

UNITED FOR PROGRESS

Corporate
responsibility report
2015-2016



TABLE OF CONTENTS

- 4 Our commitments with regard to Global Compact and Sustainable Development Goals
- 5 Editorial: *from earth to life*
- 6 Our value chain
- 8 Our characteristics
- 10 Our materiality analysis prioritises our CSR commitments
- 12 Our challenges, our solutions
- 14 Our CSR strategy is jointly developed with our internal and external stakeholders
- 15 Our 3 CSR priorities

16 Proposing innovative and responsible agri-food solutions

- 17 Developing high value-added technological plant and seed solutions with low negative impact
- 18 Providing product accessibility, safety and quality for customers and consumers
- 19 Supporting the development of different agricultural models for a sustainable world

20 Carrying out our activities in an ethical, sustainable and effective way

- 21 Encouraging long-term development with our partners and the transfer of their knowledge
- 23 Expressing and circulating our business ethics
- 24 Optimising the use of natural resources in a sustainable way and controlling our impact on climate change

26 Building new relationship methods and creating value

- 27 Bringing together employees and members around a shared project and culture
- 28 Dialoguing richly with our stakeholders
- 29 Encouraging collaboration and collective intelligence in our ecosystem
- 30 Being involved in society and acting to develop local region
- 32 Methodological note

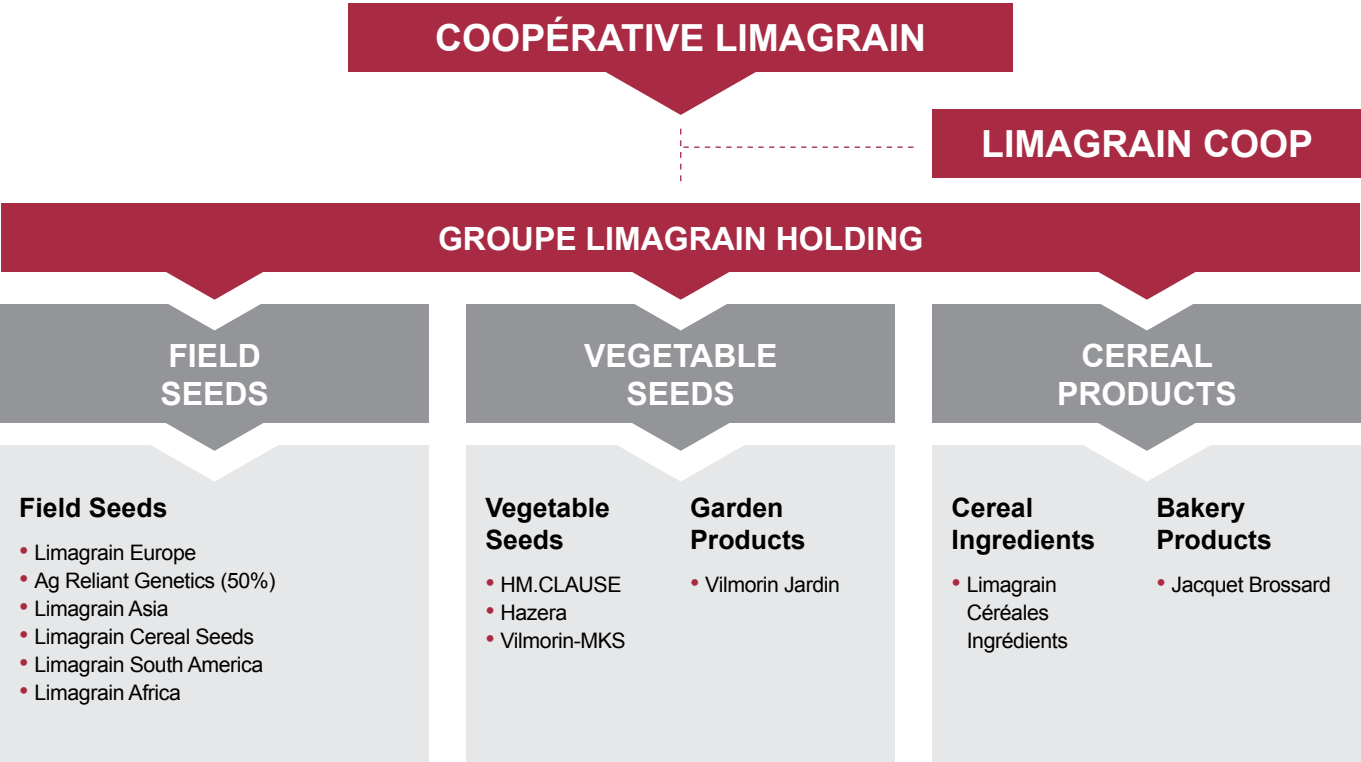
OUR COMMITMENTS WITH REGARD TO GLOBAL COMPACT AND SUSTAINABLE DEVELOPMENT GOALS

Limagrain’s initiatives with regard to corporate responsibility are many and varied. Icons have been used in this report in order to clarify the way in which our actions contribute to the Global Compact and to the Sustainable Development Goals.

The Global Compact’s ten principles are cited at the end of the document. For the Sustainable Development Goals, the following icons are used:



OUR ORGANISATION CHART



EDITORIAL



Jean-Yves FOUCAULT
Chairman



Emmanuel ROUGIER
Managing Director

from earth to life

Between now and 2050, the worldwide population will have grown by 34% according to the Food and Agriculture Organization (FAO). To provide for future needs, agricultural production needs to increase by more than 70%... A growth in production such as this, with natural resources that are already stretched, is not feasible without an advancement in our agri-food production systems.

As an international cooperative Group, guided by agriculture and science culture, our mission and responsibilities are to develop agriculture in order to meet the food challenges ahead. To do this, each year we invest almost 15% of our turnover in research, to develop, from our core business, seeds, innovative and responsible solutions to improve the economic performance of value-added crop production sectors. At Limagrain, we never forget that our primary customers are farmers and that selling seeds depends directly on the ability of farmers to invest in quality products and services. This is why our plans include an international sustainable development process.

This sustainable growth requires, of course, scrupulous respect for the rules. It also requires the emergence of collective, shared intelligence, indispensable for better

living together, and a guaranteed way of sustaining the special link between a company and its regions. Above all, it calls for strict practice of our responsibilities, the expression of our social utility and our uniqueness. This spirit of cooperation is at the heart of our company culture, it is the cornerstone of the balance between respect for the environment, social equality and economic performance.

Our Corporate Social Responsibility (CSR) goes beyond the sphere of a seed company to contribute to the future of agriculture and farmers as a whole. It requires commitment, agility and perseverance from everyone: employees and members alike. It opens the doors to our stakeholders and facilitates dialogue. It is a powerful driver for growth that encourages new initiatives for each person, initiatives that benefit everyone. This is a source of opportunities to grow, cooperate, and act together in the long-term.

In 2013, we committed to signing the United Nations Global Compact and thus made official our vision to be a responsible company. In 2016, for the third consecutive year, we are proud to renew our commitment to the 10 principles via the publication of this CSR report, this year enhanced with concrete examples of our contribution to the Sustainable Development Goals (SDGs).

Limagrain, an international cooperative agricultural group, created and managed by French farmers

THE COMPANY

50 YEARS

of expertise in seeds, created and managed by French farmers

M€2.5

total sales

M€46

net profit

10,000

employees worldwide

2,000

cooperative member farmers

HIGHLY INTERNATIONAL

55

countries and 13 business units close to the markets

77%

turnover achieved internationally

+ 70

nationalities represented among our employees

RESEARCH & DEVELOPMENT

GENETIC ASSETS

AGRICULTURAL ASSETS

INDUSTRIAL ASSETS

NEED ANALYSIS

CREATION OF NEW VARIETIES

CREATION OF NEW PRODUCTS, SERVICES AND PROCESSES

RESEARCH-SUPPORTED INVESTMENT

14.6%

of the professional turnover invested in research

+ 130

research centres worldwide

+ 20%

employees contributing to the research process

OUR VALUE CHAIN

SEED PRODUCTION IN THE FIELDS

By our farmer members and partners, farmers and market gardeners

INDUSTRIAL VALORISATION OF SEEDS

On our plants in France and worldwide

Almost 300 new varieties launched each year. N°5 field seed company, N°2 vegetable seed company.

SALES AND MARKETING

Field seeds and vegetable seeds

FARMERS, GROWERS AND CANNERS AND DISTRIBUTORS

Garden products

CONSUMERS VIA MASS DISTRIBUTION

Cereals (wheat and corn)

AGRI-FOOD MANUFACTURERS

Semolina, wheat and Corn flours, texturing agents, dietary fibre

Sandwich loaves, specialty breads, crisp breads, pastries

CONSUMERS VIA MASS DISTRIBUTION

PRODUCTION OF FIELD SEEDS

By 2,000 cooperative members (45,000 ha of production under contract)

GRAIN PROCESSING

In our French factories

MANUFACTURE OF BAKERY PRODUCTS

In our French, Belgian and Brazilian factories

2nd largest baker and 3rd largest pastry producer in France

SHORT MANUFACTURING CIRCUITS

OUR CHARACTERISTICS

Limagrain is exceptional among the world leaders in seeds.



A GOVERNANCE MODEL TO ENCOURAGE LONG-TERM COMMITMENT

We do not consider profit as an end in itself, but as a means to carry out our plans. Our performance is part of the long-term and our turnover should allow us to pay members and employees fairly and also ensure the Group's stability, development and sustainability.

INTERNATIONAL DEVELOPMENT BASED ON RESPECT FOR LOCAL REGIONS AND THEIR GROWTH

We believe that the proximity of humans and their markets is essential to understand challenges and respond in the best way. Our Business Unit organisation covers all our operational activities and encourages this proximity. Our international development is carried out with great respect for each other's cultures. We always recognise and value the history of the companies that become part of our organisation. The combination of respect for our strategic decisions and an awareness of local cultures is the model that underlies our performance.

Working for a company focused on people is about seeking each day the best for the general interest instead of individual or financial interests. As the cooperative president and a farmer, I consider myself an equitable owner, the guardian of our cooperative tool. It is also about being fully committed to a model that encourages capital stability, continuity in strategic vision, and the choice to reinvest a large proportion of turnover to prepare for the future.

Jean-Yves FOUCAULT
Limagrain Chairman



AN INTERNATIONAL COOPERATIVE AGRICULTURAL GROUP

The roots of Limagrain can be found in the late 19th century cooperative agricultural world that was present in various countries. In 1942, to control the supply of seeds necessary for their activity, farmers from the French Limagne plain came together in a cooperative. They became Limagrain in 1965, and supported the development of their farms with the production of corn seeds. Today, the Limagrain Cooperative is:

- Almost 2,000 members in Limagne, associated with their cooperative both as suppliers and customers;
- 45,000 ha under production contract;
- The parent company of a world-wide group, present in 55 countries.

UNIQUE GOVERNANCE

Since our shareholding is made up of member farmers, we are a company of people and not capital. Our members are committed to a democratic operating method: one person = one vote, regardless of the number of shares held by an individual member. They nominate the section delegates who in turn vote at the General Meeting. 5 sections are geographically-based, the 6th represents the salaried managers at Limagrain. Limagrain's governance also involves minority share-holders in the Groupe Limagrain Holding, positioned within certain subsidiary structures. This stable, supportive system of share ownership provides a long-term strategic vision and ensures long-term economic performance, as long as it is supported by administrators on the ground, strongly involved in governance.

Our governance model is based on three characteristics:

- The Group is co-managed by a chairman, an elected farmer and the managing director, who is an employee chosen by the board of directors;

- This partnership style is reproduced within Limagrain's six operational activities worldwide;
- The company's senior executives hold shares in the Cooperative's stock alongside the farmer members. They are represented on the board of directors, whatever their country of origin.

This model encourages proximity between members, their elected representatives and the leadership bodies. It enables effective decision-making, thanks to a shared strategic vision and cross-disciplinary perspectives between administrators and salaried managers.

Members participate actively in the life of the company, by getting involved in Progress Clubs, which organise training or study trips to Group subsidiaries, in France and worldwide.

This culture of cooperation, Limagrain's DNA, is shared by members and employees. It extends to scientific, industrial and commercial collaborations in our Group, all over the world.

OUR MATERIALITY ANALYSIS PRIORITISES

In 2016, Limagrain carried out a materiality analysis, in collaboration with an external third party advisor. The objective was to refine the identification of our CSR challenges and to rank them, within the framework of ongoing improvement and following the ISO 26000* standard diagnosis initiated in 2012.

This exercise has provided us with a tool to dialogue with our external stakeholders and to feed into our strategic thinking linked to reviewing our CSR processes.



THIS STUDY WAS CARRIED OUT IN

3

STAGES

1. THE EVALUATION OF MATERIALITY CRITERIA

An internal appreciation of the importance of the issues listed comes from the consolidation of the evaluations carried out via the ISO 26000 diagnosis, complemented with interviews to ensure a correct representation of our activities. The results were weighted according to the turnover of each Business Unit. The external importance was defined via an evaluation of three criteria, allowing us to reflect the expectations of the wide range of Limagrain's stakeholders.

Namely:

- our investors, mainly via the evaluation of the level of expectations of non-financial ratings agencies;
- the market, via the evaluation of the level of awareness by competitors of the different challenges and an analysis of questionnaires returned by our customers;
- the consumers and civil society, via the evaluation of media coverage of the different issues in the general and financial press, both in France and worldwide.

2. THE FORMALISATION OF THE MAP OF CHALLENGES

Created by drawing up a list using elements from the CSR diagnosis carried out in the different Business Units, complemented by recent developments in international reference frameworks.

3. THE FORMALISATION OF THE MATERIALITY MATRIX

These results provide the keys to interpretation and help us to distinguish what is important for the present and the future success of the company in terms of CSR, and what is less important. We envisage that we will re-evaluate these results regularly, to encourage progress, in order to best factor in the contextual developments and stakeholder expectations.

* ISO 26000: primary voluntary international norm, providing general guidelines for companies to operate responsibly with regard to the impacts of their decisions and activities on society and the environment.

“

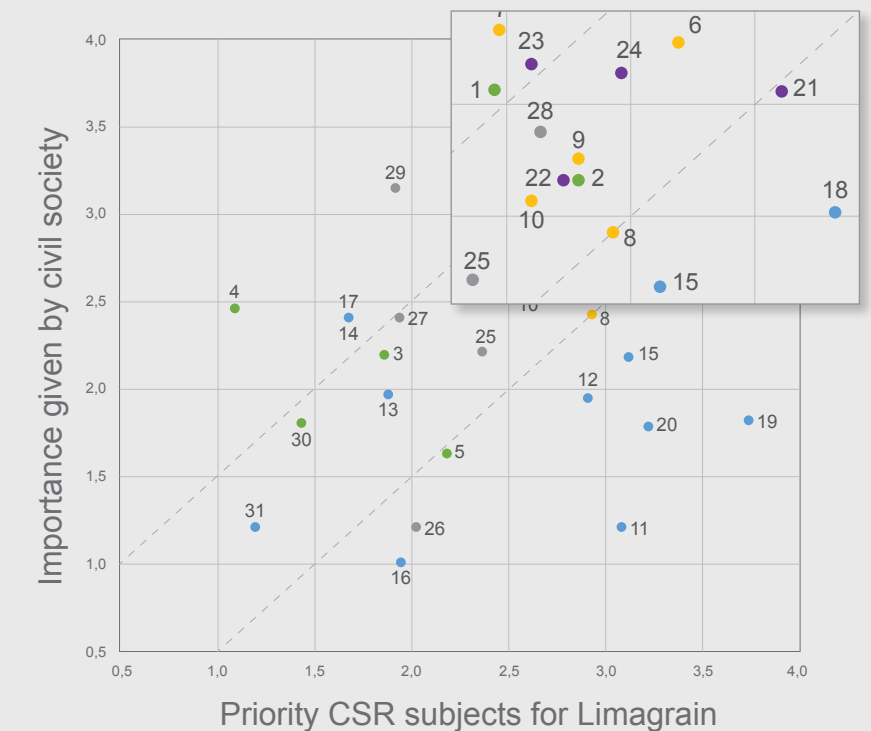
What is materiality?

Considered material: "The issues that have a direct or indirect impact on the organisation's capacity to create, preserve or destroy value [...] for itself, for its stakeholders and the whole of society".

Source: Global reporting initiative

”

The Map of challenges of the group Limagrain



Key

- Environment
- Governance

- Products and Services
- Human Resources

- Social

1. GHG emissions and air pollution
2. Water and effluent management and quality
3. Waste management and value-creation
4. Preservation of biodiversity
5. Soil quality
6. Transparency and ethical business
7. Governance method
8. Responsible purchasing policy
9. Relationship with stakeholders and participation in public debate
10. Respect for human rights

13. Efficiency of farms (use of resources)
14. Responsible marketing and communication (including customer information)
15. Partnerships and innovation with customers
16. Awareness of diversity of tastes and cultures
17. Nutritional quality of products
18. Sanitary quality of products
19. Monitoring and response to market evolutions (needs, acceptability of technologies, digital transformation, etc.)
20. Traceability

22. Social dialogue and participatory management
23. Diversity and equal opportunities
24. Employees' health, safety and well-being
25. Development of local regions
26. Awareness of agricultural diversity
27. Food safety
28. Economic performance of farms and development of subsidiaries
29. Support of communities and patronage
30. Environmental impact of packaging
31. Food waste

OUR CHALLENGES, OUR SOLUTIONS



FEEDING 10 BILLION PEOPLE WELL AND REDUCING OUR ENVIRONMENTAL IMPACT



Today 795 million* people in the world are suffering from hunger and more than two billion* suffer with malnutrition. At the same time, almost two billion* adults (over 18) are overweight due to an unbalanced diet and too much food. And 600 million* of them are considered obese (BMI > 30).

However, we need to feed an ever-growing worldwide population: more than 9.6 billion people in 2050 (8.3 billion in 2030*) and support nutritional transition while respecting culinary traditions and dietary balance. To meet this challenge, agricultural production needs to increase by 70% by 2050**, in quantity, in quality and in diversity, which requires an increase in yields, an optimisation of our use of land and valuing our agricultural industries.

Because our mission is to enable agricultural to progress in order to better meet food and environmental challenges, innovation is our driver. Innovation in all its forms – varietal, genomic, agronomic, technical and technological, among others – encourages co-existence of all kinds of agricultural in a balanced and diverse mix. It is by inventing agricultural styles that are more respectful of the environment, more productive and more in line with society's and farmers' expectations, that we will be able to develop a sustainable and competitive model, capable of meeting food challenges.

* Source: FAO

** Source: FAO and IFPRI Impacts

ACCESSING SEEDS AND FINANCING RESEARCH TO MEET THE AGRICULTURAL CHALLENGES FACING AGRICULTURAL, FOOD AND THE ENVIRONMENT



Plant breeding is at the heart of improving the competitiveness of our agricultural. It requires time, and technologies that are increasingly high-tech and expensive. On average, 7-10 years of R&D is required before a new seed is developed. Each year Limagrain invests almost 15% of its turnover in research, a higher level than the norms in the most innovative industrial sectors.

We pay particularly close attention to protecting the rights of the creators of new varieties, an essential source of financing research. This is a necessary force for innovation to pursue genetic progress and improve plants. We prefer New Plant Variety Certificates (COV in French) to protect our plant varieties. The COV preserves the free use of protected varieties, used as genetic resources by the scientific community to create new plants, thanks to the process called "breeder's exception". We use patents only to protect our biotech innovations.

USING GMOS AND NEW SELECTION TECHNOLOGIES IN THE SAME WAY AS OTHER TOOLS FOR PLANT DEVELOPMENT



For Limagrain, GMOs are an additional tool that allow us to complete, improve and accelerate the natural thousand-year-old process of plant evolution and varietal creation.

We respect the laws and regulations of the countries in which we develop an activity. We only grow and sell GMOs in the places where they are authorised. Our position is clear on this subject: GMOs are one of the existing solutions allowing farmers to better respond to the great agricultural challenges by producing more and better. Biotechnologies can facilitate, in particular, growing techniques, and can limit the use of chemical products, making plants more tolerant to difficult weather conditions.

Our position is identical when it comes to new technologies for improving plants, which allow us to complete the array of available tools and widen the possibilities for use of genetic diversity with even greater precision.

We recognise the usefulness of a debate in order to respond to society's questions, to not play on fears, but provide answers relevant to the diversity of agricultural practices. We want the regulations to be put into place based on science. We also ask that small- and medium-sized seed producers keep their capacity to carry out research in French and European environmental issues, avoiding isolation in GMOs. For us, this is about defending a balanced and responsible approach to progress.

DOING BUSINESS WHILE GUARANTEEING ETHICAL PRACTICES



Business ethics can often be summarised by a list of good practices covering the execution of company activities. We believe that it is essential to rethink ethics as a whole, in all our activities, to create space for dialogue and windows for reflection, which will raise questions and highlight conflicts between what we perceive in the short term and what is practicable and desirable in the longer term. Thus defined, our ethical focus opens the door to progress, while allowing us to undertake our individual and collective responsibilities.

Ethical situations are rarely all identical and vary very widely depending on culture, country, profession, or stakeholders concerned. To deal with this problem, we have implemented tools to encourage our employees to instinctively ask questions. The objective is to encourage a personal sense of responsibility and to use collective intelligence in order to learn how to manage ambiguities, complexity and to interpret the rules with discernment, in all situations. It is necessary to determine the path between respect for the rules to be observed inflexibly and the factoring of requirements that are often contradictory for many stakeholders; initiating a critical ability, which is constructive and positive, individual and collective, because we cannot isolate this decision from the social link that connects us to our communities.

SUPPORTING INTERNATIONAL DEVELOPMENT THROUGH LOCAL MANAGEMENT



Limagrain is a strong local player, involved in the local Auvergne area where it draws on and cultivates cooperative values, thanks in particular to the 2,000 cooperative members and around 2,200 employees in the Auvergne Rhône-Alpes region. It aims to make this region a zone of excellence in agricultural. Our Group is also an international player on five continents. It is this vision of a balance between local and international development that leads us to favour an approach that respects the diversity of cultures among those we work with.

Today Limagrain achieves 77% of its turnover outside France, with subsidiaries in 55 countries and sales in 150 countries. Fully conscious that the future of our growth will play out essentially outside of our borders, our Group is working to reproduce worldwide its management model of proximity that has made it successful in France. This includes the integration of local management, as we are convinced that the proximity of people to the market is essential to be able to understand challenges and respond in the best way. The current organisation in 13 Business Units covers all Limagrain's operational activities and encourages this proximity with our different markets on 5 continents.

PROMOTING REGULATION OF AGRICULTURAL MARKETS



The globalisation of agricultural markets leads to a financialisation of this industry and very volatile prices, which penalise and destabilise farmers and their families, placing farms in danger.

To ensure food security in the long-term, we believe in the strategic role that agricultural has in the economic and social development of every country. It is at the base of the history of every civilisation. We strive for the implementation of an international agricultural and food policy.

To allow farmers to produce in the very best conditions, obtain fair prices and fair pay for their work, all agriculture in the world and all available fertile species are necessary. It is unthinkable that food depends on the goodwill of a few and that food security can be left in the hands of investors motivated by short-term interests in volatile markets.

Limagrain, as an international seed producer, supports initiatives by Momagri, the movement for a worldwide agricultural organisation, of which they are one of the founders. This Think Tank was created in 2005 on the initiative of the French agricultural world and is a recognised focus group. It collaborates with international bodies to create new evolution tools and draw up proposals for a more sustainable international agricultural and food policy.

OUR CSR STRATEGY IS JOINTLY DEVELOPED WITH OUR INTERNAL AND EXTERNAL STAKEHOLDERS

Faithful to Limagrain's cooperative roots, our CSR strategy has been constructed with a systematic and partnership-based vision in order to create sustainable commitments. This emanates from the work in our Business Units. Since 2012, the BUs have formalised their own CSR policy based on the ISO 26000 framework, and adapted to the agri-food sector as well as the 10 principles of Global Compact.

Six Business Units out of 13, representative of our activities, have a management role in the creation of our CSR policy: LCI, Vilmorin Jardin, Limagrain Europe, Jacquet Brossard,

Limagrain Coop and Limagrain Asia (China). They have all followed the same methodology:

- CSR diagnosis,
- Prioritisation of issues,
- Definition of objectives,
- Formalisation of a 3 year and a 5 year action plan.

Almost 180 internal and external stakeholders were solicited to carry out diagnostic tests. All types of stakeholders that Limagrain is in contact with on a daily basis were addressed. In addition, each Business Unit concerned organised an internal working group to define the medium-term objectives and formalise their own action plan as the meetings took place.

This method, based on co-construction, allowed us to define a strategy that meets the most important CSR issues in each activity while adapting the action plans to the specifics of each profession and geographical area. It also provides coherence with the CSR priorities formalised by the Group.

As a result, various types of programmes are carried out in the Business Units to raise employee and member awareness, allowing them to claim for themselves subjects relating to CSR, and inform them of our commitments and progress in this area. The objective is to guarantee their involvement, a key element of success in a CSR process. This could take the form of information articles in internal newsletters, e-learning modules on certain issues such as anti-discrimination, and partnerships between members, employees and NGOs.

The Business Units follow the same methodology :

- *CSR Diagnosis,*
- *Prioritisation of issues,*
- *Definition of objectives,*
- *Formalisation of a 3 year and a 5 year action plan.*

PROPOSING

CARRYING OUT

BUILDING

3

OUR CSR PRIORITIES

Limagrain's CSR strategy was formalised at Group level in 2012. Revised in 2016 to include in particular the results of the materiality analysis, today it is deployed with 3 focuses. Our strategy has been developed in a coherent way with our Business Units and adapted according to geographical, cultural and market particularities.

The first focus aims to take into account, from the innovation process onwards, the impacts of products and services. It must allow us to identify the needs of the different links in our plant sectors in terms of sustainability, to ensure safety, quality and the suitability of our offerings, while limiting their negative impact, with economic performance, social, societal and environmental requirements.

The second focus is in line with our position as a company. The objective is to make ourselves more agile, ethical and responsible, in order to position our Group more effectively in new markets in the long term. This area of improvement should also allow us to limit the withdrawal of resources; to contribute to creating and preserving value in the short, medium and long term, by participating in the development of Group activities and optimising the management of environmental, social and societal risks, in varied and changing business contexts.

The third focus concerns sharing our CSR principles with our stakeholders, in the widest sense of the word. It's about building new partnerships, new relationship methods, and creating shared value thanks to an ongoing dialogue, active listening and responsible relationships. It is also about participating in the development of our regions, while ensuring our activities have a positive impact and that we contribute to providing access to high-quality, healthy and balanced food for everyone.

As part of their induction programme, new executives attend a CSR awareness session. The Group CSR department offers a dedicated training module, along with communication tools (eco-friendly behaviours, videos "CSR in 90 seconds", "CSR at Limagrain", etc.). It also provides the Management Committee in each Business Unit with an analysis of their non-financial reporting and a dialogue on good internal practices and achievable progress. The CSR department is also increasing awareness sessions and experience sharing with external stakeholders (customers, investors, suppliers, public bodies, staff representatives and representatives from the community, the academic world and the economic sector).

The Group, via its subsidiary Vilmorin & Cie, has adopted the Gaia 2016 Index, which informs investors about the CSR performance of Small and Mid-caps (SMID): a strong sign of recognition of transparency, and their commitments with regard to CSR.

Proposing innovative and responsible agri-food solutions

- Develop plant and cultivation solutions, with high added value, high-technology and low negative impact.
- Provide customers and consumers with product access, safety and quality.
- Support the evolution of different agricultural models for a more sustainable world.

Carrying out our activities in an ethical, sustainable and effective way

- Encourage the long-term development of our employees and the transmission of their knowledge
- Express and circulate our business ethics
- Optimise the use of natural resources in a sustainable way and control our impact on climate change

Building new relationship methods and creating value

- Unite employees and members around a common project and shared culture
- Encourage collaboration and collective intelligence in our eco-system
- Undertake rich dialogues with our stakeholders
- Be involved in society and act to develop local areas.

PROPOSING INNOVATIVE X RESPONSIBLE AGRI-FOOD SOLUTIONS

Innovation is a priority to guarantee Limagrain's competitiveness and performance. Our research and development budget represents 14.6% of our professional turnover in 2016.

INNOVATION, THE KEY TO OUR PERFORMANCE

Research involves 22% of our staff over 3 stages of our value chain.

Varietal Innovation: Scientific progress, especially in the genetic sphere, has allowed us to make rapid and useful progress to improve plants. The results of varietal creation now allow us to offer more productive varieties that are better adapted to climates and other characteristics of particular regions, more resistant to disease and pests, while guaranteeing optimum nutritional qualities. Our teams work on more than 60 species, thus contributing to the enrichment of the plant world.

Agricultural innovation: agricultural practices are improved thanks to the integration of genetics and digital technologies. Our efforts focus in particular on precision agricultural, which complements the view and experience of the farmer, allowing them to be modelled, in data form, on innovative production systems. This results in a better knowledge of soils and how to protect them, and how to implement a biological control process in greenhouses.

Industrial innovation: improving industrial procedures and solutions and implementing new developmental projects to optimise our productivity and / or better meet the societal, economic and environmental expectations of our professional customers and consumers.

* Professional turnover includes turnover from all seed activities (field seeds and vegetable seeds) for farming professionals; it only includes sales and no royalties. It does not include Jacquet Brossard, LCI, Vilmorin Jardin or Limagrain Coop.

DEVELOPING HIGH VALUE- ADDED TECHNOLOGICAL PLANT AND SEED SOLUTIONS WITH LOW NEGATIVE IMPACT



In accordance with principles 8 and 9 of the United Nations Global Compact.

During the years to come, agricultural must face the convergence of big worldwide challenges: a growing population, heightened competition for access to water and energy resources that are continually declining, and climate change. Our main contribution as a seed producer is to improve our responsiveness and capacity to adapt crops. This is the major contribution that our breeders will make. Their work will allow varieties to be adjusted to the agricultural ecosystems, to their limitations (climate, soil and top layer quality). They are creating the varieties of the future, varieties that meet farmers' performance requirements; varieties that allow the development of biodiversity within each worked area; varieties that preserve the places in which they are grown.

HM.CLAUSE at the service of the industry

The HM.CLAUSE teams are at the service of all key players in the vegetable, specialist market gardener, generalist and short circuit sectors, and offer a wide range of original, high-performing products. In 2016, this range was enriched with 20 new varieties, among them: the Jeroboam* cauliflower, which is resistant to frost, has upright leaves and is very easy to harvest; the Mini Sweetie** sweet pepper that shows its difference through its mini-horn shape, its attractive colour and sweet taste, making it ideal for salads; and the Cupidissimo** tomato with its exceptional taste and good capacity to adapt to cold shelter.

Hydraneo by Limagrain Europe, a unique tool for managing water stress

Adapting seeds to local soil and weather conditions and improving resistance to disease and water stress is one of our research priorities. Since the end of 2015, Limagrain Europe has been offering an innovative way of managing drought, called Hydraneo. This solution combines a method of evaluating tolerant varieties, a computer diagnosis of the main risk factors in the agricultural plot, varietal recommendations and agricultural advice. Hydraneo thus provides overall support for farmers to protect their yields to the maximum in difficult conditions. Hydraneo has been launched in Bulgaria, Russia and Ukraine and will soon be available in other European countries.

“

With our research, we carry out programmes that launch us into the long-term. Working for a Group managed by farmers makes sense: we speak the same language as our clients and we are building for the future.

”

Ido HORRESH
Manager of R&D Supporting
Functions at Hazera – Brurim
(Israel)

KEY FIGURES



319

vegetable and field
crop varieties



50

new grain
products

**... have been launched in
the market in 2015-2016.**

Limagrain dedicates more than 20 million euros each year to conserving genetic diversity of the species we work with. For corn in Europe, that represents 30,000 varieties (lines and populations) preserved in our collections.



Eskimo by Vilmorin, the carrot that resists the cold

The carrot variety "Eskimo", developed by teams at Vilmorin, is destined for winter harvests in northern Europe. Thanks to this variety, English producers have greatly limited the use of straw and polyurethane during a part of the harvest period. Its excellent tolerance to frost, its great performance in cold conditions and its yield have thus cut the carbon footprint for protecting crops by three.

* Variety undergoing the acceptance process

** Variety undergoing the acceptance process – Name undergoing validation.

PROVIDING PRODUCT ACCESSIBILITY, SAFETY AND QUALITY FOR CUSTOMERS AND CONSUMERS



Genetic resources are the primary materials that our local communities and researchers need to contribute to the improvement of the quality as well as the quantity of food production. Biodiversity is one of the most important resources on our planet to satisfy the requirements of agricultural and food. It expresses the necessary variability, in all its forms, for the adaptation and survival of living organisms in their evolving environments: diversity of ecosystems, the diversity of species and, the diversity of genes and their make-up (which is less visible). Our work on genetic resources and biodiversity thus contributes to food security and nutritional diversification – that is, the availability of a range of varied and suitable foods – essential for human health and development.

In parallel, offering safe, high-quality products is one of Limagrain’s primary objectives. To ensure a reliable level of traceability, from harvest through to marketing and sales via processing, our Group implements quality management systems that meet the highest European and International standards. Our tools, part of an ongoing improvement process, are implemented and make an impact progressively each year to strive towards operational excellence.

Tinty, the Hazera red pointed cabbage participating in food diversity



Since the end of 2015, Hazera has offered a new variety of cabbage, Tinty, which combines the colour of a red cabbage with the shape and taste of a pointed cabbage. This innovation enjoyed great success during a presentation at the trade fair Fruit Logistica, in early 2016 in Berlin (Germany). Tinty has thin, flexible leaves as well as a sweet, pleasant taste that means it can be used in salads, sautéed, or steam cooked, thus facilitating consumption. To better fit with consumer habits and to limit food waste, it is sold in different sizes, between 300g and 1.3kg, and can be wrapped individually, or in twos with a green cabbage. It also has a long shelf life. Offered for sale in a large chain of European supermarkets, it comes with a leaflet with two sample recipes for consumers in order to guide them in how to use it.

LCI Clean Label allergen-free ingredients



LCI, specialising in the development and manufacture of authentic, functional grain ingredients for the agri-food industry, provides Clean Label solutions. This concept, positioned in the natural health segment, allows manufacturers to reduce artificial additives as well as simplifying their recipes, and it allows consumers to benefit from a more understandable, more natural list of ingredients for an improved diet.

All our industrial sites have implemented a quality management system and several of them are also ISO 9001 certified. All our European companies present in the bakery-pastry markets (Jacquet Brossard) and in the grain ingredients markets (Limagrain Céréales Ingrédients) have obtained food safety certification (BRC, IFS, FAMI-QS or ISO 22 000 FSSC)*.

* BRC (British Retail Consortium); IFS (International Featured Standard); FAMI-QS (Quality and Safety System for Specialty Feed Ingredients and their Mixtures).

LCI also develops solutions without allergens. Thanks to a collaboration with the University of Foggia (Italy), it has recently developed the first gluten-free corn flour especially for making pasta, called Westhove corn 23. This flour can be used for pasta manufacture and has taste characteristics that are very similar to pure wheat flour pasta. In parallel, thanks to a new thermal treatment tool called Prado, the “Nutricorn” range by LCI, based on corn germ, introduces the development of “toasted” ingredients for a product that is interchangeable with hazelnuts, which are highly allergenic. Limagrain thus offers its members the opportunity to optimise their production – corn germs were until now used for animal feed or oil preparation – and provides manufacturers with renewed ingredients with different qualities, tastes and colours.



The improved nutritional profile of Jacquet Brossard products



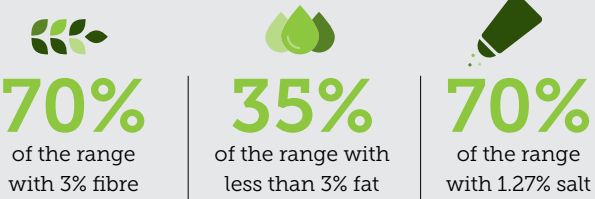
In the context of increased preoccupation by consumers with the impact of food products on their health, Jacquet Brossard places nutrition at the heart of its focuses. The company centres its efforts on optimising the nutritional quality of its products and on formulating new recipes in line with public health objectives: reduced sodium content, reduced fat and simple sugar content, and increased complex carbs and fibre... to contribute to a better diet for the French population.

On 17th February, Brossard was the 1st brand in the industrial bakery sector to sign a Voluntary Commitment to Improve Nutrition as part of the framework of the Programme National Nutrition Santé (National Programme for Nutrition and Health) with the Ministry for Health. The acquisition of this charter of commitments is a result of a number of efforts carried out, and others planned, in order to improve the nutritional qualities of the products that are emblematic of the brand.

This commitment is part of many ongoing initiatives taken over a long period, such as removing palm oil from the list of ingredients. Rigorous work by Jacquet Brossard teams allowed the creation of a range of bread that was 100% without palm oil in 2011. A substitute was created using rape seed oil, one of the oils that is lowest in saturated fat. The company is getting ready to make the same replacement with its pastry products, where rape seed oil is already used in 78% of the range.

KEY FIGURES

Jacquet, objectives for bread in 2018:



SUPPORTING THE DEVELOPMENT OF DIFFERENT Agricultural MODELS FOR A SUSTAINABLE WORLD



In accordance with principles 8 and 9 of the United Nations Global Compact.



Agronomic innovation aims to improve agricultural practices, thanks to the development of high-performance and pragmatic solutions, which are easy to use by farmers.

It is by placing innovation at the service of farmers that agriculture will be both more respectful of the environment and more productive as well as moving in line with societal expectations, especially those of farmers. This innovation should bring about technical and human progress, at the service of sustainable and competitive agriculture.

Limagrain promotes precision farming



Since 2015, the Cooperative has placed “Limagine Décision” at the disposal of its farmers. This decision-making tool enables the recording and management of plot crops (crop rotation, fertiliser plans, all interventions...). Available both in the office and out in the fields, on computer, tablet and smartphone, its aim is to reduce the usage of fertilisers and water, while improving yields.

At the same time, LG offers a special dashboard for each farm. It has all the Decision-Making Tools of the LG brand, created for producers. These tools are free and accessible online. The LG Dashboard won a prize at the 2016 Sommets d’Or, an innovation competition open to all exhibitors at the Sommet de l’Élevage, the professional European show for industry professionals. Among these decision-making tools, there is the one dedicated to managing irrigation, LG Vision Irrigation, created in 2013. It allows the farmer to manage his or her water inputs depending on the rainfall and the needs of his or her crop. This tool has real environmental value: to provide the right quantity of water at the right moment. It also has economic value, since for corn water stress during a sensitive period can result in considerable yield losses.



➔ Find advice and recipes on www.friseline.com

Also follow us on

KEY FIGURES

Limagrain Coop sets up precision agricultural in Limagne



Nitrogen balance for
100%
in the traced chain



Management of irrigation via the installation of
10
weather stations in Limagne,



100
farmers use the internal decision-making tool, Limagine.



Friseline by Vilmorin-MKS, a cross-disciplinary innovation for the French endive industry



Vilmorin-MKS supports endive producers in the north of France in the context of a difficult market, allowing them to develop in a new market, the salad market, as a complement to their core business. A result of more than 20 years R&D, the Friseline endive is the fruit of a collaborative process with producers and different teams in the company. As well as the availability of this new variety, Vilmorin-MKS also offers technical support, branding and attractive 100% Made in France packaging, as well as shared promotional tools. In exchange, the producers commit to following strict specifications, and activating the promotion of the product in store, in order to ensure the product has uniform quality and to support, alongside Vilmorin-MKS, the development of this ground-breaking innovation. Vilmorin-MKS’s ambition is to develop this innovation internationally. Thus, this new salad is being sold in the USA, under the name Coraline, in order to adapt it to the specific features of the market.

CARRYING OUT OUR ACTIVITIES IN AN ETHICAL, SUSTAINABLE & EFFECTIVE WAY

To develop in France and internationally, Limagrain carries out its activities responsibly, with a balanced, participatory vision in the long term.

Because respect for people and nature is fundamental to the achievement of our ambition; because our values – progress, perseverance and cooperation – guide our way of doing and rule our decisions; because our expertise, our innovative spirit, our brands, our international development, our multi-culturalism, the commitment of our employees and our members sustain our Group, we are convinced that we have all the assets needed to achieve our ambitions for sustainable international development.

We have the desire to develop talent in all those who want to share in the human adventure that is our project.

We want to anticipate and meet our human resource needs in line with our values and strategic direction.

We are conscious of environmental issues in the context of restricted cultivable areas and limited natural resources. We want to provide real solutions and we are working, each day, to extend towards operational excellence to make us an exemplary partner.

Our project must allow each person, today and tomorrow, “to be at ease in and alongside Limagrain”.

In parallel, we also incorporate fundamental themes from Global Compact – human rights, employment rights, environmental protection and the fight against corruption – into our development strategy. These principles are at the heart of our human resource policy, our ethical policy and our commitments to preserving the environment.

ENCOURAGING LONG-TERM DEVELOPMENT WITH OUR PARTNERS AND TRANSFERRING THEIR KNOWLEDGE



In accordance with principles 3 and 6 of the United Nations Global Compact.

To preserve and develop our human capital in line with our strategy and environment, Limagrain is deploying programmes to reinforce the employability of staff, to guarantee high standards in health and safety at work, to monitor the consistency of our social policy all over the world, and to reinforce the sense of belonging to the Group, as well as links between employees and members. All Group employees are furthermore associated with Limagrain's sales results and that of their respective Business Unit, in the framework of an overall incentive scheme. This incentive programme, implemented at Group level, takes place in all the countries where we are located.

Actions to promote mobility and the development of skills

The employability of Limagrain's 10,000 employees is a major focus of our Human Resources (HR) policy. We do not offer a set career path. To enable the employees to progress and adapt to changes in their professional life, we use various processes: reviews carried out throughout the career, personalised support, training, experience sharing, and internal mobility to encourage promotions between countries, subsidiaries and even professions.

An annual talent review (managers and employees who are graduates or have post-graduate qualifications), carried out by our “career committees”, at Business Unit level and consolidated at group level, enables us to identify potential and optimise opportunities for mobility and promotions. Similarly, all the available jobs are accessible to all employees via the Group intranet site.

Limagrain offers first international professional experience for 12 to 24 months thanks to VIE (International Volunteers in Business). Each year, between 10 and 20 graduates leave to go abroad on this scheme (to South Africa, Mexico, USA, Myanmar, Brazil, etc.). In 2015-2016, 13 graduates participated.

Mentoring, a win-win experience sharing process

This year, Limagrain has launched a mentoring programme for young managers, who will be supported for 6 months by a mentor in a different business unit and different job, with no hierarchical link. This exchange provides an enriching experience, which recognises the knowledge of experienced managers and benefits both the mentor and mentee, as well as the Group overall, by encouraging creativity, sharing of values, as well as inter-organisational and inter-generational communication.

THE INTERNATIONALISATION OF THE GROUP HEALTH INSURANCE AND PROVIDENCE PROGRAMME: 100% of employees covered by 2018

During the 2014-2015 financial year, an audit was carried out in all non-French companies in order to evaluate the level of cover provided by the company. The survey was not carried out in France, since all employees already benefit from good quality cover.

The audit results showed that 67% of overseas employees had Health cover and 72% Providence cover. The study also allowed us to define a new target based on the standard of each country. By the end of the next two financial years, each Limagrain employee will benefit from:

- a Health programme at the level of market practices,
- Providence cover offering at least 1 year compensation to family in the event of death.

Since the study, the cover has already been extended to 215 additional employees.



KEY FIGURES



4.2

million euros invested in
134,994 hours of training
(+11 620 hours in comparison
with the previous year)



134

employees aged under
26 years old employed
under permanent
contracts worldwide



391

new employees from
higher education



426

interns worldwide

An ambitious policy for employee safety: reduce the frequency rate of lost-time accidents by 50% in 3 years

We are convinced that there cannot be sustained performance without safety. Founded on strong management involvement, the goal of our safety at work policy is to take action on both our organisation and on behaviour, which are essential for the causality of accidents, in order to effectively prevent them. Beyond the fact that each person is responsible for their own safety and that of their colleagues, very strong management involvement is also expected.

During this exercise, in keeping with the previous year, the Management Boards' safety training plan has been continued. To date, all the Business Unit management boards have undergone training in order to carry out management safety visits in their area. They have been able to measure the effectiveness of the process which aims above all to provide warning of exposure to any professional risk. It also provides a reinforcement of the managerial model that Limagrain promotes, considering the interests of all those working for and with the company, whether they are employees, temps, interns, sub-contractors or visitors.

A Safety Committee leads the management of this policy, supported by the actions of the Safety Coordinator. The Business Units manage this policy internally, in close collaboration with the line managers and safety experts. They are in charge of internal communication, boosting managerial involvement and motivation at all levels of the hierarchical chain, of training all employees, evaluating risks and defining norms and standards to mitigate those risks, monitoring indicators linked to managing the safety policy, analysing accidents of any severity, and drawing out lessons from all situations of material failure.

Encouraging social dialogue

In order to ensure that social dialogue is constructive, Limagrain encourages collective negotiation with its social partners. Group agreements thus ensure a common policy between Business Units. The European Works Committee (CEE) meets twice a year with the goal of ensuring that employees stay informed and establishing a positive relationship with employee representatives in our European companies. It deals with economic, financial and social issues that are of global interest and go beyond the framework of a particular country. It is made up of 29 employee representatives from nine European countries.

In most of our countries, employee representation bodies exist in different forms (works councils, employee forums, and employee representatives).

In parallel, surveys on the quality of life at work are carried out in our companies. For the latest survey, 36% of full-time staff replied, 58% higher than the last time it was carried out.

Students and young graduates: a collaborative and stimulating professional experience

Limagrain offers various internship and work-study programmes (apprenticeships, professional training contracts) in a wide range of professions and qualifications, in France and abroad. We also have good relationships with the educational world and develop targeted partnerships all over the world. Schools and universities are selected based on our core sectors and also for their international outlook. As well as multiple teaching collaborations, these are also an important recruiting ground. We regularly meet students during forum events, we participate in lectures, we supply study topics and open our sites for educational visits.

Against this background, to be a leading employer capable of attracting inquisitive personalities, with an international outlook, and the experience of an atypical career path, with varied talents from wide-ranging experiences, we have just launched our programme "Campus Ambassadeurs". It aims to value our employees' experience and expertise, to increase the understanding and visibility of the jobs and employment opportunities in the Group, to support higher education establishments in their thinking about developments in education and training and finally, to complement the students' education through an immersion in the workplace via mentored projects and research partnerships.

HM.CLAUSE's "employment policy" in the "American" zone follows the guiding principles of current national policies and satisfies all recruitment and employment requirements, especially via specific training tools. In this context, in accordance with laws preventing sexual harassment and with company policy, HM.CLAUSE managers and executives, those already in post, newly hired or recently promoted to a management position, follow a 2-hour e-learning course on preventing harassment. This training is renewed every two years.

100% of managers in the "Americas" are signed up to the e-learning system and 90% have successfully followed the complete training course.

KEY FIGURES



TLost-time work
accident frequency rate:

14.8

(136 lost-time work accidents)



Work accident
severity rate:

0.46

(excluding HM.CLAUSE Vietnam)



22.9%

of training hours
undertaken are dedicated
to health and safety.

Limagrain capitalises on the good practices of its Business Units to build a common health and safety reference framework and instill a culture of safety throughout the organisation.

Limagrain Coop and LCI have implemented a system of objectives. It is accompanied by "safety flashes" after each incident, circulated to all employees and ad-hoc studies are carried out depending on the recurrence of accidents, for example, on the subject of wearing gloves.

HM.CLAUSE records work accidents on a system that covers all the countries in which it is located.

Limagrain Europe has initiated an internal WhatsApp network to facilitate awareness and communication as well as Safety Corners on all sites.

A commitment to diversity

The diversity of employees within Limagrain is an integral part of our DNA. We are a multi-cultural Group, made up of more than 70 nationalities, which we see as true richness.

Limagrain is committed, with a spirit of openness and equality, to treating its employees with respect for their dignity and physical and moral integrity. All Group employees are thus recruited without discrimination against gender, age, origin, religion, sexual orientation, physical appearance, health record, disability, membership of unions, or political belief.

Collective agreements have been negotiated to encourage equality between the genders and intergenerational equilibrium. Other measures have been taken to encourage the employment and integration of disabled people within several of the Business Units.

EXPRESSING AND CIRCULATING OUR BUSINESS ETHICS



In accordance with principles 1, 2, 3, 4, 5, 6, 8 and 10 of the United Nations Global Compact.

The Code of Conduct aims to structure the fundamental principles and commitments that Limagrain would like followed in all its entities by all its employees, whatever their profession and country.

This document draws on the international framework provided by the Universal Declaration of Human Rights, the International Labour Organisation Conventions, The United Nations Convention on the Rights of the Child, the guiding principles of OECD and Global Compact, which Limagrain signed in 2013.

The principle of questioning at the heart of the Code of Conduct

Our Code of Conduct specifies the different current rules and regulations to which employees must conform, while inviting them to adopt an individual culture of questioning.

It is made up of 5 principles intended to guide employees by providing ethical references that are useful for carrying out their jobs and managing risks relating to:

- the company image and reputation;
- company shares;
- conflicts of interest;
- non-public financial information;
- intellectual property rights.

And it includes 7 commitments with regards to internal and external stakeholders:

- respect for shareholders;
- respect for employees;
- preservation of the environment;
- loyal behaviour with regard to competitors;
- customer-user and consumer satisfaction;
- long-term balanced relationships with suppliers and partners;
- responsible conduct with regard to local regions.



KEY FIGURES



26.3%

of employees, 2,253 permanent staff took the e-learning module in the Code of Conduct at 30th June 2016..

Limagrains Brasil has implemented an "ethics channel", a space for dialogue to allow all company employees to report any ethical dilemmas they encounter during their working activities.

It is currently translated into ten languages: French, English, Spanish, Portuguese, Chinese, Dutch, Italian, Ukrainian, Hebrew and Turkish. In order to facilitate its acceptance and use, it comes with a complete communication kit including a dedicated e-learning module, which uses role play methods. There are four operational role-play situations (gifts, safety, data confidentiality and anti-trust) and employees must resolve the ethical issue by using a questioning reflex to act with common sense and discernment.

The respect for human rights, an enforceable principle in all our Business Units

Our Code of conduct is based on respect for human rights as defined by international organisations and Global Compact. It is therefore an enforceable document for all our Group entities all over the world.

Some Business Units have complemented the Code of Conduct with their own rules within a local context. In India, Bisco Bio Science, grants bank holidays, which is not systematic in that country and also supplies purified water to the production staff. HM.CLAUSE India has just hired two people to carry out internal audits of the network of farmers and companies on child labour and the minimum wage. In parallel, and with the support of the Group, HM.CLAUSE India participated actively in drawing up the position of APSA (Asia & Pacific Seed Association) on the subject.

In Japan, Mikado Kyowa Seed has added "Anti-Social forces" exclusion clauses in its contracts with certain clients to protect itself from individuals who seek economic advantages by using violence, force and fraudulent means.

OPTIMISING THE USE OF NATURAL RESOURCES IN A SUSTAINABLE WAY AND CONTROLLING OUR IMPACT ON CLIMATE CHANGE



In accordance with principles 7 and 8 of the United Nations Global Compact.

The impact of our activities on the environment is a preoccupation that is managed close to the ground, at Business Unit level, using a voluntary, responsible process.

Each year, the Group communicates an analytical comparative report to the Business Units, showing non-financial data, such as environmental data. This document makes an inventory of good practices observed internally as well as those used in a range of benchmark companies. This complements the local actions, providing information and raising employee awareness of environmental issues.

Respectful water usage

The question of water is approached in two ways: the quality of discharge into water and our consumption of it.

The Group Risk Management Reference Framework provides for an analysis of all our aqueous discharge and its treatment where necessary. Our sites are equipped with suitable arrangements to minimise the risk of pollution, in particular the water reprocessing basins.

In parallel, over the past year, the increase in our water consumption is essentially due to changes in the scope of our activities and climatic variations, as well as improvements made to our non-financial reporting. Our companies deploy for reducing water consumption in line with their activities. Some companies have put in place drip irrigation systems, off-ground cultivations, or field mulching and Jacques Brossard's production lines are dry cleaned. In Brazil, Limagrains South America has installed a complete drip irrigation system in the Sorriso and Londrina research centres.

Energy efficiency, a way of limiting greenhouse gases

Following the energy audits carried out in 2015, almost a million euros were invested in improving energy efficiency in our facilities. In France, the process is facilitated by an Energy Committee, who bring together all the industrial entities concerned.

With a concern for ongoing improvement, since 2013-2014, Limagrains has used ADEME's reference framework to estimate its greenhouse gas emissions. Its direct emissions are essentially a result of the combustion of fossil fuels on its sites and the use of fuels for the vehicle fleet and owned farm machinery.

Now, when new equipment is replaced or purchased, many of our companies evaluate energy performance or energy economy.

Thanks to the optimisation of the speed and number of people in vehicles, Jacques Brossard has saved the equivalent of 86 tonnes of CO₂ each year since 2009.

Waste volumes limited and recovered

The recovery of waste has been carried out for a long time within the Group: 85.9% of waste is recovered (+6% in comparison with 2015), essentially as animal waste and compost. Other sectors (recycling, energy, etc.) are used, depending on local specificities.

Our actions also relate to the prevention and limitation of waste. Various investments have thus been made to finance 66 actions resulting in the reduction of waste production and facilitating their elimination and recycling (crushers for organic waste, sorting bins, partnerships for recycling batteries, etc.).

Good agricultural practices to preserve the soil

The soil is our primary production tool. Our farmers are continuously improving their agricultural practices to preserve the soil and our research teams carry out various work to improve agronomic management. Different prospective and corrective actions are implemented, while respecting registered products and prescribed doses. We also develop seed varieties that are resistant to insects and to viruses, thus allowing the reduction of treatment products, and requiring less fertiliser during cultivation.

New ways of working the soil are explored. For example, in the area of vegetable crops, rotating crops allows the preservation of the macro fauna and micro-organisms. Vilmorin SA innovates with new techniques such as ceasing ploughing, investment in tools that work the soil superficially and thermal weeding.



KEY FIGURES



2,109
hours of training
on protecting
the environment



108,450
tCO₂ eq emitted
(+ 9,565 tCO₂ eq)



1.24
million euros invested
in improving
environmental impact



521,240
MWh of energy
consumed
(+ 67,889 MWh)



3,152,594
m³ of water
consumed
(+ 627,178 m³)

Limagrain encourages dialogue with its stakeholders and develops a partnership approach.

A detailed knowledge of the agricultural world, coupled with knowledge of our suppliers and customers, guarantee products and solutions that are in line with the needs of the market. To prepare for the future in the best possible way, the development of our activities is based on collaborative team work and an exchange of good practices between Business Units, as well as on multiple partnerships with private and public laboratories and research bodies in France and worldwide, and also with companies at the forefront of their sector. It is

thanks to these close links built up over a long period with key players in our ecosystem, that we can improve our performance day after day.

Some partnerships also have the goal of constructive company engagement in the areas where we are located. Our Group and its subsidiaries are developing or linked to numerous social and educational actions. This is a way for our Business Units to participate in local life and express their social utility while also contributing to raising awareness and increasing the value of the agricultural world and food issues worldwide.



**BUILDING
NEW
RELATIONSHIP
METHODS
X
CREATING
VALUE**

BRINGING TOGETHER EMPLOYEES AND MEMBERS AROUND A SHARED PROJECT AND CULTURE



In accordance with principles 1 and 8 of the United Nations Global Compact.

To strengthen Group spirit, over the past few years, Limagrain has implemented several tools to encourage the emergence of a common company culture. The objective is to facilitate communication and sharing of information between all the entities in the world, and to encourage the sense of belonging and the involvement of each person in Group activities.

New managers all over the world are therefore asked to participate in an induction programme to learn about Group strategy, activities and values. During the induction, they visit a farm belonging to one of our members, to improve their understanding of the specificities of the agricultural profession. This programme is also an opportunity to raise awareness of our CSR commitments and our Code of Conduct.

Each year, seminars and conventions bring together senior executives, senior managers or different communities of professions. They encourage exchanges and the strengthening of links between employees and member farmers. Multidisciplinary networks of experts – in law, human resources, communication, IT, finance, CSR, etc. – have also been established to facilitate the exchange of good practices between Business Units.

Limagrain Academy, a training programme available to the whole Group

Management, personal development methods, multidisciplinary themes (finance, cooperation, etc.) and knowledge of the Group (introduction to varietal creation, etc.): the courses administered by Limagrain Academy since 2013 aim to support our development, thanks to the acquisition of skills, aptitudes and abilities necessary to carry out our activities. They are complementary to the training provided within each Business Unit.

Limagrain Academy courses increasingly use new learning methods such as webinars or e-learning. They use internal and external expertise to provide bespoke programmes, adapted to the needs of the different people (by profession, country, level of expertise, etc.). These programmes are aimed at our employees and our coop members. They encourage intercultural exchanges and collaboration between our different activities and different staff populations.

KEY FIGURES



514

people attended the Business Unit induction program



98

people attended the Group induction program



Work carried out with Limagrain Céréales Ingrédients has allowed us to improve our overall performance. The proximity to the Limagrain's farmers and varietal expertise in corn contributes to the optimisation of our productions and allows us to maintain a high product quality, while retaining reasonable price levels for the whole sector.



Julien MOREAU
Purchasing Manager at Europe Snacks, client of Limagrain Céréales Ingrédients, Montaignu (France)

KEY FIGURES



579,679

euros in the budget of Limagrain Academy



51

training sessions, 721 participants

Developing knowledge and sharing best CSR practices

Because there is still too much vagueness in the area of CSR, we are convinced of the necessity to develop education, training, interactions and cooperation at different levels in the company. Thus, CSR will be perceived as a completely different dimension to our professional activities and not just as a simple regulatory compliance, or communication and reporting tool.

Limagrain has thus chosen to encourage all its employees to adopt a responsible attitude. We have created an eco-gesture guide, available on the intranet and published in a series, every 2 weeks, on the network of internal screens. It brings together the ideas, behaviours, attitudes that can contribute to the preservation of the planet and improve quality of life for all without compromising that of future generations. We believe that being eco-socially responsible is above all a state of mind that each person is invited to adopt and share every day, as much on a personal level as a professional one. We hope that this document will become a vector for exchange of good practices.

In the autumn of 2016, with the CSR representatives in our Business Units, we initiated an environmental self-evaluation process in order to assess the importance and the performance of the actions we carry out. The idea was to prioritise environmental issues, distinguishing those that the Group could engage in from those that the Business Units would take responsibility for adapting to their activities, their geographical locations and the expectations of their markets. This means drawing up road maps to attain our objectives and, in the long term, ensuring internal and external communication on our environmental strategy. This work is based around three essential points: co-construction with internal operational teams, respect for legitimate areas and data recorded wherever possible.



DIALOGUING RICHLY WITH OUR STAKEHOLDERS



In accordance with principles 1, 2, 8 and 10 of the United Nations Global Compact.

For 50 years, our Group has been forming many scientific collaborations with public and private research laboratories all over the world: Arcadia (USA), Evogene (Israel), GIS Biotechnologies Vertes (France), INRA (France), CSIRO (Australia), CAAS (China), University of California, Davis (USA), Hebrew University (Israel), John Innes Centre (UK), Max Planck Institute (Germany), University of Wageningen (Netherlands), Université Pierre et Marie Curie (France), etc.

Participation, co-creation and joint-venture

As well as these partnerships, we also have holdings in companies and joint-venture companies. For example, in the area of field crop seeds, Limagrain is a majority shareholder in Biogemma (Europe and USA), specialising in plant biotechnologies. The Franco-German co-venture Genective was created with the seed producer KWS in order to develop GMO corn characteristics. In the area of vegetable seeds, Limagrain participates in KeyGene (Netherlands) in plant biotechnologies. In addition, there are joint-ventures and minority, but significant, holdings all over the world, such as AgReliant, Seed Co, Hengji, AGT, LCS and LCRC, which open new paths for selection, production and commercialisation of field seeds.

The “Laboratoire d’Innovation Territorial” (Regional Innovation Laboratory)

Furthermore, since 2015, the Limagrain cooperative has implemented the resourceful programme, “Laboratoire d’Innovation Territorial” (LIT) for field seeds in Limagne-Val d’Allier, in the Auvergne. This ambitious project – inspired by living lab models and supported by the Ministry of Agriculture – is dedicated to agro-ecology. It aims to experiment and invent new ways of innovating in agricultural, in order to make the Limagne Val d’Allier an area of agricultural excellence and encourage the emergence of new economic models and start-ups. The LIT is a joint venture with the competitive cluster Céréales Vallée, the INRA (the National Institute for Agricultural Research) and the IRSTEA (National Research Institute of Science and Technology for Environment and Agriculture), and is based around collecting feedback on the farmer’s eco-system.

➡ www.lit-terresdelimagnes.com

KEY FIGURES



65%

of our 160 active suppliers are committed to a CSR process and 56% have an ISO certification



22

companies, representing 55.1% of turnover have integrated CSR criteria into their procurement policies.



A responsible procurement policy to consolidate links with our suppliers

Convinced that the relationships with suppliers are an important lever for creating value, the Group Procurement Department has, since 2014, been developing processes to integrate socio-environmental criteria, using their own reference framework for responsible procurement. In this context, in 2016, our purchasers signed a “Responsible Supplier Relations” charter and were trained in the practice of responsible purchasing by the AFNOR (French Standardisation Association).

The department implemented a Request for Information (RFI) for all active suppliers in order to better identify and determine any inherent risks. These provide information on the organisation, strategy, financial data, quality policy, risk management, CSR, progress plans, supply chain organisation, and the motivation to develop partnerships with our Group.

Progressively, the Business Units will also factor this into their purchasing policies. In India, all Bisco Bio Sciences and HM.CLAUSE procurement contracts now include specific clauses on child labour and respect for minimum wages in sub-contractors. In Israel, Hazera audits its suppliers periodically, including the respect for human rights among the criteria used. Vilmorin Jardin uses a questionnaire to ensure that they have better knowledge of the practices of their suppliers in terms of CSR and draws up a map of their key suppliers.

ENCOURAGING COLLABORATION AND COLLECTIVE INTELLIGENCE IN OUR ECOSYSTEM



In accordance with the principle 9 of the United Nations Global Compact.

To respond better to tomorrow’s food challenges, Limagrain encourages the exploration of new actions and supports original initiatives, in accordance with our fundamental values.

In the Auvergne region, the home of the Cooperative, Limagrain invests in various projects that aim to make this a region of excellence: the Group is a member of the competitiveness cluster Céréales Vallée and the Nutravita Cluster. It therefore participates in the local scientific and economic life and collaborates with professional regional organisations and regional authorities. Furthermore, it sponsors the ASM Clermont Auvergne (Sports Association) and supports the project to make the Chaîne des Puys - Faille de Limagne a UNESCO world heritage site, thus helping to strengthen the attractiveness of the Auvergne region. These types of commitments are reproduced in the different areas where our companies are based.

Bivouac

Committed to digital transformation, our Group is thus one of the nine private partner companies in Bivouac, the base camp and start-up accelerator for digital projects in the Auvergne, certified as ‘French Tech Clermont Auvergne’. During the inauguration on 16th June 2016, our chairman, Jean-Yves Foucault, emphasised that “the development of agricultural will be based around innovation and the digital sector”. Through this partnership, Limagrain is committed to provide expertise, skills and knowledge of its markets to benefit start-ups engaged in Bivouac programmes.

➡ www.lebivouac.com

Jugaaddict

Limagrain is the patron and main partner of the Jugaaddict project, launched in 2015 by three life-science engineers who graduated from AgroParisTech, and who wanted to show that resourcefulness and frugality were the answers to the food challenges of the future. Currently exploring Africa and Asia looking for local innovators who are meeting the challenges linked to food, they will write a prospective study on the theme of innovative and sustainable agricultural to 2030 and then create a start-up to continue their actions.

➡ www.jugaaddict.com

Jac’Idea

The Business Units are also involved in mobilising initiatives in their respective working areas. Jacquet Brossard invented Jac’Idea, an internal competition that rewards and implements the best innovative ideas proposed by employees. Recipes and packaging, organisation and operation, social responsibility, brands: all these areas are open to ideas.



Being involved in Capital Filles is a real challenge. We have a particular responsibility towards young girls. The human factor is fundamental and can be transposed into very varied direct or cross-disciplinary management situations. Through contact with my mentee, I have learnt about managing relationships and a lot about myself!



Noémie JONNEZ
Innovation Partnership
Manager

BEING INVOLVED IN SOCIETY AND ACTING TO DEVELOP LOCAL REGIONS



In accordance with principles 4, 5, 6, 7 and 10 of the United Nations Global Compact.

Our involvement in society and in our local regions is an expression of our societal responsibility and a way to make our tagline “from earth to life” concrete via actions selected for their consistency with 3 main themes: the earth and the environment, the agricultural profession and its sectors, community progress via access to quality food and education, for all.

Several remarkable projects have been implemented this year. In Japan, for 2 years, Mikado Kyowa Seed has organised workshops by a dozen volunteer employees in a nearby elementary school in order to raise awareness among pupils about nutrition and the origins of food (Kabocha squash planting, visits to production sites). In France, Vilmorin Jardin continues the partnership it has been committed to since January 2014 with the French national association “Les Restos du Cœur” and also its social integration workshops “Les Jardins du Cœur”, in order to create a social link based on gardens for under privileged people, the lonely, disabled, etc., via an annual gift of seeds to all 42 workshops in the organisation.

Limagrain’s initiatives for biodiversity with the LPO

For two years, in collaboration with the Ligue pour la protection des oiseaux (League for the Protection of Birds) in Auvergne, Limagrain has been participating in protecting the Montagu’s Harrier, a protected bird of prey which nests in the wheat fields. Thanks to the natural observational talent of our farmers and a group of volunteer employees, a growing number of nesting couples have been sighted this year. We have a record number of nests being monitored: 281 fledglings were counted in 2016. One must look back as far as 1995-2000 to find as many young Harriers in the Auvergne.

Limagrain works for equality between boys and girls via Capital Filles

The French programme Capital Filles encourages access to the world of business for female high school pupils. The programme is for girls of modest background, attending schools in high-priority districts or rural areas, aged between 16 and 19, and following professional technological or general courses. The support of the Group in this initiative is translated by a willingness to play a role of catalyst in the local area where the cooperative was founded. This is a way of expressing our social usefulness via initiatives in education, with a focus on orientation, career information, and promotion of gender equality... This first year of involvement is a trial year and Limagrain has provided 11 Holding employees and an administrator to act as mentors in the Educational Area of Clermont-Ferrand. If the test proves successful, we envisage extending this programme to the Business Units in all our French regions.

In parallel, and over several years, the different Business Units in the Group have implemented varied societal initiatives as a response to specific local issues. They are thus contributing to the improvement in the quality of life in the regions where they are based.

HM.CLAUSE’s initiatives for preserving the environment

HM.CLAUSE is committed to preserving flora and fauna, especially through actions for protecting the natural habitat of bank swallows in Davis (USA) and in wooded areas in Wisconsin. In Kenya, teams are actively involved in protecting biodiversity by working with local GMOs who work to preserve the forests, biodiversity and eco-systems of Mount Kenya as well as working to save the black rhinoceros that are hunted for their ivory horns.

To extend this commitment, HM.CLAUSE was present at the 9th “Journées Biodiversité Végétale” (Plant Biodiversity Day) organised by GNIS (National Interprofessional Seed and Plant Group) on 11th and 12th May 2016 in the Drôme department of France. The objective was to explain to school children, but also the general public and elected representatives, the reasons for preserving and enriching cultural biodiversity, via testimonies by professionals from the seed industry.

Nurseries for Nurseries, a Limagrain China initiative

In 2016, in partnership with the French Ambassador in Beijing, Limagrain China launched a flower and plant growing competition open free of charge to local schools. 22 establishments participated.

The schools reserved 20 m² of their outdoor space to create a vegetable garden and do lessons on the theme of gardening and life-sciences, thanks to educational kits supplied by Limagrain, who also donated seeds from all over the world along with tools, natural fertilisers and natural insecticides.

The programme will be repeated in 2017.



KEY FIGURES



22,000
school children
experienced gardening

KEY FIGURES



In 2016,
130
actions and 1.5 million euros
were dedicated to societal
actions, including 0.42 million
euros to philanthropy
(74 actions)

Hazera’s social commitment in Israel

For several years, Hazera has carried out a programme of actions focused on the education of young people in three Israeli sites situated in disadvantaged areas.

This programme is made up of different initiatives for raising awareness and education, based around employees’ skills in biology and agricultural. In this context, introductory agricultural sessions are organised in nurseries and genetics workshops are proposed in laboratories and greenhouses in Hazera.

A community, called Kedma Youth Community, has also been created and has its own dedicated organic greenhouse. The objective is to encourage young people to carry out a manual activity and acquire knowledge about plants, while also training them in project management.

METHODOLOGICAL NOTE

The environmental, social and societal reporting process used by Limagrain Group is based on:

- the ten principles of the UN's Global Compact;
- regulatory measures linked to article R. 225-105-1 of the French Code of Commerce;
- the principles and recommendations of the ISO 26000 norm that allowed the Group to define its priority issues in terms of societal responsibilities in order to meet the expectations of stakeholders;
- guidelines for Sustainable Development reporting from the G4 Global Reporting Initiative reference.

The reporting period is based on a financial year (1st July 2015 to 30th June 2016).

Scope

The objective of the reporting scope is to be representative of Limagrain Group's activities. For the period 2015-2016:

- the environmental, social and societal reporting covers the totality of the Limagrain Group's consolidated turnover for 2015-2016;
- however, the absence of monitoring by certain subsidiaries forced the Group to calculate certain data with reduced scope.
 - Concerning energy, the coverage rate⁽¹⁾ is 99.75% of the 2015-2016 turnover. This represents 100% of the turnover of companies with an industrial site.⁽²⁾
 - Concerning water, the coverage rate is 94.5% of the 2015-2016 turnover. This represents 96.15% of the turnover of companies with an industrial site.⁽²⁾
 - Concerning waste, the coverage rate is 92.6% of the 2015-2016 turnover of the companies surveyed. This represents 100% of the turnover of companies with an industrial site.⁽²⁾

Each time an indicator is reported using restricted scope, it is stated with regard to the data communicated. With regard to the aforementioned scopes, the non-financial consolidation rules are the same as the financial consolidation rules.

Variations in scope

In order to be able to calculate the variation in data between 2014-2015 and 2015-2016, calculations were carried out to measure the scope effect.

Methodological Procedures

Group procedures are made up of:

- a draft procedure sent to all Business Unit coordinators, including a reverse schedule, the scope definition, a help document for using the Excel documents and control and validation procedures;
- an Excel document for societal and environmental reporting for each company including data input consistency tests;
- an Excel document for social reporting for each company including data input consistency tests.

Relevance and choice of indicators

The methodologies used for some social and environmental indicators may be limited due to:

- variation in definitions between France and other countries. Harmonisation work was started in 2013-2014 and has continued for 2015-2016;
- particularities of the social laws in certain countries;
- changes in definition that may affect comparability;
- variation in the scope of activities between one year and another;
- the difficulty in obtaining information in the case of sub-contractors and/or a company collaborating with external partners;
- the methods of collecting and inputting data.

On the other hand, certain indicators are measured using a specific calculation:

- Accident rate (TF): indicator calculated according to this formula: (Number of lost-time accidents x 1 000 000) / Number of hours worked;
- Accident severity rate (TG): indicator calculated according to this formula: (Number of lost-time days x 1000) / Number of hours worked.



Consolidation and internal control

Each entity and Business Unit is responsible for the data they supply, as is the Department in charge of the consolidation of the published indicator.

The organisation of non-financial reporting relies on:

- the Group CSR Department who coordinates the Business Units, consolidates all the non-financial data and ensures consistent societal and environmental data;
- the Group Human Resources Department, who ensure the consistency of social data;
- the Financial Department for the consolidation of data on staffing levels;
- a network of "Business Unit coordinators" who coordinate and chase the subsidiary companies as well as validating their data;
- "company interlocutors" named by the Business Unit coordinators, who enter the data for their company and supply supporting documents.

Checking and consolidating data is carried out in two phases:

- First phase: each entity (the Group and its subsidiaries) consolidates data within their scope. During this consolidation process, consistency checks are carried out on the data. The data consolidated and checked at entity level is then made available to the Group CSR Department who sends the social data to the Group Human Resources Department.
- Second phase: the Group Human Resources Department and the Group CSR Department consolidate the data over the entire scope and check consistency using crossmatch tests with the financial consolidation reporting system.

External checks

For the period 2015-2016, reporting procedures for non-financial indicators were checked externally by SGS for the Vilmorin & Cie scope. In parallel, sites audits were carried out, based around a selection of social, environmental and societal indicators in 8 companies within 5 Business Units that are representative of Group activity in the seed industry, in order to validate the overall quality and credibility of the reporting system:

- Hazera Seeds Ltd (Israel, vegetable seed division);
- HM.CLAUSE SA (France, vegetable seed division);
- HM.CLAUSE Inc. (USA, vegetable seed division);
- Limagrain Brasil (Brazil, field seeds division);
- Limagrain Europe SA (France, field seeds division);
- Limagrain Tohumculuk (Turkey, field seeds division);
- Vilmorin Iberica SA (Spain, vegetable seed division);
- Vilmorin SA (France, vegetable seed division).

The type of work carried out and the related conclusions are presented in a specific statement available on request.

⁽¹⁾ The coverage rate is calculated based on at least one response given in this area.
⁽²⁾ The list of companies concerned is available on request from the Group CSR Department.

THE GLOBAL COMPACT'S TEN PRINCIPLES



In this document are cited the principles of the Global Compact that meet our commitments. These principles are:

PRINCIPLES:

- | | | | |
|----------|--|-----------|--|
| 1 | Businesses should support and respect the protection of internationally-proclaimed human rights. | 6 | Businesses should contribute to the elimination of discrimination in respect of employment and occupation. |
| 2 | Businesses should make sure that they are not complicit in human rights abuses. | 7 | Businesses should support a precautionary approach to environmental challenges. |
| 3 | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | 8 | Businesses should undertake initiatives to promote greater environmental responsibility. |
| 4 | Businesses should contribute to eliminating all forms of forced and compulsory labour. | 9 | Businesses should encourage the development and diffusion of environmentally-friendly technologies. |
| 5 | Businesses should contribute to the effective abolition of child labour. | 10 | Businesses should work against corruption in all its forms, including extortion and bribery. |

Photo credits

Inside: Limagrain and its subsidiaries
Front cover: Masterfile

Graphic design

PatteBlanche

Printing

Document printed on paper from eco-managed forests





Groupe Limagrain Holding

Biopôle Clermont-Limagne

Rue Henri Mondor

63360 Saint-Beauzire

www.limagrain.com