.1 % in 2014). These people are mainly appointed to replace absent employees and in response to temporary increases in business activity.

As of 31 December 2015, part-time employees make up 8.9 % of the total registered Group workforce (9.4 % in 2014). These are “selected” part-time positions, that are mainly found in production.

Absenteeism

In 2015, the company recorded an absence rate of 7.7 %, including maternity and paternity leave. As with the previous year, the most prevalent reasons for absence were illness and work-related accidents or work-related illnesses. The rate is close to that of 2014.

	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Absenteeism</b>	<b>7.7 %</b>	<b>7.8 %</b>	<b>7.0 %</b>
<i>Illness</i>	55 %	58 %	53 %
<i>work-related accidents or work-related illnesses</i>	27 %	26 %	26 %
<i>Other (maternity and paternity leave and so on)</i>	18 %	16	21

**1.2. Employee Recruitment, Induction and Turnover**

Tipiak’s recruitment policy is designed to retain employees by providing them with a motivating and empowering career. It is based on the principles of diversity and non-discrimination. The candidate selection criteria are based on competency. For the recruitment of qualified workers to the Party Food Division, tools (training and appraisal grids) were created in 2014 to help managers select or approve candidates. For some seasonal posts in the Frozen Ready Meals division, ‘job-dating’ was once again organised (short recruitment interviews) in conjunction with the Employment Division to encourage candidates to meet employers.

The Group is using this policy to develop a culture and identity founded on shared values to motivate and empower the teams. The company’s three core values – Anticipation, Differentiation and Professionalism – are explained in our company brochure and are shared values right across the workforce.

Staff Movements	2015	2014	2013
Recruitments	87	62	38
<i>of which new posts</i>	24	17	3
<b>Staff Turn over</b> (all grounds combined)*	8.2 %	6.7 %	4.8 %

\*Calculated on the permanent employee perimeter; intra-group mobility is included in the movements.

In 2015, 87 employees were hired on permanent contracts within the company, including the creation of 24 jobs mainly in production and industrial maintenance. Turnover increased to 8.2 %, including all reasons for leaving (6.7 % in 2014). Turnover is impacted by the growing number of jobs created. 67 % of former employees left voluntarily (48 % in 2014). A total of 6 employees were dismissed (10 in 2014).

New employees are given an official welcome to the company as well as an individual and team induction programme. For those sites welcoming seasonal or temporary employees on a regular basis, specific programmes allow these new employees to familiarise themselves with issues of health, safety and their environment (using short films, quizzes, etc.). All seasonal staff members participate in these activities as part of their induction. In the same spirit, the Party Food Division developed a mentoring system to facilitate the induction of its seasonal workers (with around 520 people inducted in 4 months). For certain posts requiring a specific skill set (piping, for example), permanent employees are commissioned to train and supervise newcomers and thus ensure that the correct movements are learned. A tutoring system is also in place to assist with the on-the-job training of skilled workers.

For many years, Tipiak has organised an induction programme for its newly appointed “managerial staff”. Named “PIRAT” (*Pour une Intégration Réussie Au sein de Tipiak* [A successful start at Tipiak]), this seminar aims to provide new or recently promoted employees with an understanding of Tipiak’s culture and values, its working methods, as well as skills needed in communication and in the management of human resources. This mix of welcome and exchange also includes apprenticeships in “project management”, which is very much embedded in the corporate culture. On average, two sessions with around twelve employees are organised every year.

A new starter’s manual is also given to each new employee to provide information on the Group’s social environment.

Since 2014, the Dry Grocery Division has established a way of introducing the company to new permanent recruits by way of welcome breakfasts with the Head of Division. These convivial breakfasts encourage conversation and the proper induction of new employees.

Finally, the Group encourages employee mobility between different sites and divisions. A well organised communication system keeps everyone updated about the different jobs available within the Group, thereby promoting in-house professional development without discrimination.

### **1.3. Remuneration**

The Tipiak Group strives to ensure that remuneration is fair, empowering, competitive and respects the non-discriminatory principle at all levels of the company. Pay structures are specific to each unit. Pay is subject to an annual increase following negotiations with staff representatives from each company.

Remunerations (K€)	2015	2014	2013
Salaries and wages	36,064	35,264	34,275
Profit-sharing	311	823	538
Payment in shares	360	182	198

For management teams, this remuneration is partly fixed according to the pay grade for each post, and partly variable, depending on individual and collective results. A yearly performance appraisal system helps to determine both the qualitative and quantitative objectives that form the basis for performance-related pay. In addition, certain managers, depending on individual performance and level of seniority, can benefit from free shares or free share options. Payment in shares amounted to EUR 360,000 in 2015.

A collective part based on profit-sharing agreements comes in addition to the individual part of the remuneration. The different divisions of the Group have signed profit-sharing agreements related to their economic performance. Furthermore, most subsidiaries qualify for participation contracts. Profit-sharing totalled EUR 311,000 in 2015.

“Salaries and wages” (gross pay excluding social security contributions, remuneration-based taxes, temping fees, profit-sharing, provisions for employee benefits, and remuneration in shares) totalled EUR 36,064 in 2015, an increase of 2.3 % from 2014 (to be compared to a 2.2 % increase in the average size of the workforce).

Since 1993 the company has provided a Group Savings Scheme for its employees. The scheme includes six mutual funds, one of which is invested in shares in Tipiak. By 31 December 2015, the amount invested by our employees in mutual funds provided by the Group Savings Scheme totalled EUR 3.6 million (EUR 3.1 million in 2014), EUR 2.4 million of which was invested in Tipiak shares (up from EUR 2.1 million in 2014). As of 31 December 2015, mutual employee funds owned 24,000 shares in Tipiak, or 2.6 % of the company's capital.

#### **1.4. Skills Development**

The main training areas are strengthening professionalism, developing trade skills and business tools (information systems) of employability and adaptability, team management, risk prevention and project management.

In 2015, the Group maintained its policy of providing training for all staff:

719 employees benefited from training at least once during this period; representing a budget totalling EUR 825,000, or 2.3 % of total payroll.

Training	2015	2014	2013
No. of employees who received at least one training session	719	745	637
Hours of training received	15,809	15,582	14,035
Total training spend	825 K€	878 K€	839 K€
% of total payroll	2.3 %	2.6 %	2.5 %

Launched in 2013, several original initiatives have been pursued in 2014 and 2015, notably a training programme for production staff which aims to facilitate their personal and professional development and to improve not only their written and oral communication skills but also their confidence, and their ability to understand and be understood (10 days of training for 5 people). Over the year, 13

other people have also received key-competence training (written and oral expression and mathematical logic), and one person did a block-release training degree programme in business management. A group of 8 professional training contract employees was able to undergo training to operate machinery before the start of the season. Some CIMA (Driver of Mechanical and Automatic Equipment) professionalisation contracts were signed in 2014 with 7 fixed-term employees staying on. Twelve new professionalisation contracts were signed and one employee obtained their Certification of Qualification (CQP) in machine operation in 2015.

In addition, the implementation of the SAP software package in the Frozen Ready Meals Division in 2015, as part of the IT systems update, allowed most employees within this division to be trained to use a new integrated management system. This has been complemented by training in basic areas (French, mathematics, computer science) for twenty of them (operators, cooks, machine operators).

To improve the quality of exchanges during appraisal interviews, training to prepare for this interview was offered to workers in the Dry Grocery division (launched in 2014 and continued in 2015). In two divisions, it is the managers who could improve their skills in conducting interviews and around sixty team leaders have participated in leadership training.

Finally, individual coaching was offered to a dozen employees in 2015 through external coaches and through internal coaches more recently.

All of this activity is aimed at improving the employability and personal development of the employees so that they can access skilled jobs within the company and/or develop their general knowledge in business management in order to develop either internally or externally.

Information on personal development training – which is provided on a voluntary basis – is available on noticeboards and through briefing meetings.

### **1.5. Health, Safety and Working Conditions**

Maintaining the health and safety of all employees is a priority of the Tipiak Group. Providing a secure working environment and safe working conditions is central to our plans for development. Since 2009, project teams have been setting up and piloting action plans in the Cold Sector on each industrial site with the aim of reducing MSD (musculoskeletal disorders), which have been identified as the main risk of occupational diseases related to our business. Therefore several positions were organised in 2015 to reduce difficulty or improve security: turner of laundry bins, stretch wrapping robot, work space ergonomics, automated dosage of ingredients on a line, adding a conveyor to reduce carrying loads, and so on. During the implementation of new lines, the Methods Department was involved to include a "health & safety" factor into the design of stations. Similarly, work stations in the Dry Sector were refurbished with the purchasing of equipment to reduce the amount of lifting work, such as high-lift pallet trucks or installing a hoist in the service workshop. The four sites of the Group, based in "Loire-Atlantique" area, have joined the TMS PRO programme initiated by the CARSAT of the department in 2015, which gives them a monitoring process by a consulting engineer.

Steering health committees meet several times a year to validate action plans and to monitor the progress of the projects. The Party Food Division has been tracking highlights related to improving health and safety since 2008 on a timeline. On display on various sites in 2013, this timeline is aimed at raising awareness in employees of the division about how action plans are being implemented. At the same time, this division also installed a safety records library in late 2014 to encourage the communication of guidelines. Each record is the subject of a workshop presentation designed to highlight specific topics and thus contribute to the culture of safety among employees. The initiative is set to continue in 2015.

<b>work-related illness</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Number of work-related illnesses recorded	21	17	22

The number of occupational diseases recognised during 2015 increased and returned to 2013 levels; they are due to musculoskeletal disorders, mainly in the Cold Sector.

In 2015, diagnostics on the severity of working conditions were carried out in all divisions to evaluate positions that are subject to severity factors by law. Moreover, an agreement on the prevention of strenuous working conditions signed in the Cold Sector at the end of 2011 was renewed in 2015. This agreement outlines measures for the prevention and improvement of difficult working conditions. Other agreements on health and safety in the workplace, signed for 3 years, are still in force.

Across all factories, the CHSCT (*Comité d'Hygiène de Sécurité et des Conditions de Travail* [Committees for Health, Safety and Working Conditions]) monitor the safety and improvement of conditions in the workshops. All accidents occurring in the workplace are investigated and a corrective and/or preventative action plan is implemented accordingly.

The progress of these actions plans is also monitored through special documents that record workplace risk assessments.

<b>Accidents in the workplace</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Severity rate (1)	1.1	1.5	1.0
Frequency rate (2)	41.0	44.9	49.1

(1) *Severity rate = (number of working days lost / hours worked) x 1 000*

(2) *Frequency rate = (number of accidents with work stoppage / hours worked x 1,000,000*

As of 31 December 2015, the Group recorded a severity rate of 1.1 % and a frequency rate of 41 % for accidents in the workplace (excluding temporary staff), which equates to a fewer number of accidents with less days of work lost to downtime during the year. Adjustments in the production areas (soil treatment, modification of some processes and so on), training on safety and body vigilance (see below), and regular awareness campaigns in workshops on good practices, including seasonal workers, explain this positive trend.

For the past four years, training sessions led by health professionals (physiotherapists, osteopaths) were offered to employees at several different sites (production staff as well as administrative and temporary sales staff) to ensure greater vigilance in the workplace and prevent risks related to the physical demands of the job. As such, 20 new employees received training in 2015 in the Party Food Division, as well as 5 internal advisors who will keep up the training in the medium-term.

Ten other employees were also able to learn sophrology techniques through training sessions to help people gain personal and professional confidence.

At the end of 2015, the Pont l'Évêque site completed a significant project which extended and redeveloped the social areas of the site, such as the refectory, the lavatories and the cloakrooms to improve working conditions in general.

The employee welfare programme continues at two of the sites in the Dry Sector: a social worker is therefore available on a regular basis at those sites for employees wishing to use the service.

## **1.6.Social Dialogue and Internal Communications**

### **Social Dialogue**

Regular meetings are organised between unions and management teams from the Group's different companies, during which company agreements or action plans are made: annual salary agreements, working time agreements, employment and skills planning agreements, and agreements for the prevention of especially difficult working conditions, for the employment of the younger and older generations, for professional equality between men and women, and profit-sharing agreements. In 2015, the Party Food Division signed an agreement on severity of working conditions and professional equality between men and women, and the Crusty Bread Division signed a profit sharing agreement.

This social dialogue is continued during monthly meetings between members of the Works Council or Staff Representatives elected by employees every four years. The Works Council is informed and consulted on the social and economic activities of all areas of the Group and is responsible for the management of any charitable ventures. The role of Staff Representatives is to communicate employees' questions and expectations to management. The minutes of every Works Council meeting and the responses to any employee questions from the Staff Representatives are systematically displayed at the relevant site. Since 2014, an electronic Economic and Corporate Social Data Base has been gradually implemented within the divisions to better share information and improve the ability of employee representatives as regards discussing corporate strategy.

To allow for the acquisition and exchange of skills, staff representatives are offered training in communication, labour relations, negotiation and/or business economics.

Similarly, training on labour relations is also offered to managers closer to the work floor (team leaders, workshop managers) in order to facilitate communications between their teams and the social partners.

### **Internal Communication**

For some twelve years, all operational management teams have met with employees on a regular basis in order to share information and gather opinions on the course of business. These meetings help to strengthen team morale and give new employees a chance to get to know their colleagues. They focus on past activities, objectives for the year ahead and the strategic development of the division and the Group in the medium-term.

In the Cold Sector, the new "end of year" products are shown on a temporary display for the staff of each site to inform them about their division's innovations. In some cases, product samples are distributed to employees to allow them to try the latest releases.

In order to implement this strategy and manage the change, the Group has developed the practice of management by project. The management teams have all been trained in accordance with this methodology, available in the form of a manual, at the induction seminar for new employees. Regular project reviews are carried out by operational management in order to prioritise and allocate the resources needed to achieve the objectives. Around thirty projects are managed simultaneously in this way in each division.

In 2013, a special company-wide tool was developed which promotes the sharing of information within project groups and facilitates management at division level. This continued in 2014 and 2015. This data base was accessible to all IT profiles and listed almost all of the company's projects.

For the last few years, a company-wide intranet communication tool has allowed the instant and regular broadcasting of information to all employees, whatever their position, to help improve

knowledge about the different areas of the Group as well as to standardise working methods. In 2014, a pilot scheme was launched to investigate the relevance of developing a fully-fledged project. A user satisfaction survey was conducted among 570 respondents who expressed both their interest in the tool and their expectations for the tool. In 2015, a project was launched to implement these changes (technical and editorial).

Finally, every two months, an internal newsletter aimed at further strengthening the Tipiak corporate culture is made available to all employees, whether it is displayed publicly or sent to them on paper or online. This newsletter contains the latest news about the Group: staff movements, promotions, company changes in activity, share price, new product launches and progress reports on major projects.

**1.7. Actions to Support Equal Treatment and Inclusion of Disabled Employees**

Agreements and action plans on gender equality in the workplace, reaffirm the Groups commitment to upholding the principle of gender equality at work at both the individual and collective level. The main actions implemented concern promotion, working conditions, pay and qualifications, recruitment, training, and the balance between home life and work life. A review of these action plans is sent to staff representatives in time for annual salary negotiations or Works Council meetings.

Furthermore, the “generation contract” agreement integrated into the Jobs and Careers Management Plan (GPEC) was signed by the majority of sites. These agreements set out the provisions in place for sustaining employment among older workers (e.g. improvement and prevention of poor working conditions, and retirement planning), youth employment (e.g. induction and mentoring) and the transfer of skills and knowledge. The review of these actions will be communicated to the staff representatives during the Works Council meetings.

In order to promote the employment and inclusion of disabled workers, the Group is committed to recruiting and retaining members of staff with disabilities. In 2015, more than 50 % of sites had fulfilled their obligation to employ 6 % disabled workers. The overall rate of the group is 6.1 % compared to 5.4% in 2014.

Disabled workers	2015	2014	2013
Disabled workers rate (%)	6.1	5.4	5.4

At the same time, initiatives specific to each site were also launched, such as disability training for employees designed to help integrate disabled workers into the company, or providing support for employees in preparing for their disability recognition statement. “Sheltered Workshops” are also used for various administrative and production tasks

**1.8. Promotion of Core Values**

In joining the Global Compact\* in 2003, Tipiak committed itself to actively applying the principles of the Compact in its everyday business, especially as regards human rights and working conditions.

The Group is therefore committed to applying the laws, conventions and regulations applicable in France, home of its seven production sites. We adhere to the principles outlined in the Universal Declaration of Human Rights as well as the provisions of ILO conventions regarding freedom of association and the right to collective bargaining, the elimination of employment discrimination and the abolition of both forced labour and child labour.

No rulings, judgements, fines or similar decisions regarding human rights violations have been reported against the company in the past year.

A charter of values for all Tipiak Group employees helps to remind the workforce of our commitment to “recognise” and “respect others” throughout the entire company.

The charter is regularly introduced by the Chief Executive Officer during induction seminars for all new managers. It is also included in new starter welcome packs at each of our sites.

\* The "Global Compact" is an international initiative launched by the United Nations and aimed at bringing together enterprises, civil society and the world of business to promote ten universal principles as regards the environment, ethics and labour law.

## **2. The Environmental Agenda**

### **2.1. Environmental Policy**

Being committed to sustainable development\*, the Tipiak Group works with its customers, suppliers, employees and local partners in its efforts to respect and protect the environment and its natural resources.

The Group is therefore committed to promoting an environmental policy in each of its subsidiaries based on the following:

- ✓ raising employee awareness through communications and training;
- ✓ action plans for controlling emissions and for measured waste management in order to reduce emission levels and promote the recycling of waste;
- ✓ reduced water and energy consumption;
- ✓ promotion of good environmental practice among the general public.

Action plans implemented so far therefore reflect the environmental principles of the Global Compact of which the Tipiak group has been a member since 2003 (*cf. social agenda*).

\* Sustainable Development is intended to be a process of development drawing together a virtuous circle of the ecological, the economical and the social. It is about development that is economically effective, socially fair, and ecologically sustainable.

### **Environmentally Friendly Development**

The Tipiak Group has operations which have limited environmental impacts compared to most of the other industrial sectors. We nevertheless operate an active policy aimed at minimising pollution from our industrial sites. An environmental self-diagnosis of the sites conducted in 2008 helped to define a frame of reference for each site (current status and improvement measures). Our defined action plans are followed up by an "Environmental Safety" steering committee, with environmental indicators being included in the reports that are produced over the years.

The implementation of Article 225 of the legislation known as "Grenelle 2", continues to mobilise teams with regard to a number of environmental aspects: the validation and monitoring of current indicators; the strengthening of internal checks through awareness-raising meetings; and the implementation of a data auditing process by division and Group controllers. In 2015, some key indicators were defined, with validation from the Group's management of targets to be achieved which will be monitored through the "Safety and Environment" steering committee.

### **Internal Organisation of Environmental Management**

The implementation of the environmental policy and checks is different across the Group's divisions according to the size, activity type and specifications of each industrial site. Each division has defined its own approach to "Environment" and attached its environmental policy either to Industrial Management or Quality Management. Employees (supervisors and environmental leaders) are in constant contact with specialist groups and organisations. A quarterly technical committee meeting and an annual steering committee meeting allow the sharing of information across the Group and help to support this approach.

Employees across all sites are made aware of environmental impact from in-house information (e.g. new starter manuals, displays publicising indicators or instructions at work stations for the management of waste at source) or, in the case of our ISO 14001 certified site, by specially training all staff in emergency procedures and good environmental practice.

The Party Food Division has been tracking highlights related to environmental practices since 2008 on a timeline. On display at various sites in 2014, this timeline is aimed at raising the awareness of the employees in the division about how action plans are being implemented.

A crisis response and management team has been put together for the prevention and management of environmental disasters. A crisis response unit is set up and in-house specialists are mobilised. (*cf § crisis management*).

#### Company assessment or certification measures:

In 2012, the Group received ISO 14001 certification for the Pont l'Évêque site, which was renovated in 2014 but was not audited until 2015 due to significant works on site. It is suspended to date.

In 2015, the Fouesnant site confirmed its 50 001 (level 1) certification for its energy management system.

## **2.2. Sustainable Use of Resources**

In 2015, the industrial output for the Tipiak Group totalled 42,388 tons, decreasing by 8.2 %\* compared to 2014. This decrease in volume is mainly observed in the Dry Sector divisions.

#### Energy usage:

Energy (in MWh)	2015		2014		2013	
	Total	Per ton produced	Total	Per ton produced	Total	Per ton produced*
<b>Electricity</b>	25,863	0.61	26,064	0.56	25,134	0.58
<b>Gas</b>	40,701	0.96	40,483	0.88	38,033	0.88
<b>Fuel</b>	198		186		176	
<b>Total Energy</b>	66,762	1.58	66,733	1.44	63,344	1.46

*\*Figures recalculated in line with the new definition of total product quantity (excluding trade products).*

*Average energy consumption is taken from provider invoices and company records.*

Energy resources are needed for the production processes involved in the cooking, chilling and freezing of food (maintaining the continuous “cooling chain”). These energies are less polluting (electricity and natural gas). Energy consumption per ton produced in 2015 is up compared to 2014. This development is still to be put in perspective taking into account the effects of the distribution of production between the various industrial sites of the group whose activities and consumption widely vary. Thus, when the variation in production for each site is disregarded, the overall energy consumption per ton produced ratio of the Group rose by significantly less than in 2014: In fact, the theoretical calculation of this ratio would be 1.52 MWh/ton in 2015 if each site had produced the same tonnage share of the Group as in 2014 for the same energy consumption performance per ton produced in 2015.

The change in this ratio is primarily due to the increase in the consumption of gas per ton produced in one of the divisions of the Dry Sector, due firstly to a decrease in total tonnage produced (gas consumption is not proportional to the volume produced in the event of reduced activity) and also to a change in the product mix in this division.

The Fouesnant site achieved significant improvement in its performance following the implementation of a new cold production installation.

In general, each site followed its own action plans to act upon its performance (setting up more energy efficient compressors, optimisation of machine starts, adjusting boilers, guidelines for the temperature of cold rooms, and so on).

An energy audit, voluntarily carried out by the Dry Grocery division at the end of 2015, helped identify ways to reduce energy consumption, which will gradually be implemented (eco-operation of facilities, investments, and so on). The measures that were implemented in the Party Food sites in 2012 will be updated in 2016 to prioritise the action plans.

Since 2010, a number of sites have begun using an "Energy Saving Certificate" (C2E), which allows providers to promote energy-efficient investments and businesses to draw more savings from their industrial projects. The certificate is only issued in recognition of concrete measures that exceed standard requirements. Two sites were awarded the certificate during 2013 and 2014 (for the installation of a variable-speed air compressor and the replacement of two boiler burners). Two new agreements were signed in 2015 (Saint-Aignan de Grand Lieu and Marans sites), for variable-speed compressors.

To date, no site uses renewable energy sources.

Water usage:

Water/ Discharge	2015		2014		2013	
	Total	Per ton produced	Total	Per ton produced	Total	Per ton produced*
<b>Total Consumption (m<sup>3</sup>)</b>	175,819	4.15	171,704	3.72	172,009	3.96
<b>Wastewater Discharge (m<sup>3</sup>)</b>		2.59		2.41		2.46
<b>Waste Coefficient</b>	62 %		65 %		62 %	

*\* Figures recalculated compared to the 2012 document because of a new definition of total product quantity (not including trade products).*

*Average water consumption is taken from provider invoices for the 2015 fiscal year and from company records.*

Water is drawn from potable water systems; according to the Global Water Tool, the West of France is not part of a hydric stress zone.

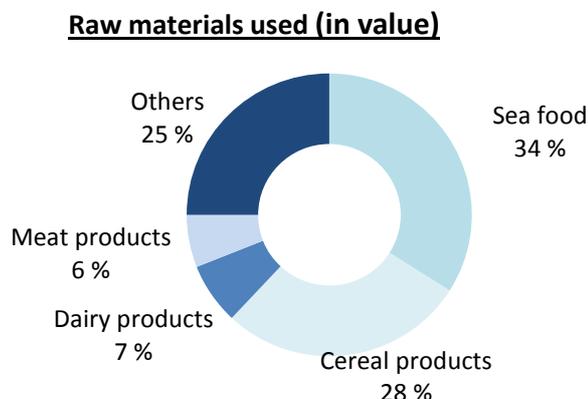
Water is used in the manufacture of products, cleaning of equipment and premises, and in certain chilling processes. In 2015, on average, and across all production, the Group used 4.15 m<sup>3</sup> of water per ton produced, which is a higher ratio than that of 2014. Nevertheless, when the variations in production of each site are disregarded, the Group's global ratio of water consumed per ton produced has improved compared to 2014. In fact, the theoretical calculation of this ratio would be 3.68 m<sup>3</sup>/ton in 2015 if each site had produced the same tonnage share of the Group as in 2014 for the same water consumption performance per ton produced in 2015. Given the fact that there are very different manufacturing processes between the sites, the water consumption/ ton produced ratio differs greatly between industrial sites.

Aware of controlling water consumption, the sites have continued with saving measures already in place: organisation of the planning of production to optimise the number of times everything is cleaned, changing cleaning procedures, review of water systems, staff awareness (such as the "ECODO" project launched in 2013 at Marans, which encourages employees to use less water and mind the quality of discharge), changes to the process (such as defrosting the freezers).

### Use of raw materials and packaging:

The four main families of raw materials used (excluding packaging) are seafood (including scallops), cereal (\*) and meat and dairy products; these make up 75 % of all raw material purchases (73 % in 2014).

(\*) figure adjusted in 2014 due to the change in perimeter: the “wheat semolina” family has been expanded to include “cereals, pulses and other grains”.



Some strategic raw materials (such as scallops, semolina, manioc starch or quinoa) are mainly or fully supplied from abroad due to the specificity or the rarity of the materials required (quality and/or quantity) as well as the wish to diversify sourcing to reduce the risk of economic dependence and supply disruption.

The amount of money granted to Eco-Emballage (a company promoting eco-friendly packaging) at year-end 2015 was EUR 786,000, which is a stable value compared to 2014.

### Soil usage:

Tipiak is not directly involved with soil usage, nor does it deal directly with farmers (involved in the earlier production stages of certain raw materials).

Emissions are monitored more closely at sites near to areas that are protected under programmes like Natura 2000 (e.g. water flows, lakes, etc.).

None of the Tipiak production sites has any biodiversity-protected areas.

To date Tipiak has not committed to any action to protect biodiversity.

## **2.3. Pollution and Waste Management**

### Wastewater treatment and chemical oxygen demand (COD):

At most sites (5 out of 7) wastewater is treated before it is washed away by the cleaning water. The composition of the water in terms of organic matter or minerals such as nitrogen and phosphorous is subject to checks either by the company itself or by the appropriate external bodies.

<b>COD</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Tons</b>	8.97	7.46	8.90

While allowing for any abatement related to the effects of municipal treatment plants, the total quantity of COD measured in emissions (calculated as per the variable testing frequencies of different sites) was 8.97 tons in 2015. This ratio is higher than that of 2014, despite the internal awareness raising actions (good cleaning practices) put in place to restrict outgoing tonnages.

Emissions causing serious harm to the environment (Decree dated 30 April 2002): none

Management of waste:

Waste (in tons)	2015	2014	2013
<b>Total Waste Products (excl. sludge)</b>	3,837	3,749	3,762
<i>Including Non-hazardous Waste</i>	1,027	848	1,069
<i>Including Bio-Waste and Re-usage (e.g. of animal feed)</i>	845	946	847
<i>Including Hazardous Waste (HW)*</i>	7	11	10
<b>Sludge (pre-treatment plants)</b>	42	126	59

The Group maintained its waste reduction policy through ongoing employee awareness campaigns in the workshops and a closer focus on suppliers and packaging. In 2015, however, the Group's factories produced 3,837 tons of waste (representing a ratio of 9.04 % per ton of product produced), 22 % of which was bio-waste, including that re-used for animal feed (25 % in 2014). When the variation in production for each site is disregarded, the overall total tonnage ratio of waste generated by the Group rose by significantly less than in 2014. In fact, the theoretical calculation of this ratio would be 8.54 % in 2015 if each site had produced the same tonnage share of the Group as in 2014 for the same waste generated per ton produced in 2015.

Non-hazardous industrial waste, which are mixed waste, accounted for 1,027 tons, an increase in comparison to 2014 due, firstly, to the removal of a recovery option in animal feed, and to the change in the mix of the production per site. This waste is usually collected for incineration by specialist companies, or otherwise used for methane production.

- ✓ Bio-waste is destined for recovery by authorised agencies (composting, anaerobic digestion) (873 tons) or "re-employment" in the animal feed sectors (845 tons). This sector is one of the responses to incentives developed in the national action plan against food waste.
- ✓ Hazardous waste (HW) amounted to 7 tons in 2015 (from aerosols, batteries, lamps and fluorescent tubes, accumulators, hydrocarbon separators, maintenance oil, solvents etc., depending on the specific site).
- ✓ Boxes and packaging (in third place in tons): our industrial sites disposed of 498 tons of boxes and packaging in 2015. Recycling is carried out by recognised specialist companies.
- ✓ Sludge (dry matter) represents 42 tons, after a significant increase in 2014 which can be attributed to the decommissioning of a plant and the installation of a new one at one of the sites.

Plastic, glass, metal, wood and paper are also recycled.

Recovered waste	2015	2014	2013
<b>Rate (%)</b>	96	95	92

In 2015, the overall percentage of waste recovery (material or energy) increased to 96 % due to the high recovery of non-hazardous industrial waste (heat production) in the pursuit of recycling including sorting plastics and the use of re-employment sectors to recover bio-waste.

Paper sorting is practised at all sites. In 2015, almost 7.3 tons of paper were collected and either donated to charitable organisations or sold on for recycling.

A 100% ecological initiative to recycle printer and photocopier consumables is in place at four sites. The Saint-Herblain site (including the administrative headquarters and a production site) was also innovated in September 2015 with the introduction of new sorting procedures: cup and plastic bottle

bins and metal cans have been installed in both break rooms on site. Employees were informed via email and displays. The first results are encouraging.

#### Impact on Area Around Industrial Sites:

All sites are located in dedicated industrial or business areas with a potentially low impact on housing. Noise abatement measures are taken at property boundaries in accordance with the prefectural decree for each site requiring authorisation or a declaration.

### **2.4. Climate Change: greenhouse gas emissions (GHG)**

Since the installation of this tool in 2013, the group's different sites have been keeping a record of their greenhouse gas emissions (GHG) on Scopes 1 & 2(\*).

GHG	2015	2014 (**)	2013
<b>tons of CO2 equivalent</b>	16,665	22,058	17,901

(\* ) GHG emissions directly occurring on site (scope 1) and those indirectly linked to energy consumption (scope 2).

(\*\*) The 2015 tonnage takes into account ADEME's update of emission factors; the impact on adjusted 2014 data was not significant (+0.2 %) and has not been taken into account.

The overall 2015 result is 16,665 TeqCO2 for the 7 sites, a sharp decrease in comparison to 2014 (22,058 TeqCO2).

Programming an installation change in cold production at Fouesnant in 2015 had required the storage of refrigerants to be strengthened at the end of 2014, hence the net increase in greenhouse gas emissions in 2014 versus 2013.

The use of sustainable technology based on natural gas at the new facility, commissioned in July 2015, contributes to a reduction in greenhouse gas from the 2015 fiscal year.

To recall, the Group has in fact been committed to a major investment programme for several years aimed at the substitution of certain refrigerants used in cold production that have an negative environmental impact. This programme is now in place at the Marans and Fouesnant sites.

Furthermore, energy audits gradually carried out on the sites (cf § energy) and the implementation of related action plans should gradually lead to a reduction in greenhouse gas emissions in the coming years.

#### **2.4.1. Compliance with Environmental Regulations**

All the industrial sites have obtained the declaration or authorisation required to operate from DREAL (Regional Directorate of the Environment, Planning and Housing) or the DDPP (Directorate for the Protection of the Population).

In order to stay abreast of the latest legislative changes, the Group has used "Environment and Safety" compliance software across most sites since 2010.

#### **2.4.2. Environmental Expenditure**

Expenditure	2015	2014	2013
<b>Expenditure for treatment of waste and emissions, audits/diagnostics*** (in EUR 1,000)</b>	561	579	563

Environmental impact reduction expenditure for the Group's industrial sites reached EUR 561,000, which is a level close to that of previous years. Expenditure was largely down to the sanitation of wastewater, the treatment of waste and audit and diagnostic costs.

Sum of the provisions and guarantees against environmental risks:

No provision for the fiscal year. The amount of guarantees is available in § 4.5. "Insurance" (*cf annual report*)

Damages paid over the financial year resulting from a legal ruling on an environmental matter:

During the financial year 2015, the Group did not pay any damages resulting from a legal ruling on environmental risks, and to date, no such process is underway.

Objectives for overseas subsidiaries: Not applicable to the Tipiak Group.

### **2.4.3. Prospects and Action Plans**

Over the next three years the Group will uphold its policy of raising awareness of issues of safety and the protection of the environment.

It will also further develop its environmental protection measures:

- ✓ - by using diagnostic data to help optimise energy (electricity and gas) and water consumption;
- ✓ - by controlling wastewater through pre-treatment plant investment programmes,
- ✓ - by reducing and recycling everyday waste.

## **3. The Societal Agenda**

### **3.1. Playing a Part in the Community**

Tipiak's ambition to match pioneering companies with recognised knowledge shows its willingness to promote the development of each of the companies in its local environment. For the most part, the company's production sites have become major employers in their local communities.

We are a member of a number of employer groups that aim to help prolong the employment of seasonal workers through other companies.

The company regularly participates in employment and career forums (especially as part of our partnership with ONIRIS (Nantes Atlantic College of Veterinary Medicine, Food Science and Engineering), in order to share knowledge and meet new talent. One site held a 'job-dating' recruitment event (short interviews) once again in 2015, coming to meet candidates over two days for individual job interviews. To foster links with the academic world, two sites took part in an initiative involving school, college and university teachers and lecturers featuring presentations and workshop visits. They were also mobilised during the 'Week of Industry' to inform others about their professions through visits, forums, etc.

In terms of partnerships, the company helps those in need by making regular food donations to a number of charities local to its factories, such as "Restos du cœur" and the "Banque Alimentaire". Dry, frozen and fresh products are involved in this approach which responds to incentives developed in the national action plan against food waste.

Agencies helping people back into society can also be called on when certain work becomes available (such as maintenance of green areas and offices).

For the past four years the company has supported a number of employees in their sporting endeavours (registration fee is covered) in the Nantes Marathon. In 2015, 3 teams representing 5 of the Group's 7 sites participated in the relay race wearing the Tipiak colours. The Fouesnant site also supports one group of employees (runners and walkers) with their participation in local races.

### **3.2. Maintaining Public Relations**

Each operational management team ensures that it maintains constructive relationships with its most immediate contacts, often involving on-site visits or exchanges with local politicians, representatives of administrations, and the forces of law and order. We also have close ties with members of the local fire service of each community. In 2015, an inventory was made public at each site to assess the level of the relationship with each of the company's stakeholders and to draw up an action plan which will be deployed in 2016.

Involvement with local professional associations, such as LIGERIAA (the regional association of food industries in the Pays de la Loire region), allows Tipiak to contribute to the development of its professions and its business. We also have ties to associations in industrial zones where some of our sites are located in order to take part in local life (for example, on-site restaurants serving a number of companies). In 2015, the company continued to work with the Saint-Herblain Ouest Business Association and its CSR Committee. In this regard, the company helped to organise a blood donation initiative in June 2015 with the French National Blood Service (84 donors mobilised, 12 of which were Tipiak employees from the Saint-Herblain site). The company has also assisted in the organisation of two meetings between the young people of Saint-Herblain and member companies during mock job interviews (40 young people in March and 110 in November).

The company also welcomes trainees ranging from 11-15 year olds (observation) to students completing their secondary education. In 2015, 75 trainees from all levels were welcomed into various parts of the company, including 23 % of them in production.

Close ties are also maintained with educational establishments specialising in cooking or agri-food technologies. A partnership was also launched with CIFAM in 2014 (the Nantes-Saint-Nazaire Chamber of Commerce) to introduce professions such as butcher, pastry chef and general chef, with site visits to people who have changed careers.

Some of our employees offer lessons so they can share their expertise with students, or they participate in assessment panels, or they validate the awarding of professional qualifications (CQP certificates) in their area of expertise (the National Collective Bargaining Agreement certificate of the 5 Miscellaneous Food Industry Branches, for example).

**3.3. Promoting a Sustainable Procurement Policy**

The Purchasing Group has a procedure setting out guidelines for purchasing processes (sourcing, selecting, negotiating, referencing, supplying, evaluating) for all the divisions of the group. The major challenge is enabling the evaluation and management of purchasing risks. The purchase is then communicated to the divisions via a specific procedure which is integrated into the quality system. Tipiak works continually to select materials and to test new ones on a regular basis under our rigorous referencing processes. The selection of raw materials involves several stages of approval of the material and the supplier (document reviews, supplier audit, analysis frequency and type, industrial testing, etc.). In the Party Food Division, a cross-evaluation of the Purchasing/ Quality/ Supply departments helps to draw a map of vendors according to criteria such as quality of delivered goods, meeting deadlines, age of commercial relationships, geographic location, and so on.

In every division, an audit schedule is drawn up every year with definitive criteria (e.g. strategic and sensitive materials or new suppliers). Supplier audits (8.5 % of raw materials and packaging suppliers audited in 2015) are organised by Tipiak teams according to internal standards (product safety, quality, skill, process management, cleaning, etc.) and mainly where there is international sourcing, so that production conditions of raw strategic materials can be verified and sustainable relationships developed with our partners.

Suppliers audits	2015	2014	2013
<i>No. of audits / No. of suppliers (%)</i>	8.5	8.2	7.4

On-site visits to meet current suppliers (audits) or prospective suppliers offer the opportunity for teams to increase their knowledge of the strategic supply chains (for example, in the last couple of years, quinoa in South America, fish in Scotland or Norway, scallops in South America and manioc in Thailand).

The company continues its approach to better the ten Global Compact principles, especially those affecting the environment, compared to suppliers of raw materials and packaging. Supplier questionnaires, general terms and conditions of purchasing and supplier audit support documents therefore make reference to it in the hope of incentivising and raising awareness.

Almost all manufacturing and packaging of products is carried out at the Group’s own industrial sites. Outsourcing accounts for only 0.19 % of the company’s total production costs (excl. trade).

### **3.4. Ensuring Food Safety and Nutritional Quality**

Within each division, a quality control manager, independent of the production managers, monitors the quality and safety of our food constantly. The safe supply of sensitive raw materials is ensured thanks to the rigorous and permanent quality assurance procedures that are in place. These procedures are validated by the likes of ISO 9001, the BRC (British Retail Consortium), the IFS (distributor audits), and delivered by authorised bodies. In 2015, most of the sites renewed their existing certificates. (*cf § expanded in the “risk factors” section of the annual report*). To prevent the risk of fraud, the draft, which was launched in 2013 and finalised in 2014, was followed by the launch of an implementation project (see § 3.5).

As part of the monitoring of our products, thousands of analyses are performed every year on raw materials as well as end products, either in-house or through accredited external laboratories. The tests are mainly related to contaminants or allergens, or are bacteriological or physicochemical in nature.

Hundreds of internal tasting sessions are organised by trained personnel every year across all of our sites so that the taste and appearance of every recipe can be tested. Many taste tests are also performed throughout the year by independent external bodies with thousands of consumers. Group regulations stipulate that the sale of a new product can only go ahead once high scores have been gained in blind taste tests according to criteria set by the Research and Development teams.

As part of risk prevention, the Group has a procedure in place called “activating a crisis unit” which it can invoke in the case of a threatened or real crisis by mobilising internal or external experts in various fields (law, social work, communications, bacteriology, gastroenterology). In this context, the company has solidified its partnership with IMAD (Institute of Disorders of the Digestive System), by becoming a member of its corporate foundation two years ago.

Finally, awareness and training sessions are also held every year for operational managers and all newly employed managers in the Group as part of their induction programme. In 2015, 36 members of the management team benefited from this information.

### **3.5. Preventing Fraud and Corruption**

The structure of the Tipiak Group, whereby financial, accounting, legal, credit management and payroll services are centralised in the parent company Tipiak SA and “independent” from the operational entities which they serve, ensures separation of duties and operational security.

Through its “independent” position in the holding company Tipiak SA and the nature of its tasks (charts, management indicators, internal controls, risk management), the Controlling & Audit Group department also makes a contribution towards the reduction of risk.

Outside of the company, raising awareness among company suppliers about the principles of the Global Compact (*cf § Purchases*) constitutes a preventative action against the risk of corruption.

Internally, recently added onto the list of elements to be covered in the introduction seminar for all new members of the management team is the presentation of the 10 principles of the Global Compact in order to inform them and raise their awareness of the company's commitments.

For greater control of the supply chain and to reduce the risk of supplier fraud, a pilot project was launched in 2013 for the purpose of strengthening the process used to secure purchases at all of the Group's divisions. A follow-up was conducted in 2014 which enabled the development of a fraud matrix for each category of material. This matrix identifies 3 distinct risk levels corresponding to 3 levels of action plan for internal and external controls to be implemented gradually within the Group. In 2015, a pilot division started a project to implement identified actions, especially on the inspection of materials upon reception. It will be continued in 2016.

Tipiak relies on its corporate culture, organisation and purchasing policy (see § Purchasing) in fostering long-term relationships based on trust and mutual interest, and on various awareness raising activities (described below) to prevent cases of corruption and fraud. As part of its international development the company is building up its knowledge in this area by taking part in thematic conferences, bringing in experts for in-house awareness-building and training sessions, and via research into documentations, in particular the publications produced by Transparency International, and through the exchange of experiences.

*This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

## **Tipiak**

Year ended the 31 12 2015

### **Independent verifier's report on consolidated social, environmental and societal information presented in the management report**

ERNST & YOUNG et Associés

To the shareholders,

In our quality as an independent verifier accredited by the COFRAC<sup>1</sup>, under the number n° 3-1050, we present our report on the consolidated social, environmental and societal information established for the year ended on the 31/12/2015, presented in chapter "Corporate Social Responsibility" of the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the article L.225-102-1 of the French Commercial code (*Code de commerce*).

#### **Responsibility of the company**

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the article R. 225-105 of the French Commercial code (*Code de commerce*), in accordance with the protocols used by the company for environmental, safety and HR reporting in their version dated February 2016 (hereafter referred to as the "Criteria"), and of which a summary is included in introduction to chapter "5. Corporate Social Responsibility" of the management report and available on request at the company's headquarters through the following e-mail : [tipiak@tipiak.fr](mailto:tipiak@tipiak.fr)

#### **Independence and quality control**

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11 of the French Commercial code (*Code de commerce*). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

#### **Responsibility of the independent verifier**

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial code (*Code de commerce*) (Attestation of presence of CSR Information);

- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria;

<sup>1</sup> Scope available at [www.cofrac.fr](http://www.cofrac.fr)

Our verification work was undertaken by a team of five people between September 2015 and April 2016 for an estimated duration of eight weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the limited assurance report, in accordance with the international standard ISAE 3000<sup>2</sup>.

## 1. Attestation of presence of CSR Information

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R. 225-105-1 of the French Commercial code (*Code de commerce*).

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial code (*Code de commerce*).

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial code (*Code de commerce*).

Based on this work, we confirm the presence in the management report of the required CSR information.

## 2. Limited assurance on CSR Information

### Nature and scope of the work

We undertook about ten interviews with the people responsible for the preparation of the CSR Information in the different departments of Communication & CSR, Human Resources, Safety & Environment, Quality and Purchasing, in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;

- Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices. For the CSR Information which we considered the most important<sup>3</sup>:

<sup>2</sup> ISAE 3000 – Assurance engagements other than audits or reviews of historical information

<sup>3</sup> **Environmental and Societal information:**

□ **KPIs (quantitative information):** pollution and waste management (the amount of COD and the amount of waste generated and recovered), energy consumption, greenhouse gas emissions, water consumption.

□ **Qualitative information:** : general environmental policy, pollution and waste management (measures to prevent, reduce and compensate for discharges into the air, water and soil, measures for preventing, recycling and managing waste), measures undertaken to improve energy efficiency, territorial, economic and social impact (employment, regional development, impact on regional and local populations), relationships with stakeholders (conditions for dialogue, partnership or sponsorship), the consideration of environmental and social issues in purchasing policies, measures undertaken in favour of consumers' health and safety.

**Social information:**

□ **KPIs (quantitative information):** employment (total headcount and breakdown, hiring and terminations), absenteeism, work accidents, notably their frequency and their severity, occupational diseases, number of hours of training.

□ **Qualitative information:** health and safety at the work place, training policies.

-At the level of the consolidated entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report ;

-At the level of the representative selection of entities that we selected<sup>4</sup>, based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented on average 51% of the total workforce and between 7% and 14% of the quantitative environmental information.

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

**Conclusion**

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, the 1<sup>st</sup> April 2016

*French original signed by:*

Independent Verifier ERNST & YOUNG et Associés	
Partner, Sustainable Development Eric Mugnier	Partner Bruno Perrin

<sup>4</sup> Social and societal information: Tipiak Traiteur Pâtissier ; Environnemental information : site of Malville (France)