

2017

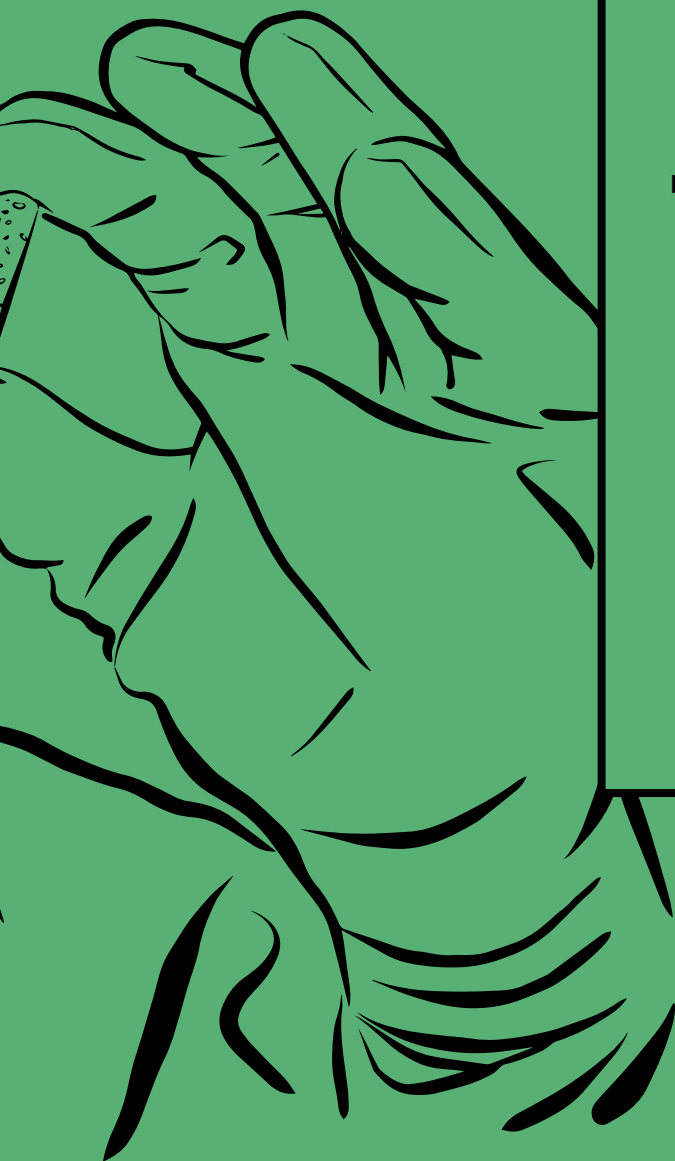


SUSTAINABLE DEVELOPMENT REPORT

Avril

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AVRIL, A COLLECTIVE DYNAMIC

OUR MISSION

Creating sustainable value in the oils and proteins sectors, thus contributing to better food for humans and preservation of the planet.

Avril, a collective dynamic

Set up in 1983 at the initiative of farmers in order to assure long-term markets for the production in France of plants rich in oils (rapeseed, sunflower, olive, soybean, etc.) and proteins (pea, field bean, lupin, etc.), in 35 years Avril has become a major industrial and finance group. It is now present in France and internationally in sectors as diverse as human foods, animal nutrition and expertise, renewable energies and chemistry, and has built its growth on a portfolio of strong brands such as Sanders, Lesieur, Puget, Matines, Diester®, Bunica, Taous, etc.

To fulfil its mission, the Group draws strength from its two complementary activities: industrial – organized in five business lines – and investment, which it exercises through Sofiprotéol, its finance and development company.

Avril is a unique group characterized by well-established collective share ownership, strong farming and regional roots and the systematic reinvestment of all profits in the growth of national sectors wherever it operates.



€6.2 Bn
turnover in 2017

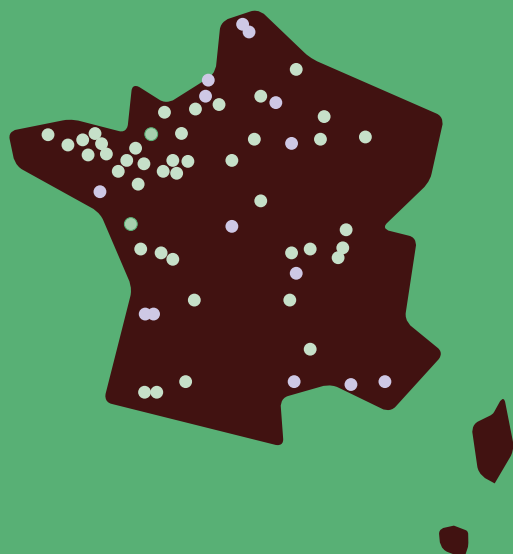


21 countries



7,600
employees

STRONG TERRITORIAL ROOTS IN FRANCE



62

sites in France
of which:

• **47**

sites in animal
sectors

• **15**

sites in oilseed
sectors



Reunion
Island

ONE THIRD OF TURNOVER ACHIEVED INTERNATIONALLY IN 2017



89

sites in the world
of which:

30

sites in oilseed
sectors

59

sites in animal
sectors

● Industrial sites

● Commercial offices

AVRIL, A GROUP WITH A SECTORAL STRUCTURE, FROM GRAIN TO THE PROCESSED PRODUCT

Avril was built and operates according to an original model: a sectoral organization where each activity creates value for all links in the chain. Starting from grain and its two inseparable co-products – oil and protein – Avril has developed an entire sector of activities in plants and animals which complement each other and work in synergy, from upstream to downstream.



ALL ASPECTS OF RESPONSIBLE GRAIN PRODUCTION

At a time when Avril is accelerating the transformation of its business model so as to add greater value to the oils and proteins sector and serve different regions and consumers, Jean-Philippe Puig and Michel Boucly take a look at all dimensions of the Group's contribution to sustainable development.

Editorial

Born of a desire to assure the future of the French Farm,

Avril has always placed long-term prospects at the heart of its strategy. The actions implemented by Arnaud Rousseau, Chairman of Avril Gestion since February 2017, have pursued the vision adopted by Xavier Beulin, who made the long-term development of agricultural sectors his main focus. In this respect, we hope that the French *États Généraux de l'Alimentation* (National Food Conference) to which Avril and its partners made an active contribution, will from 2018 result in a more equitable distribution of incomes in agriculture, starting with the first link in the chain: farmers.

As a corporation, two fundamental dimensions of our social responsibility are of course to ensure the safety of our employees and reduce the environmental footprint of our activities. We make unceasing efforts to achieve these aims. Present from upstream to downstream in the agri-food and agribusiness sectors, we also have a duty to commit our plant and animal sectors to increasingly responsible production methods. That is the



MICHEL BOUCLY
Deputy CEO of the Avril Group

purpose of our actions in favor of animal welfare and the demedicalization of livestock farms, together with the financial support provided by Sofiprotéol for seed research designed to develop crops that are more environmentally friendly and adapted to climate change. The core principle of our activities is our duty to feed a growing population with safe and healthy foods. It is that need which is driving us today to



JEAN-PHILIPPE PUIG
CEO of Avril

“ Our sectoral model is an important asset in that it exploits all the potential uses of our grain and reinforces the impact of all our actions designed to improve cultivation and animal husbandry methods and industrial practices. ”

Editorial

participate in revitalizing the French non-GM soybean sector and developing organically farmed products.

Through its rapeseed and sunflower grain, which remain central to Avril's activities, France benefits from a tremendous range of plant raw materials. Every year, their oils and proteins find new markets as renewable solutions to replace harmful substances, thanks to oleochemistry and henceforth to protein chemistry. To preserve these resources, we have a duty to exploit all the potential of these grains which represent untold wealth: for France, in support of its quest to gain independence in plant protein resources; at present for livestock farms and tomorrow to meet increasing demand for supplies of foods for humans. And for the planet as well, thanks to the contribution of our oils to the development of clean and renewable biofuels.

In an economic context which remains uncertain for French biofuels, it is this multitude of co-products essential to the economic viability of our sectors that was highlighted in the campaign which focused on biodiesel Made in France in 2017. The future of our regional responses to major environmental challenges is illustrated by the support we have received from the authorities for the launch of B100, a new biofuel for use by captive vehicle fleets in France that can completely replace diesel. Called OLEO100, the B100 commercialized by Avril will be the first 100% biomass renewable energy, originating entirely from French rapeseed.

Our sectoral model is an asset as it can prevent waste and reinforce the impact of our efforts to drive progress at all levels of sustainable development. That is what we shall continue to do through our new specialty products which offer solutions for the future of us all.

AN HISTORIC COMMITMENT TO SUSTAINABLE DEVELOPMENT

Gradual formalization
of our social responsibility
approach since 2010

Creation of the Group's Sustainable development Department. Its aim: to build a shared vision of corporate social responsibility so as to inspire the dynamism of a common purpose.

2010

Integration of sustainable development in the Group's strategic plan, CAP 2018. Each activity is analyzed from two standpoints: its contribution to developing the oils and proteins sector and to the Group's social responsibility. Avril then defines five sustainable development commitments associated with indicators and target figures.



2012

1983

Avril is born of a vision of sustainable development for French agriculture, a conviction that it is necessary to pool forces within a Group whose profits will only be used to fund a long-term future and serve a responsible and high-quality oilseeds and proteins sector.

2011

Compilation of the Group's first sustainable development report. Avril chooses to communicate deliberately on its vision and actions in response to major environmental, economic, social and societal challenges.



- Maintenance of the sustainable development commitments and indicators in the revised strategic plan, Avril 2020. The objectives are readjusted to take account of changes to activities and the environmental and societal challenges to which the Group must respond.
- Publication of the Group's sustainable palm policy.



Preparation of the an extra-financial reporting for 2018. As from this year, Avril will be subject to the new legal requirements concerning the notification of extra-financial performance.

2016

2018

2013

2017

As from this year, sustainable development reports are organized around five commitments. Avril's subsidiaries then appropriate these commitments and gradually integrate them in their activities.



- Avril joins the United Nations Global Compact. The Group thus affirms its support for the principles of the Compact and its desire to contribute to achieving the UN's sustainable development goals.
- Publication of the Group's Responsible Purchasing Charter and of its policy in favor of animal welfare.



MORE THAN A COMMITMENT, THE PURPOSE OF OUR TRANSFORMATION

Sustainable development is established as the principal lever for transformation in the French oils and proteins sector thanks to considered and long-term models. A combined interview with Kristell Guizouarn and Paul-Joël Derian.



KRISTELL GUIZOARN
Group Director, New Energies
and European Affairs

Kristell, you were responsible for the Sustainable Development Department in 2017. What were the high points of the year?

Kristell Guizouarn: 2017 marked the practical implementation in the field of the ambitious and deliberate policies formalized by Avril in 2016. This reflects the maturity of our sustainable development approach which now goes far beyond the commitments made in 2012. We are thus focusing more than ever on livestock practices so as to ensure high standards of animal welfare. We published our first policy on animal welfare in early 2017. Avril's partner livestock farmers were already

responsive to this topic, but we have since made a commitment together to pursue its monitoring and ensure ongoing progress in livestock units. In the area of animal nutrition, the Group pursued its actions to enhance the Duralim collaborative approach, notably regarding sustainable supplies of plant proteins and innovations to drive the performance of livestock farms.

Although the Group is behind the reinforcement of these commitments, many initiatives are also taken at local level. How do Avril's subsidiaries deal with sustainable development?

Paul-Joël Derian: Because of Avril's sectoral model, development of its activities over the past 35 years has been based on a long-term strategy with the goal of sustainability. What is new is that our subsidiaries are now capitalizing on both the Group's approach and their own initiatives to stand out in their own markets and support both their customers and consumers.

K.G.: A good example is that of Oleon, for which the development of biosourced solutions to replace fossil resources is a major part of its strategy. It is also thanks to its high quality products that the pig branch has succeeded in creating value despite an unfavorable context. Our sustainable development undertakings



PAUL-JOËL DERIAN
Head of Research, Innovation
and Sustainable Development

“Our commitments highlighted our advantages – the traceability and the quality of our national products, the economic and social roles of our sectors – and the need to better valorize them to make a difference in our markets.”

have not revolutionized how we work but have driven our will to act in an exemplary manner. In a globalized marketplace, they have highlighted our advantages – traceability of the national origins of our products, full control over their quality, and the economic and social roles of our sectors – and the need to make them widely known, in response to demands from society.

What about your international activities?

K.G.: Our ambition is that the principle of sustainable development should be the objective for all actors. For example, in 2017, the olive groves belonging to Lesieur Cristal in Meknès (Morocco) obtained Global Gap V4 certification which validated its good farming practices.

P.-J.D.: Another good example is the mobilization of our international suppliers around our sustainable palm oil policy in favor of “zero deforestation”. 100% of our palm oil supplies can be traced up to the oil mills, which is a good indicator of where they are produced.

Paul-Joël, in your opinion, what sustainable development challenges does the Group face in 2018?

P.-J.D.: First of all, to pursue our efforts based on our achievements to date. Our sustainable development approach is based on

commitments that we publish and then use to measure our progress. After several years, when we have moved closer to our initially determined goal, it is necessary to choose new challenges. These notably result from discussions with our stakeholders: NGOs, customers, consumers or actors in the sector, and on many occasions also from our employees. Indeed, Avril draws much strength from the best practices observed in its different entities. Each year, our colleagues participate in the Performance Challenges of our *Nourrir la Vie* (Food for Life) program: teams work together to share the best initiatives so that everyone will progress. What was once applied by a small team may subsequently become a standard practice. Furthermore, the new obligation from 2018 to produce an audited, non-financial report will participate in increasing the stringency and transparency of the Group regarding its practices and the progress it achieves. Finally, in a context where our businesses are committed to a strategy of specialties procuring greater added value, the Sustainable development Department will always be ready to offer support for their efforts to innovate, whether this concerns the circular economy, renewable chemistry or energy or food transition. •

HIGHLIGHTS IN 2017



FEBRUARY 2017 **PUBLICATION** **OF OUR FIRST ANIMAL** **WELFARE POLICY**

Attentive to demands from society, Avril equips itself with a framework for activities in its animal sectors. The aim is to drive practices by means of specific plans for each species, together with common principles organized around the health, habitat and integrity of animals.

APRIL 2017 **THE GREAT** **GET-TOGETHER**

The Great Get-Together is an event that enables all Group managers and winners of the Food for Life (Nourrir la Vie) Performance Challenges to come together for a program organized around Avril's strategic areas and sustainable development commitments, the aim being to share and then disseminate good practices with the greatest impact. In 2017, this event provides an opportunity to find out about, and mobilize efforts around, Avril's 2020 strategic plan. The 2017 Get-Together is held in an exceptional venue, the Futuroscope in Poitiers.

JUNE 2017 PROUD OF DIESTER®

Diester® equips itself with a new visual identity for an exceptional media campaign that mobilizes all actors in the sector around the brand. What brings them together? A desire to express their pride in belonging to an exemplary sector that creates value for French

farmers, for the dynamism and economy of our regions, and for the environment.



JULY 2017 JOINING THE UN GLOBAL COMPACT

Avril joins 9,000 other companies in signing the United Nations Global Compact, the world's largest voluntary corporate sustainability initiative.

The Group publishes its first annual report in December and thus completes a key stage in ramping up its social responsibility approach.

SEPTEMBER 2017 **INAUGURATION OF SOJALIM¹**

In the context of an ambitious plan to revive soybean cultivation in France, and having provided capital support – alongside several cooperatives and feed manufacturers – for the development of the soybean crushing facility in Eastern France, Extrusel, Sofiprotéol and Sanders-Euralis take a capital stake in Sojalim¹, a company that processes soybean grain in south-western France to produce conventional and organic French soybean meal.

1. Sojalim benefited from grants from the Occitanie Regional Council and the European EAFRD program.

NOVEMBER 2017 RSPO MEMBERSHIP

The Roundtable on Sustainable Palm Oil is an organization whose aim is to promote the cultivation and use of palm oil that complies with precise sustainability criteria. Alongside 1,500 members representing the entire value chain, Avril joins this global initiative that is the reference in its field.



“New markets”

Manufacture of a new product, sunflower lecithin, and acquisition of Novastell, the French specialist in lecithins and phospholipids



“Structuring national sectors”

Launch of a 100% Tunisian rapeseed oil from Lesieur



“Long-term markets”

Creation of Lesieur Cristal Inc. in the USA to market and sell Moroccan olive oil



“Animal health and welfare”

Theseo acquires Ewabo and becomes a leader in innovative solutions to improve health safety, animal welfare and the performance of livestock units



“Eco-design”

Inauguration of the Evertree Innovation Center in Venette. Its mission: to replace chemical compounds in materials (such as wood-based composite panels) with biosourced solutions based on rapeseed proteins



“Supplier relations”

Lesieur is granted the Responsible Supplier Relations label by the Ministry for the Economy



“Sustainable supplies”

Oleon is recognized by L'Oréal as a supplier that complies with its Sustainable Palm Index approach



“Good CSR practices”

Saipol completes its first materiality analysis



“Long-term activities”

Celebration of the 70th anniversary of PorcGros and 90 years of Abera



OUR COMMITMENTS

For the 13 key indicators shared throughout the Group, detailed objectives have been defined to cover the period until 2020. Since 2012, these objectives, and the five commitments to which they are attached, have constituted the foundations for the Group's sustainable development strategy.

Avril and the United Nations Sustainable Development Goals

The United Nations 17 Sustainable Development Goals were adopted by global leaders in September 2015 during a historic summit. In view of its mission and activities, the Group contributes directly to achieving some of these goals. Thanks to Avril's production of food, its actions initiated in terms of energy performance and the innovative solutions proposed to replace fossil resources, the Group's involvement is particularly tangible with respect to goals 2, 7, 12 and 13.



THE SUSTAINABLE DEVELOPMENT GOALS



No poverty



Zero hunger



Good health and well-being



Quality education



Gender equality



Clean water and sanitation



Affordable and clean energy



Decent work and economic growth



Reduced inequalities



Industry, innovation and infrastructure



Sustainable cities and communities



Responsible consumption and production



Climate action



Life below water



Life on land



Peace, justice and strong institutions



Partnerships for the goals



Commitment 1

Developing national sectors



OBJECTIVES:

At Avril's French industrial sites, process 55% of the oilseed grain harvested in France (23% of Romanian production at Romanian sites, 27% in Senegal)

ACHIEVED IN:

France **76%**

Romania **43%**

Senegal **19%**

OBJECTIVES:

Supply industrial sites operated by the Animal Nutrition Business Line with more than 80% of French raw materials

ACHIEVED IN:

100%



Commitment 2

Better foods for humans



OBJECTIVES:

Satisfy the annual needs of 100 million people for lipids of plant origin

ACHIEVED IN:

81%



OBJECTIVES:

Contribute to satisfying the annual needs of 30 million people for proteins of animal origin

ACHIEVED IN:

91%



Commitment 3

Preserving the planet



OBJECTIVES:

Contribute to a 10% reduction in greenhouse gas emissions by farmers committed to the Progress Initiative¹

ACHIEVED IN:

67%



OBJECTIVES:

Achieve a 10% reduction in the Group's energy consumption¹

ACHIEVED IN:

100%



OBJECTIVES:

Ensure that 33% of the Group's energy consumption comes from renewable sources

ACHIEVED IN:

97%



OBJECTIVES:

Use more than 2 million tonnes of vegetable oil certified as being from sustainable sources

ACHIEVED IN:

77%



Commitment 4

Working together



OBJECTIVES:

Reduce occupational accidents within the Group by 80%¹

ACHIEVED IN:

87%



OBJECTIVES:

Employ more than 6% of disabled people in each subsidiary

ACHIEVED IN:

52%



OBJECTIVES:

Double the number of apprentices or vocational day-release trainees in the Group's companies¹

ACHIEVED IN:

97%



1. The reference point for these objectives was 2012.



Commitment 5

Sofiprotéol: sustainable investments in value chains



OBJECTIVES:

Between the end of 2012 and the end of 2020, invest €430 million in companies in our sectors through Sofiprotéol, the Group's finance and development arm.

ACHIEVED IN:

62%



OBJECTIVES:

Between the end of 2012 and the end of 2020, co-invest €40 million in venture capital projects in agriculture and the agri-food industry

ACHIEVED IN:

100%





DEVELOPING NATIONAL SECTORS

By continuing to respond
to demands from society



The strategy of our oils and proteins sector today is even more firmly guided by consumer demands for the traceability and transparency of production methods, and by their marked preference for locally-produced and closely supervised foods. Avril supports farmers and livestock breeders regarding these challenges through innovation, the adaptation and development of local products and enhancing their market value.

Two pillars: quality and a national origin

IN FRANCE

Avril's presence from grain to the processed product positions the Group as a legitimate actor that can respond to consumer concerns regarding traceability, and valorize the French origin of its products. Indeed, these products may be local, because in 2017 Lesieur conducted successful market tests on a table oil originating 100% from south-western France: Cœur de Tournesol. Manufactured by the Saipol facility in Bassens using grain from local farmers, this oil is distributed via the regional Système U supermarket network. On its side, the Group's gastronomic oil brand, Guénard, continues to diversify its offer while valorizing French regions to a maximum. Its reputation has always been based on the quality of its products from different regions, such as nut oil from the Vallée du Cher and raw materials from the south of France. Last year, it achieved its goal of 100% French supplies for its grape seed oil.

In the Group's animal activities, the French origin of Matines eggs (100%) and Ovoteam egg products (95%) has since this year been highlighted by the "Œufs de France" (French Eggs) logo granted by the French union for egg promotion. This is based on strict specifications which notably guarantee that the three stages of rearing (chicks, pullets and laying hens) are all completed in France.

OléoPro label¹, obtained the "Origine France Garantie" (French origin guaranteed) label for its rapeseed meals. This certification reflects the desire of the oilseeds and proteins sector to provide consumers with clear information on the origin of all the products that contribute directly or indirectly to their foods. ●●●



**With suppliers,
"Bien plus que des
graines" (Much more
than just grain)**

Launched in 2016 by Saipol – the main oilseeds processing actor within Avril – this partnership approach to innovation with grain suppliers reflects the Group's desire to involve all parties in its sectors in the challenges of responsible production that will benefit not only consumers and customers but also farmers. Several projects are currently being analyzed, such as the economic viability of Saipol crushing new types of oilseed grain. Working in concert with their customers, Saipol and its suppliers are also studying how to take account of the guidelines issued by the SAI (Sustainable Agriculture Initiative) platform which guarantees responsible farming practices. Finally, Saipol aims to increase the use of rail transport for its goods.

1. Terres OléoPro is the French oilseeds and vegetable proteins sector brand. More information on www.terresoleopro.com



3,157

hectares of rapeseed
in Tunisia, grown
by 104 farmers and
producing:

480

tonnes of refined rapeseed
oil, packaged and sold locally

5,000

Algerian farmers
who are Sanders customers;
500 in Tunisia and 500 in
Serbia
+10%~+15% average increase
in milk or meat production
achieved by these farms

20%

share of organic soybean
oilseed meals from the new
Sojalim crushing unit
(Hautes-Pyrénées, France)



INTERNATIONALLY

In countries where consumer demand exceeds supply, Avril exports the agricultural and industrial know-how it has acquired in France to help them structure their oils and proteins sectors and thus increase the availability of local products. In Tunisia, the launch by Lesieur in early 2017 of a 100% Tunisian rapeseed oil was a concrete result of the efforts made since 2014 to develop the first oilseeds and proteins sector in a country that now counts some hundred producers, as well as offering the Tunisian market – a major consumer of vegetable oils – an oil naturally rich in omega-3 fatty acids. In parallel, this national rapeseed sector can also supply Tunisian livestock farmers with oilseed meals, thanks to the arrival in 2012 of Sanders, the Group's brand specialized in animal nutrition.

The lead supplier to French livestock farmers, Sanders recorded remarkable growth in its activities in 2017 (+70%, with turnover worth €40 million) in the three countries (Tunisia, Algeria, Serbia) where the brand is providing support to achieve self-sufficiency through local production. In Algeria, a country which imports the equivalent of 80% of its milk consumption (mainly in the form of powder from New Zealand), Sanders is now working with 5,000 dairy farmers to achieve an average increase of 10%-15% in their milk production – from the same number of cows – thanks to the quality and precision of its nutritional products and technical advice (see interview p. 20). In Serbia, Sanders is helping breeders to improve the profitability of their farms thanks to its feeds and advice adapted to the local context.

Supporting the development of sectors in line with demands from society

Avril's vision is that there is no single model for agriculture, and the oils and proteins sectors must constantly adapt to their environment, and notably to strong demand from consumers for organic and controlled products.

In France, sales of organic foods are seeing sustained growth (+82% in five years) but supply remains limited in seed oils and condiments. For this reason, Avril will be accelerating its development in the organic sector in 2018. Lesieur will be launching its first organic mayonnaise and organic Cœur de Tournesol table oil. Leader in the French olive oil market, Puget will also be broadening its organic range with the launch of a "Stop Goutte" format that enables more precise dosing without drips.

To respond to the livestock feed needs of organic farms in France, the new Sojalim facility, which crushes French – and thus non-GM – soybean, now supplies 20% of its oilseed meals as organic products.

Olive oil is valued throughout the world for its nutritional and gustatory qualities when used both cold and for cooking. In Morocco, Avril – via its subsidiary Lesieur Cristal – has since 2013 been participating in reviving the national olive oil sector, in the same way as sunflower and rapeseed, in the context of the country's Green Morocco plan. In 2017, production by the 1,400 hectares of olive groves operated by Lesieur Cristal reached 16,825 tonnes, while the grouping program supports 220 farmers working 5,100 hectares. In order to pursue development of this sector, Lesieur Cristal is planning to increase its groves by 500 hectares per year, and has taken over operation of



Lecithin, a new diversification for French and Romanian sunflower crops

Avril has invested in two sunflower lecithin production units at the Saipol site in Bassens (France) and the Expur site in Slobozia (Romania). Extracted from refining by-products, sunflower lecithins are highly sought after by the agri-food industry for their emulsifying properties. They are notably found in chocolate. When compared with lecithins obtained from other raw materials, sunflower has the advantage of being non-GM and less allergenic.

3 levers to transform the oils and proteins sector by 2030:

- Enhance the competitiveness of all actors in the sector
- Valorize products "Made in France"
- Continue to develop sustainable production and a low-carbon circular economy

1. Source: Agence française pour le développement et la promotion de l'agriculture biologique, June 2017.

3 questions to

DOMINIQUE BRETON,
International Feed Manager,
Sanders - Avril Animal Nutrition



What do Algerian, Tunisian and Serbian livestock farmers hope to obtain from Sanders?

That we will help them increase their income by improving the performance and quality of their products. At constant feed prices, the gains in meat or milk yields are now reaching 10%-15%.

Is your offer identical to that in France?

It is also based on a range of feeds and technical advice on livestock management. But the entire offer is adapted to local needs; for example, to the quality of the forage that is supplemented by our feeds. We also make as much use as we can of local raw materials, such as almond shells and rapeseed meals in Algeria and Tunisia. In Serbia, our feeds are 100% of national origin.

In 2017, your activities grew by 50%. How do you explain this?

Only five years old, our international activities are inevitably dynamic. But this performance also reflects the commitment of our 150 colleagues and the local links established by our technical sales representatives and veterinarians who carry out 15,000 visits each year to our 6,000 livestock farmers.



a new crushing unit. The long-term goal is to meet 40% of the company's needs in olive oil. In 2017, the brand was present at the International Agriculture Fair in Meknès whose theme that year was Agrobusiness and Sustainable Agricultural Value Chains.

In France, where olive production is small (an average of 6,000 tonnes in a market of 3 million tonnes), Puget valorizes this national sector by selling a new limited edition of a 100% French olive oil each year.

So that the French pig breeders who work as Avril's partners can better valorize the quality of their products to consumers, the Group is continuing to structure sectors of excellence by proposing specialty products with key partners downstream in this sector. In 2015, Avril and Fleury Michon created the "*J'aime/Engagés dans l'élevage*" (I like/Committed to Livestock) brand, which involves 41 breeders in western France who rear their pigs using non-GM feeds and no antibiotics after 42 days of life. Launched in May 2017 in the context of Fleury Michon's #VenezVérifier (Come and See) competition, the video presenting these breeders was viewed more than a million times on the internet. The Sojalim unit that crushes 100% French and non-GM soybean supplies livestock farmers belonging to the Fipso cooperative, whose products are mainly used in Carrefour's *Filière Qualité* (quality sector).

Ensuring an international reputation for the added value of our local products

During the past two years, Avril has been increasing its commercial efforts to conquer new markets: North America and Africa-Middle East-Asia. The challenge has been to find new outlets for national sectors within the Group by highlighting the quality, traceability and origin of their products.

In 2017, thanks to the creation of a US subsidiary based in Boston, Lesieur Cristal thus launched its Moroccan olive oils targeting professional sales channels (cafés, hotels and restaurants). Its Moroccan brand, Domaine de Kalea, received a Gold Award as one of the World's Best Olive Oils for 2017 at the prestigious New York International Olive Oil Competition.

Avril, a committed actor in the National Food Conference

In November 2017, the first chapter of the French National Food Conference in which Avril participated ended with signature of a Good Conduct Charter designed to regulate commercial relations between farmers, industry and distributors. The objective was simple: in an increasingly competitive global market, to recreate value for French sectors by ensuring its equitable distribution, starting with farmers. Although not restrictive, this charter includes several areas for improvement, and notably the account taken of production costs during commercial negotiations. Organized at the initiative of the French government, this Conference also included a second chapter: the adoption of consumer choices that target healthy, safe and sustainable foods.

Based on these challenges, at the end of December the professional body for the vegetable oils and proteins sector (Terres Univia) submitted to the French Ministry for Agriculture and Food its plan to transform the sectors in order to ensure that France would be self-sufficient in vegetable proteins by 2030. In the first instance, this plan requires the consolidation of French sectors with political support and investment aid from the government, starting with the opening of new markets for vegetable proteins and preservation of the biofuels industry which supplies a by-product that is essential to the development of these proteins. •



41

pig breeders involved in a sector of excellence alongside Avril and Fleury Michon in western France

5,100

hectares of olive groves cultivated in Morocco by 220 grouped farmers who work as partners with Lesieur Cristal



BETTER FOOD FOR HUMANS

By combining availability,
quality and animal welfare



As a leading agribusiness group, Avril's primary vocation is to ensure access for the greatest number of people to safe and healthy foods with nutritional and gustatory qualities that comply with all consumer demands. In this context, animal health is a prerequisite to product quality. And beyond that, animal welfare is a major topic for the Group.

Safe, healthy and tasty food

As a committed and responsible actor, Avril complies with all regulatory requirements and international standards that guarantee high levels of health safety, traceability and quality for its products. All its industrial food processing sites are thus certified under ISO 22000 (Food Safety Management) or IFS (International Food Safety) standards in line with market requirements. And at the end of 2017, all its animal nutrition sites in France received OQUALIM-RCNA certification¹, the reference in the sector in terms of quality and health safety.

As well as paying attention to the nutritional qualities of its products, Lesieur supported the development of a teaching project at the Institut du Goût: designed for families, it promotes the education of taste among young children, helping them to learn to eat a balanced diet.

The quality of products intended for human foods also requires the good health of the animals producing them. Thus in its animal sectors, Avril aims to limit the risk of antibiotic resistance through its commitment to Sustainable Health Management (SHM) on its livestock farms. This approach is based on preventive solutions (feeds, nutritional supplements, hygiene rules, good livestock management practices, etc.) in order to reduce antibiotic use. To assess the effect of the measures thus implemented, in 2016 Avril set up Indic@vet: a tool to monitor antibiotic consumption which had been deployed in 535 livestock units by the end of 2017.

SHM is a global approach that progresses each year as a result of product innovations such as MiXscience's new nutritional additive vectorization process, VSTAR Technology, which now covers ten of the company's 21 products. Thanks to the targeted release of biologically active substances (vitamins, essential oils, etc.) into the digestive tract, encapsulation maximizes their efficacy and has numerous benefits – digestive equilibrium, the limitation of pathogenic bacteria, etc. – which contribute to the improved health status of animals. ●●●



Demedicalization of livestock units: performance higher than the national average

The Indic@vet tool measures and monitors over time the evolution of antibiotic consumption in livestock units that supply Avril. Here are the results for 2017²:

Almost

50%

lower antibiotic consumption than the national average in pigs, laying and table poultry

81 million

individuals have their plant-based oil needs met by the Group's products in 2017

27 million

individuals whose nutritional needs in animal proteins are covered directly (pork, eggs) or indirectly (feed, oilseeds meal) by the Group in 2017

1. Guidelines for the certification of Animal Nutrition factories

2. Results from Indic@vet registered breeders between 01/01/17 and 31/12/17 by comparison with national results, representing a population monitored by Avril of 500,000 pigs, 5.2 million laying hens and 50 million table poultry.

Our three principle guidelines for animal welfare:

- **Health: acting to ensure healthy farmed livestock**
 - Biosecurity (innovative methods and products to prevent the spread of disease)
 - Nutrition (fresh water, a healthy and balanced diet, additives)
 - Veterinary monitoring (support for the Sustainable Health Management approach)
- **Habitat: ensuring good living conditions**
 - Livestock management (air quality, temperature, humidity, etc.)
 - Gradual optimization of buildings (technical advice, experiments, financial support)
- **Integrity: developing a culture of consideration for animals**
 - In livestock units (prevention of injuries, appropriate care)
 - During transport (vigilance during loading on the farm)
 - At the Abera pig abattoir (state-of-the-art equipment to ensure the comfort of animals)



Nolivade, Avril's biotechnology subsidiary, is pursuing the development of its barrier flora: bacteria that are beneficial to animal health. In 2017, it launched Certiflore which acts on lameness in dairy cows, a widespread pathology in this type of herd that causes lesions and difficulty in walking. Trials performed in 204 herds demonstrated a 66% reduction in lameness versus a control population.

Animal welfare: an ethical requirement and an essential condition for the quality of our products

In early 2017, Avril equipped itself with a policy on the welfare of farmed livestock³. After its first year of deployment, its scope has been clarified and its commitments associated with a roadmap of priorities for 2018. Two main areas epitomize our ambitions:

- >To identify and eliminate unacceptable situations (proven non-compliance with the regulatory framework and the fundamental principles of livestock management),
- >To drive practices concerning the protection and welfare of animals, working with different actors in these sectors.

Driven by the Sustainable development department and deployed in the field by Avril's Animal Nutrition and Processing Business Line, this policy applies in the first instance to French livestock units (pigs, laying hens, table poultry, rabbits, ruminants) which have contractual relationships with the Group. In terms of its application, Avril has defined three main guidelines (see text on the left) with specific progress plans for each species.

3. More information on Avril's animal welfare policy on <http://www.groupeavril.com/en/sustainable-development/better-food-humans>

To monitor livestock units, internal guidelines that cover 25 requirements linked to animal welfare, biosecurity and livestock management have been drawn up. These guidelines are gradually being deployed in all livestock units that fall within the scope of the Group's responsibility. During visits – assured by Sanders technical sales teams – the following are therefore verified: maintenance of the outside and inside of buildings, the living conditions of animals, and the management of medication and pests.

Livestock breeders whose practices are not compliant are encouraged to improve accordingly. If no such improvements are seen, the Group will cease all commercial relations with the units concerned.

Rethinking our husbandry methods for the long term

In 2016, Avril launched a plan to adapt its egg branch towards a cage-free model, in order to respond to consumer demand and guarantee a long-term future for breeders. Because the latter had experienced major debt in 2012 because of the installation of new, “furnished” cages, the Group supported them during this transition (see testimony opposite) towards taking up the associated financial and technical challenges (livestock management, analysis of animal behavior).

Out of the eight million laying hens covered by Avril's Egg Branch – or 16% of the French flock – 85% are now kept in furnished cages that comply with the 2012 regulations, and 15% are reared under “alternative” methods; i.e. free range units compliant with Red Label or organic specifications. The objective for 2022 is to increase the percentage of alternative methods to 50%. Thus new buildings for a “hybrid” rearing system, with a winter garden and natural light, are under study. A similar approach is also being adopted for the rabbit sector, with experiments involving large collective pens under an innovative housing model. •



Transforming a building containing 40,000 laying hens in cages into a free range system requires an investment of €700,000 and 16 hectares of land, which is not available to everyone. For this reason, support for the 60 breeders concerned is determined on a case by case basis. A switch to free range conditions is preferred whenever possible, but sufficient land is usually not available. Out of the six million hens currently living in cages, a million could be switched to free range rearing. The rest of the changes will be made thanks to a change to large barns where the hens are free to move but have no outdoor run. Our companies – Matines and Ovotoeam – are currently developing this “barn eggs” market in France so as to ensure a future for breeders. In parallel, in order to respond to demands from consumers, Avril is developing new units for both open range and organic hens. The transformation or creation of a building requires two years from its technical design and obtaining a loan to the completion of construction. This marked change in production methods has resulted from the major efforts initiated in 2016 that we are pursuing, unit by unit.”



Yannick Thoraval
Upstream Manager
in Avril's Egg Branch.



PRESERVING THE PLANET

By acting from upstream
to downstream in our sectors



As a responsible company, Avril is committed to continually improving the environmental footprint of all its activities so as to ensure sustainable agriculture and industrial ecology. Its presence from upstream to downstream in the plant and animal sectors offers it levers for action with a large number of players – livestock farmers, producers, suppliers and customers – so that they can advance in their own areas.

Responsible production: energy, water, packaging

ENERGY

For the past eight years, Avril has been focusing its efforts with respect to energy performance on the development of biomass boilers. The boilers already installed cover 95% of the thermal energy needs of our six major production sites (in France, Romania and Morocco). The boiler in Sète is starting to produce electricity as well. As from 2017, the Group has been redirecting its efforts towards reducing electricity consumption, the objective being a long-term gain of between 1% and 5% on Avril's global energy bills. For example, the new cold room at Guénard has enabled a 3% reduction in energy expenditure per kilogram of the oil produced. As from 2018, as part of its innovation strategy, Oleon's will be testing a new green technology at pilot scale to produce emulsifiers for the cosmetics industry: enzymatic esterification. When compared to the chemical catalysis currently employed, this option with mild conditions offers two advantages: improved quality of the finished product (disappearance of odors and color) and a significant reduction in the energy required for the manufacturing phase. A life cycle analysis will soon confirm these gains.

WATER

The depollution of processing water at oilseeds processing sites is the subject of ongoing improvements. For example, by modernizing its water treatment plant, the Saipol unit in Grand Couronne – the Group's largest industrial site – has reduced its phosphorus output to a level lower than the currently required threshold. ...



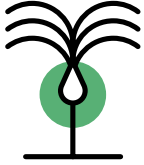
Oleon: replacing risky chemical substances

So that industry can develop paints that comply with European Directives on health and the environment, Oleon innovated in 2017 with a new reactive diluent which can be used in glycerophthalic paints and reduces their content in volatile organic compounds. The company is also launching a new formulation of esters endowed with properties that can solubilize polyurethane. The ultimate aim is to replace the petroleum-based solvent N-Methyl-Pyrrolidone which is targeted by use restrictions and subject to prior authorization in the context of the European REACH regulations on chemicals.



6
The
biomass boilers in Avril's
units are able to prevent
the emission of 130 kT
of CO₂/year

23
production sites compliant
with ISO 50001 standards
in 2017 (two more than before)



100%

**of the palm oil purchased
by Avril could be traced to its
site of production (mills)**

75,000

**tonnes of industrial organic
waste recycled by Terrial
(mostly through
methanization)**

60,000

**tonnes of agri-food
by-products, manufacturing
rejects and surpluses
recycled by Adonial**

3. Preserving the planet

PACKAGING

Improvements to our environmental footprint notably involve the optimization of packaging. At the end of 2017, the Lesieur site in Grande-Synthe was equipped with its own bottle blowing machine so that supplies could be delivered as preforms that take up much less space, thus reducing six-fold the volumes transported by road. Furthermore, the PET used for bottles – which includes 20% of recycled material – now replaces polypropylene.

Acting to ensure sustainable supplies

Avril supports the implementation of sustainable farming practices that favor the climate and biodiversity. Storage agents participating in the Diester® Rapeseed Progress Initiative¹ (nearly 300,000 ha concerned) have pursued the implementation of action plans designed to reduce greenhouse gas emissions by farms, and new discussion workshops between farmers and bee-keepers have been introduced in the Hauts-de-France and Centre regions, thus confirming the importance of dialogue between them. As part of the management of the network of farmers producing grain for Lesieur's Fleur de Colza oil, Hommes & Territoires carried out diagnoses of biodiversity and farming practices and introduced nest-boxes for birds of prey on some farms. At Lesieur Cristal, the olive plantation at Domaines Jawhara, located in the Meknès region, obtained GlobalG.A.P. V4 certification (Good Agricultural Practices).



1. More information on <http://www.progrescolzadiester.fr/>

2. More information on the palm policy of the Group <http://www.groupeavril.com/en/sustainable-development/preserving-planet>



In its Sustainable Palm policy², published at the end of 2016, Avril undertook only to use “no deforestation, no peat, no exploitation” palm oil, whose cultivation does not destroy forests or peat deposits and respects the rights of workers and local communities. To achieve this, it was first necessary to ensure the complete traceability of supplies to all activities using palm oil within the Group. In 2017, 100% of our palm oil supplies could be traced back to the mills (primary processing units) which are a good indicator of the location of plantation sites. With support from the NGO The Forest Trust, which has been accompanying it in these efforts, Avril has also trained purchasers in its subsidiaries in its Sustainable Palm policy, and they have informed all their direct suppliers. The aim is that these requirements will drive changes to palm oil production practices in the field.

In parallel, the Group continues to activate another lever for improvement: the purchase of ISCC-EU or RSPO (Roundtable on Sustainable Palm Oil) certified oil. When such certification is not available, Avril purchases credits (Book & Claim RSPO system). In 2017, 93% of the Group's supplies were covered by one or other of these systems, the aim being to reach 100% in 2018.

To participate actively in changes to palm oil markets, Avril is now a member of the RSPO at Group level. This organization, of which Oleon and Kerfoot were already members, is the reference global initiative promoting sustainability criteria for the production of palm oil. ●●

An historic commitment to sustainable soybean

In 2014, Feed Alliance, an Avril subsidiary, was the first French actor in animal nutrition to join the Round Table on Responsible Soy (RTRS), a multi-stakeholder organization that determines the criteria for responsible soybean.

With a representative on the Executive Board of the RTRS, Feed Alliance contributes its expertise to supporting the growth of responsible soybean cultivation. Through this involvement of Feed Alliance, Sanders – the Group's animal nutrition subsidiary – deliberately purchases 10,000 RTRS credits each year (one credit corresponds to one tonne) and also 40,000 tonnes of non-GM soybean with Proterra certification for a specific table poultry sector. Finally, alongside Sanders, Avril is involved in Duralim, a collective approach to the sustainability of animal feeds which in early 2018 made a public commitment to “zero deforestation” supplies.

There is no single answer to the challenges posed by the use of imported soybean, but we are responding by implementing numerous tools and actions.



3 questions to

JEAN-MICHEL CHOQUET, breeder of table chickens and turkeys and a Sanders customer in Brittany



Since 2012 you have invested €2.8 million in your environmental performance. Why?

Modernizing my farm is a factor for competitiveness. As soon as private individuals were allowed to produce and sell electricity, I compiled a business plan to equip my roofs with solar panels, and it was positive. The composting unit installed in 2016, and the biomass boiler that I am currently testing, are a response to my wish to become involved in the circular economy so as to reduce the impacts of my activities to a minimum.

What have been the results?

Today, my farm is a net producer of energy, and can generate 700 peak-kilowatt. Thanks to the composting platform, I sell 1200 tonnes of waste each year to be transformed into organic fertilizers. By the end of 2018, our boiler will be able to heat the buildings and save €30,000/year on gas.

What support have you been given by Sanders?

Sanders helped me prepare the documentation for the boiler installation and to make the necessary investment thanks to a “new facilities investment grant” and increasing the purchase price of my products.”

Regarding supplies of soybean used by its animal nutrition activity, in 2017 Avril pursued the progress dynamic already initiated in two areas: to help the development of sustainable sectors for imported soybean – mainly from South America – and to support the revitalization of non-GM soybean production in France. Between now and 2025, the aim is for French farmers to produce the equivalent of 500,000 to 600,000 tonnes of soybean meals for livestock feeds. Sofiprotéol (the Group's finance and development company) thus contributed in 2017 to funding the opening of the crushing unit Sojalim in the Hautes-Pyrénées region.

Developing a circular economy for Avril and farmers

Through its activities, Avril develops an offer that enables the improved recycling of more agricultural and agri-food waste into resources. Thus its subsidiary Adonial processes agri-food by-products (mustard bran, apple pulp, etc.) and manufacturing rejects (biscuits, powdered milk, etc.) to transform them into raw materials for animal feeds. They are notably reused by Sanders, the Group's animal nutrition specialist.

As for Terrial, it transforms livestock waste (poultry droppings, manure, pig slurry, etc.) and organic waste generated by the Group's industrial activities (food waste, fats, sludge, etc.) into fertilizers and biogas. The result of this virtuous circle is less use of chemical fertilizers by farmers. And by supplying high quality organic fertilizers, authorized for use by organic farmers, Terrial is supporting the development of this type of agriculture. In 2017, Terrial became number three in the organic and mineral-organic fertilizers market thanks to its acquisition at the end of 2016 of Ferti-Mauges, a specialist in granulation technologies. Furthermore, sunflower hulls (residual material generated by the industrial site in Bassens) were granted the status of a by-product by the French government, which will enable development of their exploitation as biomass, notably in international markets.

Efforts towards a circular economy are also being made at a local level by Group entities. Guénard is targeting “zero waste” production for the longer term. In this context, 100% of its by-products (oilseed meals) are now recycled and meet the needs of partner livestock farmers in the Loir-et-Cher region; 50 tonnes of other waste (spiced biscuits, used paper filters, etc.) are transformed into energy by the biogas plant at the nearby Beauval zoo.

The necessity to develop French biodiesel

In June, the Avril Group launched a communication campaign to inform the general public of the environmental, economic and social contributions of Diester® biodiesel produced by the oilseeds and proteins sector at a time when several regulatory decisions and discussions had called into question the prospects for the development of European biofuels. When compared to fossil fuels, Diester® biodiesel can achieve a 60%³ reduction in greenhouse gas emissions, or the equivalent of the CO₂ emissions by one million vehicles each year. This renewable energy also guarantees drivers access to a biofuel produced responsibly in France, mainly using rapeseed. And as a co-product of the protein from this grain, biodiesel plays a key role in France's objective to ensure its self-sufficiency in vegetable proteins. This campaign, which has been viewed 6.2 million times on the internet, has had a positive impact: 63% of the French people questioned subsequently expressed positive views towards Diester® and had gained a clearer understanding of the benefits of the rapeseed sector to the environment, agriculture and the French economy.

In 2018, Avril will be marketing OLEO100, a new fuel that is 100% of plant origin, wholly supplied by French rapeseed. And through the BioTfuel research program launched in 2010, the Group is also developing second generation biofuels produced using lignocellulosic biomass (straw, forest waste, dedicated crops, etc.). The demonstration units started operating at the end of 2017, and work will continue in 2018 with the first pilot runs for these fuels. They will supplement those of the first generation so as to achieve renewable energy goals as part of the European energy mix. ●



L'énergie
100% végétale,
100% made in France

Up to

43%

fewer particulates with a diesel that contains 30% biodiesel

1 million

Diester® now prevents CO₂ emissions that are equivalent to those of one million vehicles



Soléou is a partner in the COPAINS project (Collection Patrimoine INsersion) which combines the conservation of collections of fruit tree varieties on the île de Porquerolles with the creation of local employment. A financial sponsor since 2015, Soléou is increasing its support and now contributing its skills and know-how to the project (quality, production, marketing, etc.). In 2017, the company charged nothing for packaging some 560 containers of olive oil, a "solidarity" oil valorizing the 150 olive varieties present on the island and thus supporting both biodiversity and an important gastronomic heritage.

3. Source: Ademe

4. Source: IFPEN



WORKING TOGETHER

By federating our employees around
the same projects and priorities



Avril's collective performance is inseparable from the fulfilment of its employees who are the drivers of its success. The Group is thus committed to creating conditions where everyone can express their talents and personality while at the same time promoting the collective dynamic that is inherent to the structure of the sector. We continue to pursue our actions in favor of increasingly safe working conditions that promote individual and collective well-being, while ensuring fairness at work. Finally, we do not stand alone and have responsibilities within our ecosystem: it is necessary to be generous and improve our social and societal footprint, efforts that can indeed be a source of innovation for the company and our collective commitment.

Working in the field alongside our colleagues

Three years after adopting a common identity following the governance and organizational changes in 2015, the Group is dependent on its local managers to disseminate the "Avril spirit" in the field, as well as its commitments, values and management culture. Weedoo, the training course designed for our 450 local managers, has now been widely deployed, with just three groups yet to complete it. The courses provide the only opportunity for managers from all parts of the Group to work together during five two-day workshops and acquire common management skills. The investment involved (€1.3 million, partly funded by the CPF¹) and the qualifications gained as a result (accredited by École Polytechnique) have been acclaimed by the professional press. Launched in 2016, the Group's Yellow intranet continued to be deployed in 2017 and 80% of employees are now connected, with 150 postings each month.

Avril offers its employees independence in their actions and decisions on how the Group's performance can be improved, thus enabling them to feel fulfilled in their work. This is notably the principle underpinning AIC (*Animation à Intervalle Court* or Short Interval Management session) implemented at all production sites (see insert p.35) as well as the *Défis de la Performance* (Performance Challenges) of the *Nourrir la Vie* (Food for Life) program which aims to share and valorize good practices that have been initiated in all countries where we operate. Within the Executive Committee for Young People, managers below the age of 35 can contribute their recommendations on subjects of importance to the Group. In 2017, they worked on the development of teleworking and intrapreneurship. With the arrival of a new generation of senior managers, the Group's Executive Committee has also become more feminized. ...



240

local managers trained during Weedoo courses in 2017, 50 of them from outside France

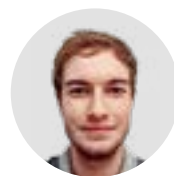
+17%

mobility between subsidiaries within the Group



To become a supply chain manager, Sopral took me on as a normal employee during my year on a work/study training program. Thanks to the support of my tutor, I have progressed both in my professional activities and in terms of human relations within the company."

Benjamin, who gained a vocational degree in logistics at the University Technical Institute (IUT) in St Malo.



1. Compte personnel de formation

Capital Filles

Expur is a partner in *Capital Filles* (women as assets), an association that enables secondary school students from difficult backgrounds to receive support from female employees at the Slobodzia site in discovering their activities and developing their own career plans. This program allows young girls to boost their self-confidence, and enables employees to valorize their profession and experiences.

Fondation C.Génial: 80 teachers at Avril

For two years, Avril has been a partner in the *Professeurs en Entreprise* (teachers in companies) project organized by the Fondation C.Génial. In November 2017, nine industrial sites opened their doors to 80 teachers, most of them working in technical and vocational sectors. The aim was to improve their knowledge of jobs in the agri-food and agribusiness sectors so that their teaching and career advice could be based on their practical experience. In 2017, Ovoteam, Oleon and Sanders joined Saipol and Lesieur in this great adventure from which everyone benefited.

20%

of women in the Group's Executive Committee

176

Performance Challenges submitted in 2017, involving 356 employees



Avril pays constant attention to quality of life at work at its industrial sites, in its offices and on the road for technical sales staff and drivers. At the end of 2017, a survey of Lesieur employees clarified their expectations regarding welfare at work, the work-life balance, teleworking and internal and local communication. The "5S" method for site visits is now applied at all the Group's office premises, the aim being to improve the working environment (storage, circulation, workstation ergonomics and spatial organization). Abera continued to innovate, calling on a specialist in knife skills to help with preventing the musculoskeletal disorders linked to butchery and to give new life to the age-old profession of the butcher.

Concerning the integration of disabled people and the employment of young people on work/study training programs, Avril and its subsidiaries are sustaining this dynamic by launching new actions. Following a diagnosis performed to formalize its policy on disability, Saipol appointed an advisor at each of its eight sites. MiXscience set up a mentoring system where experienced staff members become involved in welcoming students on work/study training programs.

Safety is an everyday priority

Avril commissioned audits of all its industrial sites in 2017 to ensure their compliance with the imperative safety standards introduced three years ago, notably security management, working at heights, chemical or electrical risks and traveling for professional reasons. Priority sites are now visited once a month to drive their continuing improvement. The Group also reinforced its actions in favor of interim

employees. Thanks to a standardized integration program and a test, they are now informed of Avril's safety regulations by the recruitment agency, which also implements specific training workshops at industrial sites.

Particular attention was also paid to the road safety of traveling employees, notably by providing driving courses during the second Safety Day in June which involved all 7600 employees of the Group. Usually used in factories to create a safety "culture", the SOLO game was adapted to the needs of technical sales and delivery staff working for Sanders Bretagne and Sanders Euralis, where about 40 roving employees have been trained. Its principle: to think about risks before each task in order to adopt the correct behavior. Working with the Purchasing Department and our car rental provider, smart driver workshops were organized to raise the awareness of employees to road safety.

Prevention also capitalized widely on digital tools. The Matines and Ovoteam sites set up an e-learning program on safety for new staff (580 employees trained in 2017). During the second Safety Day, 25 employees at the Saipol site in Montoir benefited from a virtual reality training module on working at heights. And all Sanders drivers are now equipped with diagnostic software which informs them of the safety levels on customer livestock farms before each delivery.

Remaining connected with our roots: the farming world

Ensuring a long-term future for the French Farm and disseminating agricultural know-how in Tunisia, Morocco, Romania or Senegal are often the reasons that drive people to join the Avril Group. For this reason, Avril tries to consolidate these links between the company and the farming world. Firstly, by empowering its employees to initiate community projects; for example in Morocco, where Lesieur Cristal renovated a primary school whose pupils are the children of workers farming the company's olive groves. And in the future, Fondation Avril (see p.40) will systematically be involving employees in its actions through a voluntary program. Secondly, Avril aims to enhance the value of agricultural and agri-food activities. In 2017, the first *Agri/Agro Job Dating* event was organized at the Salon de l'Agriculture in Paris, and attracted 44 candidates for employment with Avril. •

With AIC we can all contribute to performance!

Implemented at 90% of the Group's industrial sites by operatives and support functions, AIC (*Animation à Intervalle Court*, or Short Interval Management session) are visual management rituals that can drive performance. Each day, the teams meet in front of the "5 min" AIC table and enter the results achieved the previous day regarding their local indicators for safety, quality and efficiency. They can thus identify any deviations from their objectives and implement corrective actions immediately. When a problem cannot be resolved at one level of responsibility, it is reported to a higher level. AIC are also starting to be deployed in administrative functions (Supply, R&D, Legal, HR, etc.) so that all employees are becoming involved in performance as actors in continuing improvement.

4,920
site safety visits (VST²)
completed in 2017

-48%
fewer TF2³ in 2017 among
interim staff employed
via the Adecco agency

2. The principle of VST is a 30 minute discussion between three people (an operative and two managers) regarding the safety of a particular task. During this discussion, the operative identifies his or her good practices and if necessary, when faced with an uncontrolled risk, proposes immediate actions and then implements them.

3. Number of occupational accidents with or without absence from work, multiplied by a million and then divided by the total number of hours worked.



SOFIPROTÉOL: SUSTAINABLE INVESTMENTS IN VALUE CHAINS

Thus reinforcing our ability
to prepare the future



The finance and development arm of the Avril Group, Sofiprotéol supports innovation and growth in the agricultural and agri-food sectors. Its actions are based on responsible investments that create value for the farming world. To respond to the agricultural challenges of the future, Sofiprotéol makes long-term commitments by taking minority stakes or offering loans. In 2017, an increase in its capital (+€100 million) increased its investment capability and reinforced the key role of Sofiprotéol in the financial landscape of the French agri-food and agricultural sectors.

Producing more and producing better

Essential because of the growing demand for food and the need for economic efficiency, improving yields now goes hand in hand with preserving the environment. For this reason, in upstream sectors, Sofiprotéol supports companies and research programs that can produce responses to the ecological transition of cropping systems. In 2017, Sofiprotéol therefore reinvested in De Sangosse, which is the leader in developing plant adjuvants, preparations that optimize the effectiveness of plant health products and thus enable a reduction in the use of chemical products. De Sangosse is also present in the biocontrol market, where its innovative methods for crop protection are based on the mechanisms underlying natural interactions between plants and their environment.

An important lever for the sustainable performance of agriculture, research on plant genetics (not involving GMO) is also supported by Sofiprotéol. Indeed, the breeding of new varieties can contribute to improving the yields of crops, their stress tolerance (disease, climate change, etc.) and their environmental footprint (fewer treatments, lower requirements for irrigation and fertilization, etc.) and also to the quality and health safety of products. Each year, Sofiprotéol funds numerous research programs of this type through the FASO (the Strategic Oilseeds and Pulses Action Fund). This fund notably supports work on rapeseed and sunflower carried out by Biogemma, the French biotech firm which leads its field in Europe. Its mission is to identify genes of interest in plants so that seed producers can then enrich their varietal selection tools to develop features such as improving disease resistance and drought tolerance or limiting the use of nitrogen inputs. For example, this work has made it possible to identify genes for resistance against the principal diseases that damage rapeseed (Sclerotinia) and sunflower (Orobanche) crops. In 2017, Biogemma launched a new research area on resistance to rapeseed pest insects, and notably rape beetle. ...



€265M

invested since 2012,
including €22 M in 2017

Support for + **100**
companies

105,000

jobs concerned

€2.9M

invested in 2017 in varietal
research on crop protection
and yields

3 questions to

RAPHAËLLE GIRERD,
Sustainable Development
correspondent and FASO
manager based with Sofiprotéol



What is the vocation of the FASO fund¹ ?

It is to provide finance for R&D projects and experiments that can respond to the major challenges for this sector by operating the levers of technical and socioeconomic innovation at all levels. Central to FASO's strategy is the search for sustainable innovation: responding to changes in demand from society, improving competitiveness throughout the value chain and preserving natural resources are the themes that underpin all the projects which receive support.

With what results?

In 35 years, support from the FASO has enabled the oilseeds and proteins sector to launch new varieties of rapeseed and sunflower with improved yields and disease tolerance which means it is possible to reduce or even eliminate treatments.

Who decides on the research targets?

They are aligned with the development strategy of the oilseed and proteins sector and Terres Univia²; notably protein food transition and reducing the environmental footprint of production. Research by the FASO complements programs carried out directly by Terres Univia and Terres Inovia³."



Sofiprotéol is also committed to increasing the diversity of crops, an essential benefit for French agriculture seeking agronomic solutions in predominantly cereal-based rotations. Diversification can reduce pest pressures. Furthermore, the introduction of pulses (soybean, field bean or pea) that naturally fix atmospheric nitrogen enables a reduction in the need for fertilization throughout the rotation, which is why Sofiprotéol is supporting the development of these species. From an economic point of view, the diversity of rotations can also secure income for farmers faced with volatile market prices.

Developing supplies of vegetable proteins

To meet the growing need for proteins – for both humans and farmed livestock – the development of vegetable proteins is also a crucial challenge. Sofiprotéol is supporting this transition by funding research programs that address all aspects of improving the valorization of proteins.

Thus since 2015, via the FASO, Sofiprotéol has been supporting an ambitious varietal breeding program designed to improve the protein content of rapeseed cultivated in this part of the world. The results testify to a long-term vision because the first varieties will not be available on the market before 2024. This support thus presages new responses to the challenge of French self-sufficiency in protein adapted to demands from society for non-GM vegetable proteins of French origin.

Sofiprotéol is also supporting innovation with respect to the European platform IMPROVE which is implementing research on new processes to extract protein from grain, as well as several programs on its nutritional evaluation. Indeed, in 2017, Sofiprotéol reinvested in Inveja, the

second-largest company in Europe for lupin-based food ingredients. Rich in protein, lupin offers high potential for its incorporation in bread and pastry, notably those which are gluten-free.

Sofiprotéol is also involved in structuring national sectors in order to respond to demands from French livestock breeders for vegetable proteins from non-GM French soybean. After an investment alongside Extrusel in Burgundy in 2015, Sofiprotéol participated in 2017 in funding a new crushing unit, Sojalim, in the Hautes-Pyrénées region, in partnership with Sanders and Euralis. This unit has a crushing capacity of 25,000 tonnes of soybean grain per year, including 5,000 tonnes grown organically.

Safety: driving improvements in partner companies

In addition to the funding and expertise it can offer to the companies it supports, Sofiprotéol is helping them to fulfil their commitment to sustainable development, the prime challenge being safety, the top priority for the Avril Group. Following a health and safety at work diagnosis performed in all companies in which it holds a stake, Sofiprotéol is now ensuring that all the industrial companies in which it is involved implement ambitious safety strategies and any corrective actions that are necessary. Since 2017, Sofiprotéol has had a dedicated interlocutor in all these companies and is provided with the indicators it requires to monitor their improvement plans. A quarterly news bulletin also offers an opportunity to share information on safety and good practices from the Group. ●



€500,000
invested in 2017 to support
research on oilseed varieties
with higher protein contents

€900,000
devoted in 2017 to research
on extraction processes
for vegetable proteins and study
of their nutritional value
and allergenicity

An investment of
€3.65M
in the development in
southwestern France of a 100%
French soybean sector

5. Sustainable investments in value chains

1. Strategic Oilseeds and Pulses Action Fund
2. Interprofessional organization for oilseeds and protein crops
3. Technical Institute for Oilseed Crops, Grain Legumes and Industrial Hemp.

FOCUS



FONDATION AVRIL SUPPORTING RURAL ENTREPRENEURSHIP TO PRODUCE BETTER FOODS

Set up in 2014 and recognized as a public utility, Fondation Avril provides funds for French and African community projects that support entrepreneurship in rural populations. Its principal vocation is to develop healthy and sustainable foods that fulfil local needs in order to ensure a long-term future for the jobs thus created. Its approach is to drive innovative projects to maturity and then duplicate any positive outcomes elsewhere.

France: recreating links between urban and rural areas

In France, Fondation Avril intervenes alongside associations using two levers: the promotion of healthy and sustainable foods and the development of social links between farmers and consumers. For example, this led it to support the French Federation of Food Banks in its program of traveling cooking workshops to raise awareness to the benefits of fresh fruits and vegetables. More generally, the Foundation provides support for individual entrepreneurship in order to maintain the local economic fabric in rural areas. Since 2016, it has been allocating €100,000 a year to three actions by ADIE which grants microcredits to entrepreneurs who have no access to bank loans. Within just two years, 600 jobs have been created or maintained in six French departments.

Africa: support for resilient family farming

In Africa, 25%-30% of dietary needs are not met – causing major protein deficiencies – and the population will have doubled by 2050; hence the need to support family farming in order to increase production. It is also necessary to develop downstream sectors to ensure the processing and sale of harvests. In Benin, this is the model that has been supported since 2016 by Fondation Avril in collaboration with the SENS cooperative group. In 2017, this partnership enabled the creation in 12 villages of single person micro-enterprises which act as cooperative agents between the villagers who cultivate soybean and the primary processing units based in urban areas, and notably a tofu factory. The aim for 2018 is to broaden this successful experiment to a hundred more villages.

Actions with Avril employees

As one of the few shareholding foundations in France – it holds an important stake in Avril's capital – Fondation Avril funds its activities from dividends¹ it receives from the Group. To manage its choices, this young foundation has called on the expertise of volunteer Avril employees. In the future, sponsorship programs should enable Group employees to become involved in specific projects that reflect Avril's DNA: to support the farming world.

1. The Avril Group does not pay dividends to its shareholders but makes an exception in order to fund charitable actions by Fondation Avril

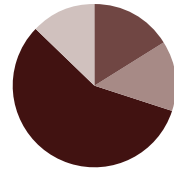
21

projects supported in 2017 in France, Senegal, Burkina Faso, Benin, Madagascar

An annual budget of

€1.1M
to fund our actions

Funding in 2017



- France – Entrepreneurship
- France – Healthy and sustainable foods for all
- Africa – Structuring of sectors
- Africa – Climate and biodiversity

A €12 M fund to benefit local short distribution channels

In France, the mission of Fondation Avril will be turning increasingly towards supporting farmers who wish to transform their production in order to respond to strong and sustainable demands from consumers for short distribution channels. For this purpose, the Fondation is involved in the creation of a €12 million investment fund – currently being set up – in which it may be a minority shareholder. The aim is to provide funding and expert advice that farmers require to convert their production, and to structure sectors that can guarantee them long-term markets (physical and digital sales outlets, the creation of farmer networks, etc.).

TABLE OF PERFORMANCE INDICATORS 2017

Performance indicator

2017

Comments

COMMITMENT NO.1 Developing national sectors

Avril 2020	Proportion of French/Romanian/Senegalese oilseed production valorized in the corresponding national industrial facilities	42% / 10% / 5%	TARGET 2020: 55% / 23% / 27%
Avril 2020	Proportion of raw materials of French origin processed in the animal nutrition facilities of the Group	81.7%	TARGET 2020: > 80%
	Turnover (in billion €)	6.2	-
	EBITDA (Gross operating profit) / Turnover	2.0%	-
	Total industrial investments, specific to Avril (in million €)	100.7	-
	including industrial investment in developing and emerging countries (in million €)	19.7	-
	Total workforce of the Group (end of 2017)	7,626	-
	Breakdown of employees per type of contract Permanent/Fixed-term/Other	90% / 6% / 4%	-

COMMITMENT NO.2 Better food for humans

Avril 2020	Equivalent number of people whose nutritional needs in oil are covered by the Group (in millions)	81.3	TARGET 2020: 100 MILLION CHANGE: + 37% COMPARED TO 2012
Avril 2020	Equivalent number of people whose nutritional needs in Meat and Eggs are covered by the Group (in millions)	27.4*	TARGET 2020: 30 MILLION CHANGE: EQUAL TO 2016
	Equivalent number of people whose intake of dairy proteins (issuing indirectly from the feed or rapeseed meals produced by the Group) is satisfied by the Group (in millions)	6	New indicator





Reporting scope

The indicators are consolidated worldwide, unless otherwise stated, and cover the calendar year 2017. The data from the companies in which Avril is majority shareholder are fully consolidated (not in proportion to their integration in the Group). 2012 is the base year for the SD targets in the Avril 2020 strategic plan.




* Methodological changes since the previous year that now take account of the most recent nutritional guidelines of the PNNS (National Nutrition and Health Program).

Avril 2020 Indicators corresponding to the SD targets in the Avril 2020 strategic plan.



COMMITMENT NO.3 Preserving the planet

	Energy consumption of the Group (in million MWh)	2.54	TARGET 2020: - 10% COMPARED TO 2012 – CHANGE: - 14% COMPARED TO 2012
	Ratio of energy consumption from renewable sources to total energy consumption	32.1%	TARGET 2020: 33% CHANGE: + 98% COMPARED TO 2012
	Reduction of GHG emissions from rapeseed hectares in the "Démarche de Progrès" (Progress Initiative)	- 6.7%	TARGET 2020: - 10% COMPARED TO 2012
	Participation rate in the "Démarche de Progrès" (Progress Initiative) among cooperatives having contracted with Saipol (France)	43%	-
	Quantity of certified sustainable vegetable oils used (in thousand tonnes)	1,550	TARGET 2020: 2,000 KT
	Valorization rate of recoverable industrial waste	95%	-
	Total water volume used per metro ton of finished product (m³/t)	1.4	-

COMMITMENT NO.4 Working together

	Change in TF2 (accident frequency rate with and without lost time) over one year	- 2.6 POINT	TARGET 2020: - 80% COMPARED TO 2012 – CHANGE: - 69% COMPARED TO 2012
	Change in TF1 (lost-time accident frequency rate) over one year	- 3.1 POINT	-
	Change in SR (severity rate) over one year	- 0.12 POINT	-
	Proportion of Avril's subsidiaries employing more than 6% of disabled employees (in France)	52%	TARGET 2020: 100% – CHANGE: + 48% COMPARED TO 2016
	Number of apprentices (apprenticeship or professional training contract) or work-study students (sandwich course, PhD, etc.)	251	TARGET 2020: 260 – CHANGE: + 93% COMPARED TO 2012
	Total number of trainees	103	-
	Ratio of female to male in the workforce (end of 2017)	0.40	-

COMMITMENT NO.5 Sustainable investments in value chains

	Amounts invested (disbursed during the year) by the finance and development company Sofiprotéol (in million €)	22	TARGET 2020: 430 MILLION FROM END OF 2012 TO END OF 2020 CHANGE: €264.7M SINCE 2012
	Amounts invested (disbursed during the year) by the CapAgro Innovation fund (in million €)	5.7	TARGET 2020: 40 MILLION FROM END OF 2012 TO END OF 2020 CHANGE: €41M SINCE 2012
	Proportion of Sofiprotéol investments evaluated in terms of social responsibility	100%	-
	Number of employees in the companies in which Sofiprotéol invested during the year (France)	APPROX. 2,160	-

A SUSTAINABLE DEVELOPMENT NETWORK THAT SERVES OUR COMMITMENT

— SUSTAINABLE DEVELOPMENT DEPARTMENT

— NETWORK



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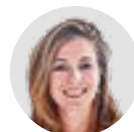
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