Limagrain
from earth to life

UNITED FOR PROGRESS

Corporate responsibility report

2016-2017

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

THE COMPANY

More than **50 years**
of expertise in seeds

2.6 BILLION €
TOTAL SALES

92 MILLION €
NET INCOME

More than **10,000**
EMPLOYEES WORLDWIDE

Close to **2,000**
FARMER
MEMBERS of the Cooperative

HIGHLY INTERNATIONAL

SITES IN 56
COUNTRIES
and 13 Business Units in close proximity with their markets

79% of sales
made outside France

More than **70** nationalities
represented among our employees

TO ACHIEVE SUSTAINABLE DEVELOPMENT OBJECTIVES, THE FOLLOWING BENCHMARKS APPLY:

UNITED FOR PROGRESS

5 Editorial: from earth to life

6 Our value chain

8 Our specific characteristics

10 Our materiality analysis to set our priorities and our CSR commitments

12 Our challenges, our solutions

14 Our strategy and our three CSR priorities

16 **PROPOSING INNOVATIVE AND RESPONSIBLE AGRI-FOOD SOLUTIONS**

17 Developing high value-added technological plant and crop solutions with low negative impact

18 Providing product accessibility, safety and quality for customers and consumers

20 Supporting the development of different agricultural models for a more sustainable world

22 **CARRYING OUT OUR ACTIVITIES IN AN ETHICAL, SUSTAINABLE AND EFFECTIVE WAY**

23 Encouraging the long-term development of our employees and transferring their knowledge

28 Expressing and disseminating our business ethics

30 Optimizing the use of natural resources in a sustainable way and controlling our impact on climate change

32 **BUILDING NEW RELATIONSHIP METHODS AND CREATING VALUE**

33 Bringing together employees and farmer members around a shared project and culture

34 Dialoguing with our stakeholders, a rich resource

36 Encouraging collaboration and collective intelligence in our ecosystem

38 Being an active contributor to society and acting to develop the regions where we do business

40 Methodological note

OUR COMMITMENT 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 Global Compact and to Sustainable Development Goals.

EDITORIAL

FROM EARTH TO LIFE

By its very nature, Limagrain, an agricultural cooperative group, specialist in seeds and cereal chains, contributes, just like the farmer members of its parent company, to the noble mission of feeding its contemporaries. And the challenge is immense!

The expected growth of the world population means that production will have to increase by 70% by 2050 to meet food needs. In a context of limited resources, access to modern production factors such as plant health products, fertilizers, digital and/or mechanical tools will be a major source of increased production. But the basis of all forms of agriculture is and will remain the seed! In its DNA, the seed bears a promise of production for the farmer. A promise that successive hazards up to harvest-time can lessen or even destroy. Restricting these hazards is a challenge. Improving the promise is another and that is the mission of a seed company.

For a seed company like ours, as heirs of great families of botanists, biodiversity and mastering advanced technologies are vital. The more extensive they are, the more opportunities there are to create new varieties with improved performances. Enriching, protecting and providing access to the widest possible plant biodiversity have formed Limagrain's strategic commitments for over 50 years.

Our Corporate Social Responsibility (CSR) strategy goes beyond the seed industry to contribute to the sustainability of all forms of agriculture and farmers. It requires commitment, agility and perseverance from all farmer members and employees. It opens our stakeholders' doors and facilitates dialogue. It constitutes a formidable lever for sustainable growth that encourages everyone to take the initiative for the benefit of all. This is obvious for a group like Limagrain, whose cooperative governance is so unusual among the leaders in the sector.

Since 2013, we have been proud to renew our commitment to the United Nations Global Compact and its 10 principles. Through the publication of this Corporate Social Responsibility report, we wish to testify to our vision of responsible business and illustrate how, by acting in accordance with our values of Progress, Perseverance and Cooperation, we contribute to the objectives of Sustainable Development.

Damien Bourgarel
CEO

Jean-Yves Foucault
Chairman

OUR VALUE CHAIN

RESEARCH AND DEVELOPMENT

GENETIC ASSETS

AGRICULTURAL ASSETS

INDUSTRIAL ASSETS

NEEDS ANALYSIS

CREATION OF NEW VARIETIES

CREATION OF NEW PRODUCTS, SERVICES AND PROCESSES

STRONG INVESTMENT IN RESEARCH

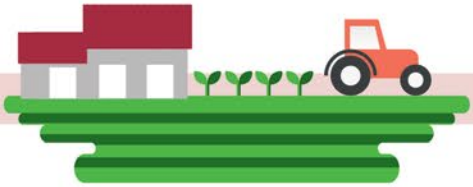
14.6%
of professional sales devoted to research

+130
research stations and centers worldwide

+20%
of our employees work in research

SEED PRODUCTION IN THE FIELDS

Through our coop members and partners, farmers and growers



Field seeds

AGRICULTURAL PRODUCTION

By 2,000 cooperative members (more than 40,000 hectares of production under contract)

INDUSTRIAL VALORIZATION OF SEEDS

In our factories
in France
and worldwide

More than
300 new varieties
launched each year
No. 5 world field seed company
No. 2 world vegetable seed company

— Garden products

— Field seeds
and vegetable seeds

SALES AND MARKETING

AGRI-FOOD INDUSTRIALISTS

CONSUMERS VIA MASS DISTRIBUTION

FARMERS, GROWERS AND DISTRIBUTORS

— Cereals (wheat and corn)
— Oilseeds (sunflower, rapeseed)

— Semolina, wheat
and corn flours, texturing
agents, dietary fiber

— Sandwich loaves, specialty breads,
crisp breads and pastries

No. 2
French
BAKER

No. 3
French
PASTRY MAKER

SHORT INDUSTRIAL CHANNELS

GRAIN TRANSFORMATION

In our French factories

MANUFACTURE OF BAKERY PRODUCTS

In our French, Belgian
and Brazilian factories

OUR SPECIFIC CHARACTERISTICS

Because of its differences, Limagrain is exceptional among the world leaders in seeds.

AN INTERNATIONAL AGRICULTURAL COOPERATIVE GROUP

The roots of Limagrain can be found in the late 19th century cooperative agricultural world that was present in various countries. Built on the foundations of previous cooperatives involving seed multiplication farmers on the Limagne cereal plain in the center of France, Limagrain was founded in 1965 when they decided to invest in hybrid corn research and create their own varieties.

For more than 50 years, Limagrain has been contributing to the development and sustainability of the farms of its members, through the production of seeds for corn, cereals and oilseed crops and through the development of local value chains for their corn and wheat grain production. Today, the Limagrain Cooperative is:

- almost 2,000 members in Limagne, partners in their cooperative, and also suppliers and customers;
- more than 40,000 hectares of production under contract;
- the parent company of a worldwide group, present in 56 countries.

UNPRECEDENTED GOVERNANCE WHICH EMPHASIZES LONG-TERM COMMITMENT

Since our shareholding is made up of cooperative partners who are farmers members, we are a company of people and not capital. Our members are committed to a democratic functioning model: one person = one vote, regardless of the number of shares held by an individual member. They are organized in 5 geographical sections and elect the section delegates who in turn vote at the Annual General Meeting.

This stable, cohesive system of share ownership provides a long-term strategic vision and ensures long-term economic performance, particularly as it is supported by board members with practical experience, strongly involved in the governance.
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 income is intended to allow us to pay farmer members and employees fairly and also ensure the Group's stability, development and sustainability.

This vision is shared with the minority shareholders in the capital of Groupe Limagrain Holding and certain subsidiaries.

Our governance model is based on three specific characteristics:

- the Group is co-managed by a chairman, who is an elected farmer and a CEO, who is an employee appointed by the Board of Directors;
- this tandem is reproduced within Limagrain's six operational activities worldwide;
- the company's top executives, whatever their country of origin, hold shares in the Cooperative's capital stock alongside the farmer members. One of them sits on the Board of Directors as their representative.

This model encourages proximity between members, their elected representatives and the top executive bodies. It enables effective decision-making, thanks to a shared strategic vision and comparative exchanges between members of the board and salaried top executives.

This culture of cooperation, shared by the farmer members and the employees, extends to scientific, industrial and commercial collaboration projects run by our Group all over the world.

Working for a company focused on people is about seeking each day the best for the general interest instead of more individual or financial interests. As the cooperative Chairman and a farmer, I consider I only have the right to benefit from the cooperative for a limited time, and that I am its guardian. 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 profits to prepare for the future.

Jean-Yves FOUCAULT, Limagrain Chairman

A SEED SPECIALIST

Unlike its main international competitors, Limagrain's core business is seeds - Field Seeds and Vegetable Seeds. Indeed, Limagrain doesn't have an agrochemicals activity, but as a complement to its business activities intended for professionals, farmers and growers, it sells seed to home gardeners.

Thanks to the Cooperative's local roots, Limagrain has also developed its integrated chain activities for cereal products in its home region. Here too, the starting point lies in seeds, through the creation of corn and wheat varieties that combine adaptation to the local conditions of the Limagne Val d'Allier to the industrial processes used for the production of cereal ingredients and bakery products.

INTERNATIONAL DEVELOPMENT BASED ON RESPECT FOR LOCAL REGIONS AND THEIR GROWTH

Throughout its history, Limagrain's development has always combined both local and international dimensions. We believe that the proximity of humans and their markets is essential to understand challenges and respond in the best way.

Our Business Unit organization 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 recognize and value the history of the companies that become part of our organization. The combination of respect for our strategic decisions and an awareness of local cultures is the model that underlies our performance.

OUR MATERIALITY ANALYSIS TO SET OUR PRIORITIES AND OUR CSR COMMITMENTS

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. The results, summarized in the matrix form below, 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.

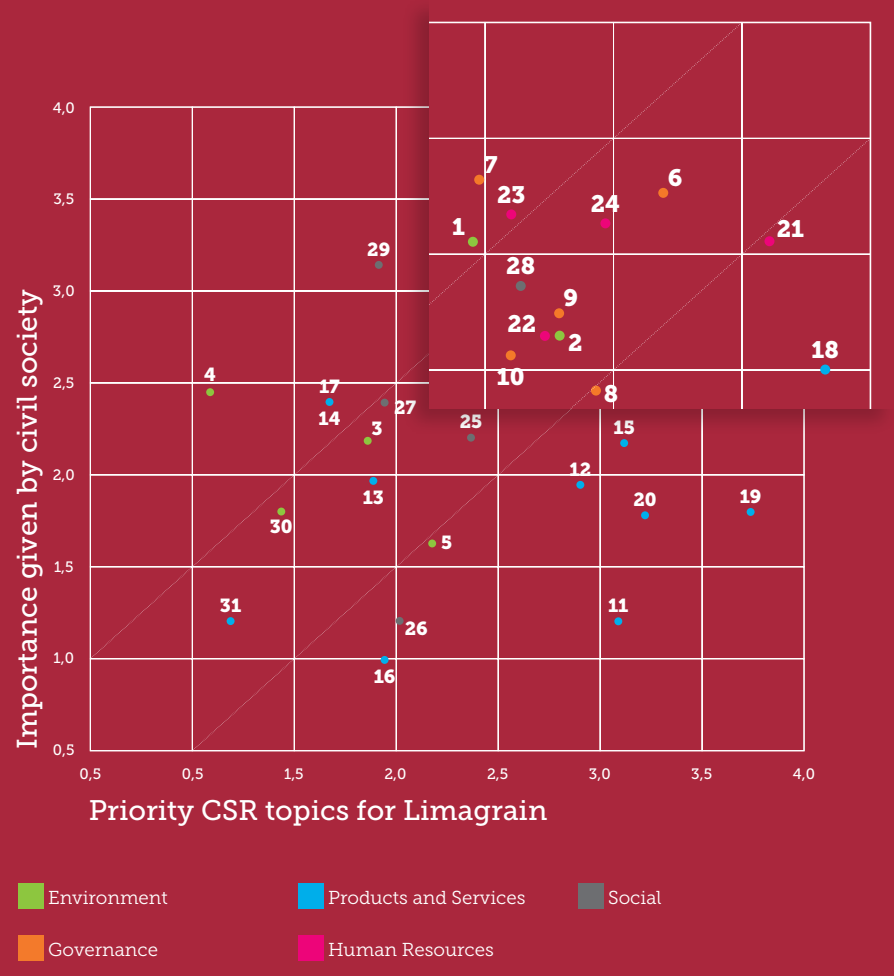
We envisage re-evaluating these results regularly, to encourage progress, and to best factor in the contextual developments and stakeholder expectations.

What is materiality?

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

Source: Global reporting initiative

THE LIMAGRAIN MATERIALITY MATRIX



* 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.

Key

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 policies**
9. **Relations with stakeholders and participation in public debate**
10. **Respect for human rights**
11. Access to progress (intellectual property)
12. Adaptation to the conditions of climate and local products
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
21. **Attractiveness and management of talents worldwide**
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 integrated chains**
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 THE ENVIRONMENTAL FOOTPRINT OF OUR LOCATIONS

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).

Moreover, we need to feed an ever-growing worldwide population: almost 10 billion people in 2050 (8.3 billion by 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 optimization of our use of land and leveraging our agricultural chains.

Because our mission is to move agriculture forward 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 the co-existence of all kinds of agriculture 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 CHALLENGES FACING AGRICULTURE, FOOD AND THE ENVIRONMENT

Plant breeding is at the heart of improving the competitiveness of our agriculture. 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 variety is developed. Each year Limagrain invests almost 15% of its sales 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 plant varieties, an essential source of financing research. This is a necessary force for innovation to pursue genetic progress and improve plants. We prefer the Proprietary Variety Protection Certificate (PVPC) to protect our plant varieties. The PVPC 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 to protect our biotech innovations.

USING BIOTECHNOLOGY AND NEW BREEDING TECHNIQUES IN THE SAME WAY AS OTHER TOOLS FOR PLANT DEVELOPMENT

For Limagrain, biotechnology is an additional tool that allows 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 authorized. 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. GMOs 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 recognize the usefulness of a debate in order to respond to society's questions, so as not to play on fears, but provide answers relevant to the diversity of agricultural practices. We want regulations to be adopted based on scientific criteria. We also ask that small- and medium- sized seed producers keep their capacity to carry out research in France and Europe, rather than isolating everything in the category of GMOs. For us, this is about defending a balanced and responsible approach to progress.

DOING BUSINESS WHILE GUARANTEEING ETHICAL PRACTICES

Business ethics can often by summarized by a list of best 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; but also to initiate 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 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 1,900 employees in the Auvergne Rhône-Alpes region. It aims to make its region, Limagne Val d'Allier, a zone of excellence in agriculture. 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 favor an approach that respects the diversity of cultures among those we work with.

Today Limagrain achieves 79% of its sales outside France, with subsidiaries in 56 countries and sales in 160 countries. Fully aware that the future of our growth will play out essentially outside of our borders, our Group is working to adapt worldwide its management model to local cultures while respecting its own values and management principles. 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 organization in 13 Business Units covers all Limagrain's operational activities and encourages this proximity with our different markets throughout the world.

.

OUR CSR STRATEGY

IS JOINTLY DEVELOPED WITH OUR INTERNAL AND EXTERNAL STAKEHOLDERS

True to Limagrain's cooperative roots, our CSR strategy has been developed 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 created their own CSR policy based on the ISO 26000 framework, especially with regard to the elements relevant to the agri-food segment, as well as the 10 principles of the Global Compact.

Six of our 13 Business Units, representative of our activities, played a leading role in the creation of our CSR policy: Limagrain Céréales Ingrédients, Vilmorin Jardin, Limagrain Europe, Jacquet Brossard, Limagrain Coop, and Limagrain Asia (China).

They all followed the same methodology:

- CSR diagnosis,
- prioritization of issues,
- definition of goals,
- creation of a 3 to 5-year action plan.

Almost 180 internal and external stakeholders were solicited to carry out diagnostic tests. All of the various types of stakeholders that Limagrain deals with on a daily basis were consulted.

In addition, each Business Unit concerned organized an internal working group to define medium-term goals and create their own action plan as the meetings were ongoing.

This method, based on co-construction, allowed us to define a strategy that responds to 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 consistency with the CSR priorities formalized by the Group.

As a result, various types of programs are carried out in the Business Units to raise employee and farmer member awareness, allowing them to take ownership of the issues related to CSR, as well as inform them of our commitments and progress in this area. The goal is to ensure they become involved, 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 farmer members, employees and NGOs.

OUR 3 CSR PRIORITIES

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

PROPOSING INNOVATIVE AND RESPONSIBLE AGRI-FOOD SOLUTIONS 1

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

CARRYING OUT OUR ACTIVITIES IN AN ETHICAL, SUSTAINABLE, AND EFFECTIVE WAY 2

- Encouraging the long-term development of our employees and transferring their knowledge
- Expressing and disseminating our business ethics
- Optimizing the use of natural resources in a sustainable way and controlling our impact on climate change

BUILDING NEW RELATIONSHIP METHODS AND CREATING VALUE 3

- Bringing together employees and farmer members around a shared project and culture
- Dialoguing with our stakeholders, a rich resource
- Encouraging collaboration and collective intelligence in our ecosystem
- Being an active contributor to society and acting to develop the regions where we do business

The first area 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 integrated plant chains in terms of sustainability, in order to ensure the safety, quality and suitability of our products while limiting their negative impact, in accordance with economic performance, social, societal, and environmental requirements. The second area is in line with our position as a company. The goal 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 for improvement should also allow us to limit the withdrawal of resources and contribute to creating and preserving value in the short, medium, and long terms, by participating in the development of Group activities and optimizing the management of environmental, social, and societal risks in varied and changing business contexts. The third area concerns sharing our CSR principles with our stakeholders, in the widest sense of the word. It is about building new partnerships, new relationship methods, and creating shared value thanks to an ongoing dialog, 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 program, new executives attend a CSR awareness session. The Corporate CSR department offers a dedicated training module, along with communication tools (eco-friendly behaviors, Sustainable Development Report, etc.). It also provides the Operating Committee in each Business Unit with an analysis of their extra-financial reporting and a dialog on internal best practices and achievable progress. The CSR department is also increasing awareness actions and experience sharing with external stakeholders. The Group, though its subsidiary Vilmorin & Cie, has been part of the Gaia-Index [1] since 2014. In fall 2016, the Group became a part of the Indice Gaia [2] which lists the 70 best players on the Gaia-Index panel and informs investors about the CSR performance of Small and Mid-caps (SMID). The Group attained the following ranking: 45th out of 230 in the general ranking and 34th out of 85 for the Category "Sales > 500 million euros" with an overall score of 78 out of 100. This is a strong sign of Vilmorin & Cie's progress in terms of extra-financial performance.

(1) The Gaia-Index is an EthiFinance subsidiary specialized in the CSR analysis and scoring of European SMEs and mid-tier companies.

(2) The Indice Gaia is composed of 230 SMEs and mid-tier companies listed on the Paris stock market that meet the following three criteria: sales < 5 billion euros, capitalization < 5 billion euros, employees < 5,000, as well as being sufficiently liquid.

PROPOSING

INNOVATIVE AND 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 sales in 2017. Research involves more than 20% of our workforce over three 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 the climates and other characteristics of particular regions, more resistant to disease and pests, while preserving and improving nutritional qualities. Our teams work on more than 60 species, thus contributing to the enrichment of the plant world.

Agricultural innovation: each day, agricultural practices are improved thanks to innovations in production resources, especially those related to genetics and digital technologies.
Our efforts focus especially on precision farming, which complements the farmer's perspective and experience, by collecting many types of data that contribute to the modeling of 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 are levers that allow us to optimize our productivity and/or better meet the societal, economic, and environmental expectations of our professional customers and consumers.

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

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

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

New products launched in 2016-2017

324 vegetable and field crop varieties

45 new cereal products

Preserving genetic diversity

Limagrain dedicates **20** million euros per year to the crops we are developing

In Europe, **30,000** varieties of corn (lines and populations) have been preserved in our collections

WITH ADORA, HM.CLAUSE IS LAUNCHING MORE THAN JUST A NEW TOMATO

As a descendant of the "Noire de Crimée" and the "Marmande," the tomato ADORA has the shape of a traditional marmande, dark on the outside and red on the inside, with a tangy, smooth taste.
ADORA is a response to the consumer trend towards "authentic" and tasty varieties consumers want, and it allows tomato producers to diversify their production.

Strict production specifications guarantee that consumers receive a top-quality and consistent product.
These tomatoes are grown primarily in the Mediterranean basin (Spain and Italy) and are consumed locally and in northern Europe. ADORA is also a registered trademark intended to be promoted to consumers; it is an innovative product combined with a marketing approach that involves producers, distributors, and consumers.

LIMAGRAIN EUROPE AND BIOGEMMA, PARTNERS IN THE FRENCH-AUSTRALIAN JOINT VENTURE ARISTA, FOR THE CREATION OF WHEAT RICH IN FIBER

The diet of modern society is too high in fat and protein, and too low in fiber such as resistant starch. This kind of diet is the cause of many diseases in society such as type 2 diabetes and colon cancer. These diseases are linked to an imbalance in the intestinal flora or microbiota, made up of all the bacteria present in the colon. Fiber, an example of which is resistant starch, is an element that helps with the proper development of the microbiota and thus intestinal health.
To mitigate this deficiency and improve the nutritional value of common foods such as bread, Limagrain Europe and Biogemma, together with Limagrain Céréales Ingrédients, the Business Unit specialized in cereal ingredients, have leveraged their unique integrated chain know-how into the French-Australian joint venture, Arista. Their goal: to develop an innovative wheat variety rich in fiber and resistant starch.

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 quantity of food production. Biodiversity is one of the most important resources on our planet to meet the needs of agriculture and food. It expresses the necessary variability for the future adaptation of living organisms in their evolving environments.
Our work in this area 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 goals. To ensure a reliable level of traceability, from harvest to processing to distribution, our Group has implemented quality management systems that meet the highest European and international standards.
Our tools, part of a continuous improvement approach, are implemented and make an impact progressively each year to strive towards operational excellence.

VILMORIN-MIKADO, A MAJOR GLOBAL PLAYER IN KABOCHA SQUASH

The Kabocha squash is a Japanese favorite, eaten throughout the year. However, producing it in Japan in winter can be difficult. VILMORIN-MIKADO thus developed a global logistics chain in order to ensure this vegetable can be procured from abroad. This organization involves, on the one hand, dealers, growers, and exporters of the product from Mexico and New Zealand and, on the other hand, Japanese importers. Thanks to this logistical and partnership approach and exacting breeding, VILMORIN-MIKADO is now the No. 2 player on the Japanese market for this vegetable and holds an 80% market share in Korea.

VILMORIN JARDIN IS INNOVATING TO ADAPT TO THE EXPECTATIONS OF NEW HOME GARDENERS

With the knowledge of how society's gardening practices have changed, Vilmorin Jardin has developed a range of seeds for city dwellers who want to discover the art and benefits of home gardening. These solutions are ready to use, simple, and effective for harvests guaranteed to be delicious. Basil, tomato, bell pepper, and hot pepper can be grown on a balcony, patio, and even in a single pot.
And because "snacking" has also become a strong consumer trend, Vilmorin Jardin also has a dedicated line-up for growing adapted varieties at home, including the watermelon Mini Love that is the size of a melon, the small bell pepper Balconi with a smooth, sweet flavor, the rich and juicy Buffalo Steak tomato, and the carrot Goldnugget that can accompany any dish.

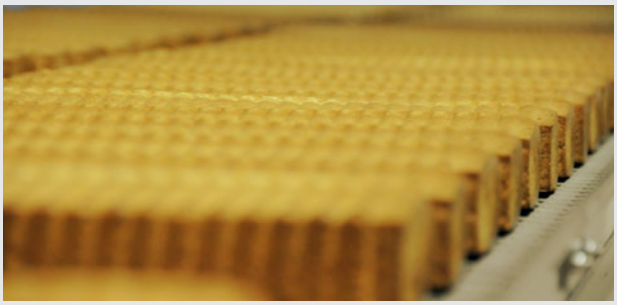
JACQUET NO SUGAR ADDED

In a context in which consumers are increasingly concerned about the impact food products have on their health, Jacquet Brossard has focused on nutrition. The company is concentrating its efforts on the nutritional quality of its products and creating new recipes in line with public health goals: the reduction of the amount of sodium, fat, simple sugars, and an increase in complex carbohydrates, fiber... to contribute to better food for all French people.

With this in mind, Maxi Jac "No Sugar Added" was created as a response to the fact that 84% of French people were looking for this kind of sandwich loaf. This new line-up only includes the natural sugar present in its ingredients, or less than four teaspoons per packet, while the traditional version has around seven. This innovation quickly won over consumers and, only six months after its launch, has grown to more than a third of this market.

Among the 34 companies of the Group with industrial activities, 27 of them, representing 98% of sales, implemented a quality management system and several of their industrial sites are ISO 9001 certified. All of our French companies active on the bakery product (Jacquet Brossard) and cereal ingredients markets (Limagrain Céréales Ingrédients) have received 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 Mixture).



Follow-up on the nutritional goals for Jacquet bread in 2018:

70% of the range with 3% fiber

Achieved: **95%**

35% of the range with less than 3% fat

Achieved: **15%**

70% of the range with 1.27% salt

Achieved: **95%**

SUPPORTING

THE DEVELOPMENT OF DIFFERENT AGRICULTURAL MODELS FOR A MORE SUSTAINABLE WORLD

In accordance with principles 8 and 9 of the 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, regardless of its form, will be more productive, more respectful of the environment, and in line with societal expectations. This innovation should bring about technical and human progress, at the service of sustainable and competitive agriculture.

LIMAGRAIN COOP'S " RENCONTRES AGRO " : PROMOTING INNOVATION IN AGRICULTURAL PRACTICES AMONG FARMER MEMBERS

For the 2nd year in a row, Limagrain Coop invited its farmer members to " Rencontres Agro " with the goal of sharing with them the results of experiments conducted in Limagne Val d'Allier, in order to respond to the problems farmers face. Limagrain Coop, which manages the production, collection, and distribution of its farmer members' products, has also invested in innovation and the study of new solutions in order to:

- meet the needs of its farmer members by offering them the best opportunities, products, and advice, as well as new services;
- meet the needs of integrated chains by supplying them with adapted and quality production;
- support its farmer members so that they can farm in the best conditions, while also adapting to environmental issues (resource management, soil management, etc.).

Organized around workshops, these meetings are a concrete expression of the changes affecting agriculture and farmers, such as the increased importance of precision farming and the focus on resource management.

.

For example, topics covered relate to changes in the areas of:

1/ genetics:
a presentation on new wheat varieties adapted to local conditions;

2/ crops:
presentations on crops grown very little or not at all in the region, which could be sources of diversification for farms;

3/ cultivation methods:
a presentation on various no-tillage methods with the goal of reducing plot weed infestation and preserving the soil, and the piloting of nitrogen fertilizer to improve its effectiveness in quality and yield, while also taking environmental concerns into account;

4/ precision farming:
a presentation on Limagine Décision and Limagine Précision, two digital tools offered by Limagrain Coop to its farmer members to precisely control their crops and optimize their use of inputs.

LIMAGRAIN, A PARTNER OF FAIR PLANET

Limagrain is a partner of Fair Planet, an NGO that has been active in Ethiopia since 2012, and whose aim is to ensure the development of vegetable production by experimenting with high-performance varieties and training small-scale growers in how to use them.

"Bridging the Seed Gap" is Fair Planet's goal among small-scale vegetable growers in Ethiopia by breaking the vicious cycle of poor seed quality, poor vegetable quality, malnutrition, and poverty. Its method is to test varieties emerging from seed company research in local conditions to decide which ones are best adapted to local growing conditions and then to train growers on how to best bring out their potential.
With these two assets, growers can then develop a qualitative and quantitative production, enabling them to provide better food as well as develop economic activity that will ensure their independence.

Fair Planet, present at three sites in 2016-2017 (Dire Dawa, Haramaya, and Butajira), has focused its efforts on three crops (tomato, hot pepper, and onion), and is testing dozens of varieties.

Concerning training, around 1,000 growers have been trained since Fair Planet began and they are sharing their knowledge and available educational tools with their communities.

By 2020, Fair Planet is expecting that 50,000 Ethiopian small-scale growers will have been reached directly or indirectly by the NGO's program.

* Bridging the seed gap

HAZERA, PARTNER OF THE SKYLARK FOUNDATION IN THE NETHERLANDS

The SkyLark Foundation was created in 2006 in the Netherlands by farmers and the agri-food industry with the goal of supporting and promoting the development of sustainable agriculture.
Soil fertility and preservation are viewed as the foundation for the development of sustainable agriculture.
Eight other criteria are also taken into consideration: biodiversity, water, energy, crop protection, the local economy, human capital, product value, and nutrients.
The Foundation is furthering knowledge and encourages training and exchanging best practices, to the benefit of farmers.
Hazera joined the SkyLark Foundation as a technical partner in growing onions. This enables Hazera's specialized teams to participate in the meetings related to the sustainable production of onions, and more generally, in all meetings dealing with sustainable agriculture.

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 vision of sharing and long-term commitment.

Because respect for people and nature is fundamental to the achievement of our ambition; because our values – progress, perseverance, and cooperation – guide our actions and rule our decisions; and because our know-how, innovative spirit, brands, international development, multiculturalism, and the commitment of our employees and our farmer 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 our project represents. 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 arable land and limited natural resources. We want to provide real solutions and we are working each day to move towards operational excellence to make us an exemplary partner.

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

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

ENCOURAGING THE LONG-TERM DEVELOPMENT OF OUR EMPLOYEES AND TRANSFERRING THEIR KNOWLEDGE

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

To preserve and develop our human capital in line with our strategy and environment, Limagrain is deploying programs to reinforce the employability of its employees, guarantee high standards in health and safety at work, monitor the consistency of our social policy all over the world, reinforce the feeling of belonging to the Group, and strengthen ties between employees and farmer members. All Group employees are furthermore associated with Limagrain's results and those of their respective Business Unit, as part of an overall profit-sharing program. This profit-sharing program implemented at Group level is in place in all of the countries where we are located.

Number of agreements signed:

51

ENCOURAGING SOCIAL DIALOG

In order to ensure that social dialog is constructive, Limagrain encourages collective bargaining with its social partners. Group agreements thus ensure a common policy between Business Units. The European Works Council (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 scope 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.

A NEW GROUP PROFIT-SHARING AGREEMENT FOR A BETTER REDISTRIBUTION OF ITS PERFORMANCE

Beginning with this fiscal year, and for the next two fiscal years, a new profit-sharing system for the Group's economic results has been implemented. Its goals: to increase the portion of profit-sharing related to the Group's consolidated results and ensure greater consistency in the amounts distributed between each company.

This new profit-sharing agreement, which resulted from an agreement signed by all French representative professional organizations, has been rolled out to all countries and employees, in accordance with local regulations.

Like the previous agreement, it includes a share linked to the performance of the BU where the employee works, and a Group share linked to Limagrain's overall performance. But from now on, the Group share will be greater. In this regard, profit-sharing now includes all employees and the Group share will be distributed in all cases, including in companies that have very little or no net income. This arrangement aims to strengthen the feeling of belonging to the Group and enable the fair redistribution of the Group's net income to all of its employees.

Overall, this new profit-sharing scheme should enable distributing a greater amount than previous years, with a better balance between the amounts distributed and the Group's net income.

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 pre-determined career path. To allow employees to evolve and adapt to changes in their professional life, we leverage several elements: interviews conducted throughout one's career, personalized support, training, experience sharing, promotion of internal mobility to encourage changes between countries, subsidiaries, and even professions.

An annual talent review (managers and employees with 5 years of higher education or a Master's degree), conducted by our "career committees" at the Business Unit level and consolidated at the Group level, allows us to identify potential and optimize mobility and promotion opportunities. Also, all vacancies are accessible to all employees through the Group Intranet.

B-SMART: MORE USERS, MORE FUNCTIONALITY

The roll-out of B-SMART, our Career and Recruitment Human Resources Information System, continued during fiscal year 2016-2017, both in terms of accessibility by subsidiaries and functionality. Employees from several entities (Limagrain Corporate departments, HM.CLAUSE SA, VILMORIN-MIKADO international) can now view, from their annual review and portal, training catalogs from Limagrain Academy and their own entity.

The recruitment authorization process has been computerized using B-SMART for several entities (HM.CLAUSE SA, Limagrain Corporate departments, VILMORIN-MIKADO international, etc.). Some entities have conducted their career reviews using B-SMART.

The entity Mikado Kyowa Seed has been integrated into B-SMART so that it can, in the short term, conduct its annual reviews.

Hazera completed its first round of annual reviews for fiscal year 2015-2016 using the program and launched the training module to computerize the training management process in Israel and the Netherlands.

Recruitment

850 open-ended contracts including

93 under 26 years of age

385 with higher education

Internships

462 trainees throughout the world

close to 90 on work-study programs in our companies in France

Training

4.01 million euros invested in 157,726 hours of training

(+ 22,732 hours compared to the previous fiscal year)

or **+28%** in 2 years

STUDENTS AND YOUNG GRADUATES: A COLLABORATIVE AND STIMULATING PROFESSIONAL EXPERIENCE

Limagrain offers various internship and work-study programs (apprenticeships, professional training contracts) in a wide range of professions and qualifications, both inside and outside France. We also have good relations with the educational world and develop targeted partnerships all over the world. Schools and universities are selected based on our core sectors and for their international outlook.
As well as multiple teaching collaborations, these are also an important recruiting ground. We regularly meet students during forum events, participate in lectures, 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, the "Campus Ambassadors" program has been set up. It aims to value our employees' experience and expertise, increase the understanding and visibility of the jobs and employment opportunities in the Group, support higher education establishments in their thinking about developments in education and training, and, finally, complement the students' education through an immersion in the workplace via mentored projects and research partnerships.

Through its network of 80 Campus Ambassadors and special partnerships with targeted higher education establishments, Limagrain is increasing its visibility. As essential recruitment links, Campus Ambassadors become involved at the early stages of the process and support the recruitment team, and thus contribute to discovering talent the Group needs. In 2016-2017, Limagrain was involved in 40 activities, participating in company forums, round tables, organizing Group company tours, panel members, etc.

IVB: a different way to launch a career

Limagrain provides a way to first experience working internationally for 12 to 24 months through IVB (International Volunteering for Business). Each year, more than 10 graduates are on assignment outside of France as part of this program. In 2016-2017, there were 15 employees from all French Business Units working on all continents
Since 2007, 69 young graduates, employed in 20 countries, have begun their professional career through this program and helped with Limagrain's international development.

THE INTERNATIONALIZATION OF THE GROUP HEALTH INSURANCE AND PROVIDENCE PROGRAM: A GOAL OF 100% OF EMPLOYEES COVERED

Two years ago, an audit was carried out in all non-French companies in order to evaluate the level of health insurance and providence coverage in each company.

At the time, the results of the audit showed that 67% of employees outside France had health insurance and 72% had benefits coverage. The study also allowed us to define a new target based on the standard of each country.

Limagrain then set a goal for each employee to benefit from:

- a health program at the level of market practices,
- providence coverage offering at least 1-year compensation to family in the event of death.

Since the study, coverage has been implemented in 18 companies, benefiting more than an additional 1,000 employees.

Lost-time work accident frequency rate:

10.8

Work accident severity rate

0.27

23.1%

of training hours spent are dedicated to health and safety.

SAFETY DAY FOR ALL OF LIMAGRAIN COOP'S EMPLOYEES

We are convinced that there cannot be sustained performance without safety. With our goal of reducing the frequency rate of accidents with work stoppage by 50% in 3 years (2016-2019), reducing the number of accidents represents a major challenge and supports our decision to make safety one of the Group's fundamental principles. This determination requires that all employees be actively involved in safety, especially managers.

As part of this effort, the Limagrain Coop Business Unit invited all employees to a "Safety Day" on July 3, 2017 at its site in Ennezat (Auvergne-France).

Throughout the day, there were four workshops for the 328 employees that came:

- fire, to learn how to react in case of a fire using an extinguisher;
- awareness of the risks present in an agricultural store;
- risks in the field: awareness of the various risks faced when working in the field (bug stings and bites, cuts, sun, etc.) and what to wear as a result;
- maintenance and co-activity: awareness of the risks faced when an activity continues during maintenance work.

These workshops, adapted to the risks identified as part of the daily tasks of the BU's employees, were designed and led by employees; some were carried out in collaboration with external providers. They also allowed administrative staff to learn about the risks faced by their colleagues.

There was, in addition, a 5th workshop on disability to raise awareness about the status of disabled workers and a wheelchair rugby activity.

A COMMITMENT TO DIVERSITY AND PROFESSIONAL EQUALITY

Employee diversity at Limagrain is an integral part of our DNA. We are a multicultural Group, made up of more than 70 nationalities, which we see as a rich resource.

With a spirit of openness and equality, Limagrain is committed 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.

Representative trade union bodies and the Group renewed and broadened the agreement on professional equality. It covers all French companies and their employees. When the agreement on professional equality between men and women was renewed in 2017, it was enhanced with three new elements in line with company diversity: disability, granting rest days, and valuing the role and mandate of staff representatives.

Raising people's awareness and changing their mindsets concerning disability was one of the goals of the "Raid de la Mixité"* (Trek for Integration), which eight employees from Limagrain Europe and Limagrain Corporate participated in during June 2017. The goal of these days was to change the mindsets of employees about disability by creating friendly and unique opportunities to be together. Employees were able to better understand disability and realize that being different does not mean being inferior. Mixed teams made up of able-bodied employees from the Group and persons with disabilities from outside the company met and participated in "extreme" experiences, games, surprises, and "destabilizing" situations.

Over the last few years, employment situations of persons with disabilities at Limagrain have improved, but some preconceived ideas persist and not enough has been done to take into account situations involving disability that remains unseen.

* The " Raid de la Mixité " is organized by Terre d'Équilibre, an association based in Teilhède (France) whose purpose is to integrate persons with disabilities into the "able-bodied" world.

Recognition of Limagrain's commitments to Human Resources

Limagrain among the 500 best employers in France.

Limagrain was listed on the Capital Winners of the 500 best employers in France: 18th out of 169 companies in the agri-food segment and 193rd in the general classification.

Capital Winners is a survey conducted by Capital magazine and the study institute Statista. Close to 20,000 employees from the 2,100 French companies with more than 500 employees responded concerning their working conditions and impression of the companies in their segment.

Limagrain, a company good for launching one's career. Limagrain received the Happy at Work for Starters label, recognizing companies that employees under 28 years old feel are best for starting their professional career.

Women of Industry Awards: two nominees from Limagrain.

"L'Usine Nouvelle," a French magazine, selected candidates for the 6th Women of Industry Awards. Among the winners were 30 women with exemplary careers, who are dedicated, innovative, and compassionate employees. Women who are proud of their profession, who know how to lead their teams. Women who dare. Representing Limagrain were two nominees:

Blandine BONNIERE, Digital Communication Manager France at Limagrain Europe for the category Women in Digital, and Caroline LETERRIER, former head of HM.CLAUSE India, now Manager of the Cucurbits Portfolio at HM.CLAUSE in Davis, California, for the category, International Woman. She won the prize in her category for her abilities at opening up new markets and creating value with the know-how found in the countries where she has worked.

I participated in the " Raid de la Mixité " because I am concerned with disability issues and think we need to raise more awareness. During the two days of the Raid, I realized that in the end we all have disabilities, but they are expressed in different ways. This experience allowed me to put things into perspective. I came out of it newly energized.

Hortense, a Limagrain Corporate employee.

EXPRESSING AND DISSEMINATING OUR BUSINESS ETHICS

In accordance with principles 1, 2, 3, 4, 5, 6, 8, and 10 of the 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 Labor Organization Conventions, the United Nations Convention on the Rights of the Child, the guiding principles of OECD, and the Global Compact, which Limagrain signed in 2013.

The Code of Conduct formalizes the ethical principles and fundamental commitments to follow in all the countries and businesses of our Group. All of Limagrain employees are gradually being trained in ethics through an e-learning module. Available in ten languages, it uses a role-playing method and enables acquiring a questioning reflex to act with common sense, discernment, and responsibility.

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 behavior with regard to competitors,
- customer-user and consumer satisfaction,
- long-term balanced relationships with suppliers and partners,
- responsible conduct with regard to local regions.

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 Code of Conduct and its dissemination tools will be revised in 2018 to include changes in French legislation concerning anti-corruption and money laundering. This revision will not slow down our roll-out of the Code of Conduct to all employees.

.

As of June 30, 2017, **35.4%** of full-time employees had been **trained in the Code of Conduct** using the e-learning module or through a group training program.

In order to raise awareness among unconnected employees concerning ethics and Limagrain's Code of Conduct, the Business Units Limagrain Céréales Ingrédients, Jacquet Brossard and VILMORIN-MIKADO developed training that can be done during internal meetings. **More than 200 employees have been trained on this topic in this way.**

Finally, so that the teams can better adopt Limagrain's ethics and Code of Conduct, all the tools (at the request of the BU VILMORIN-MIKADO, which employs 120 workers in Japan) have been translated into Japanese, **bringing the total number of languages available to eleven**.

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 organizations and the Global Compact. It is therefore an enforceable document for all our Group entities all over the world.

The Group is very aware that child labor is a reality. Many measures have been adopted by the Business Units to deal with this issue, especially in India, where child labor is an acute problem.

To rectify this situation, the Human Resources Department of Bisco Bio Sciences regularly conducts audits to ensure that the ban on child labor is respected. In addition, dwellings with access to potable water have been constructed close to the factory to provide employees and their children with a decent place to live.
Finally, Bisco Bio Sciences includes strict social clauses in every supplier contract, especially concerning the ban on child labor.

Since the acquisition of the company Century Seeds in late 2012, which has now become HM.CLAUSE India, the company has increased its actions in a continuous progress approach to deal effectively with the subject of child labor, especially in seed production activities. As evidence, there has been a drop from 16.2%[1] to 9.6%[2] in the rate of child labor in direct and indirect subcontractor seed production fields between 2014-2015 and 2016-2017. This significant progress (a 40% decrease in only 2 years) shows how effective the action plan deployed has been. The latest elements in 2016-2017 are:

- the establishment of a procedure, called the "Child Labor Awareness Program System Document," that aims to abolish child labor in India, which defines disciplinary sanctions for growers that do not respect HM.CLAUSE's commitments and could lead to the suspension of the subcontracting contract;
- the launch of a training program for the network of production technicians and awareness sessions open to subcontracting farmers;
- the creation of a CSR committee in June 2016, in application of the Indian Company Act[3].

In this context, during the fiscal year, two people, one based in Karnataka (the company's main production region) and the other in Koppal (the region with the weakest education system), were hired to conduct internal audits with the network of farmers and seed multiplication companies on topics such as child labor and minimum wage, especially during pollination periods.

Finally, for Labor Day, May 1, 2017, an awareness program on labor rights was organized by HM.CLAUSE India in the Rannebur region with local authorities.

Because child labor is directly related to the country's education system level, HM.CLAUSE India retrofitted the bathrooms in schools in Koppal, in order to increase access to education for girls who are often hindered by poor hygiene in the facilities, and provided school equipment and furniture to 961 students at three schools in Koppal and one school in Rannebur. Each child received a school bag and 12 notebooks in June 2017 to begin the 2017-2018 school year.

And elsewhere...

HM.CLAUSE's "job policy" in the United States follows the guidelines of the national policies in effect against discrimination and child labor, and meets all recruitment and employment requirements.

At Mikado Kyowa Seed in Japan, article 16 of the "working rules" manual stipulates the restrictions concerning employment of workers under 18 years old, in accordance with national and international laws.

Vilmorin SA, in its subcontracting contracts for production outside of France, includes a specific "Code of Conduct" clause that prohibits hiring children under the age of 16.

Finally, each supplier contract for Hazera in Israel is evaluated internally and includes clauses ensuring compliance with the laws and regulations on Human Rights.

(1) Figure published in 2015 in a study conducted by the Indian Committee of the Netherlands (ICN)

(2) Figure published in 2017 in a study commissioned by The Council on Ethics

(3) Since 2013, the Company Act (articles 134, paragraph 3, and 135) has established corporate social responsibility in Indian law, requiring that companies participate at their level in the development and modernization of the country through obligations with regard to governance, reporting, and a CSR action plan.

OPTIMIZING 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 Global Compact.

The impact of our activities on the environment is a preoccupation that is managed close to the ground, at the Business Unit level, using a voluntary, responsible process.
Each year, the Group sends an analytical comparative report to the Business Units, showing non-financial data, such as environmental data. This document lists the best practices observed internally as well as those used in a range of benchmark companies. This complements local actions that provide information and raise employee awareness of environmental issues.

Our consumption (change/2015-2016)

2,685,070 m^3
of water consumed
(- 466,444 m^3)

497,818 MWh
of energy consumed
(- 23,420 MWh)

111,954 tCO_2-eq
emitted (+ 3,504 tCO_2-eq)

Our investments

842,019 euros
invested in improving environmental impacts in 2016-17, bringing investment over 3 years to 3.7 million euros

1,117 hours of training
invested in environmental protection

RESPECTFUL WATER USAGE

The issue of water is approached in two ways: how much we consume and the quality of the discharge into water.

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

We continue to make daily strides in this regard by creating new equipment or changing operating methods.
In Thailand, Seed Asia set up a wastewater treatment system during this fiscal year. In France, Limagrain Europe's research labs now dry clean their spraying machines in order to limit the amount of wastewater generated.

Over the past fiscal year, water consumption has dropped by 14.8%. Professional seed activities represent 91.6% of our consumption, mainly for greenhouse crop irrigation and domestic use. The reduction attained during this fiscal year can be attributed to the implementation of investments made to reduce consumption and to climate variations; in agriculture, each year is always different than the previous one! The implementation of drip irrigation systems, soilless crops, and mulching of open-field soil are among the measures taken by some companies, contributing greatly to this decrease. For example, in Brazil, Limagrain South America installed a complete drip irrigation system in its research centers in Sorriso and Londrina.
For its part, VILMORIN-MIKADO installed water meters in its facilities in order to be able to precisely control its consumption. In Chile, HM.CLAUSE has now optimized its water use thanks to meteorological tools to measure the exact amount of water needed for crops; it also makes regular checks for leakage in order to reduce waste.
Other activities have also done their part: overall, consumption by Limagrain Coop, Limagrain Céréales Ingrédients, and Jacquet Brossard has been reduced by 20.6%.

AGRICULTURAL BEST PRACTICES TO PRESERVE THE SOIL

The soil is agriculture's primary production tool. Preserving it is thus a constant focus for companies that produce seeds, or work with seed multiplication farmers. Many actions are undertaken, whether in seed production or plant breeding activities, or whether they are conducted at our sites or by seed multiplication farmers, to minimize the impact of these activities on the soil. It could be a matter of managing the organic matter present in the soil to optimize the use of fertilizer, crop rotation with the introduction of a cereal cycle every 2 to 3 years to break the disease cycle, sowing plant cover to protect the soil during the winter months, or the use of simplified techniques for working on the soil (no-tillage, surface-level tilling of the soil, etc.). Research is also conducted, often in partnership with seed multiplication farmers, to test new techniques and evaluate their agronomic, economic, environmental, and societal benefits.

ENERGY AUDITS AND EXCHANGING BEST PRACTICES LEAD TO REDUCED ENERGY CONSUMPTION

Following energy audits carried out in 2015, more than 1.5 million euros have been invested in improving the energy efficiency of our facilities through a large number of actions, often the result of exchanging best practices among companies.
In France, the process is facilitated by an Energy Committee that brings together all the industrial entities present.

Now, when new equipment is purchased or replaced, many of our companies evaluate energy performance or energy savings. Generally, Limagrain Europe and Bisco Bio Sciences in India deploy, for example, an optimization program for consumption using insulation, optimization of drying equipment or cooling units, replacing lighting with LEDs, etc.

Making improvements in energy performance is also a way to limit greenhouse gases.

WASTE VOLUMES LIMITED AND RECOVERED

Waste production – close to 76,000 tonnes – was stable for 2016-17 compared to the previous fiscal year. Its recovery has been carried out for a long time within the Group and has continued to progress to now reach 85.9% (+6% compared to 2016), essentially in animal feed and compost. New sites are being outfitted to help with waste recycling, like HM.CLAUSE in Chile, which now composts its organic waste and incorporates it into crops. Other possibilities (recycling, energy, etc.) are used, depending on local specificities.

Our actions also relate to preventing and limiting waste. Various investments have thus been made to finance 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.).

Finally, special attention has also been given to waste storage to prevent pollution risks caused by their temporary storage on site. In this regard, Limagrain Türkiye invested in an adapted storage space.

Jacquet Brossard commissioned a study with TK'Blue to reduce its environmental footprint related to transport. As a specialist in the transport flows of goods, TK'Blue provides logistics flows, carrier evaluations, and the exchange of best practices through a collaborative web platform available to all players (carriers and shippers).
Optimizing Jacquet Brossard's logistics flows will have an immediate effect on reducing CO_2 emissions.

BUILDING
NEW RELATIONSHIP METHODS AND CREATING VALUE

Limagrain encourages dialog with its stakeholders and has developed 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 best practices between Business Units, as well as on multiple partnerships with private and public laboratories and research bodies in France and worldwide, and 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.

BRINGING TOGETHER

EMPLOYEES AND FARMER MEMBERS AROUND A SHARED PROJECT AND CULTURE

In accordance with principles 1 and 8 of the 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 goal is to facilitate communication and sharing of information between all the entities throughout the world, and to encourage each person's sense of belonging and involvement in the Group's activities.
New managers all over the world are therefore asked to participate in an induction program to learn about the Group's strategy, activities, and values. During the induction, they visit a farm belonging to one of our farmer members in order to improve their understanding of the particular nature of the profession of a farmer.
This program is also an opportunity to raise awareness of our CSR commitments and our Code of Conduct.
Each year, seminars and conventions bring together top executives, executive managers, or various business communities. They encourage exchanges and the strengthening of ties between employees. Multidisciplinary networks of experts – in law, human resources, communication, IT, finance, CSR, etc. – also meet regularly to facilitate the exchange of best practices between Business Units.

TRAINING ALSO FOR YOUNG FARMER MEMBERS

The 2017 Young Farmer Member Training session began in January. Offered to Young Limagrain Farmer Members (under 40 years of age) since 2011, this training series takes place five days per year over two years. Participation is voluntary and has between ten to fifteen farmer members per session. The goal is to prepare for the Cooperative's future by looking to the next generation of players involved in their Cooperative and Group. Training provides elements for them to better understand their environment and how it is changing, as well as realize what the major challenges of the future will be. It also creates a close relationship and cohesion among farmer members from the same generation, leading to a sense of commitment.
The topics covered deal with research and innovation, finance, communication, governance, and cooperation. Training is provided by expert internal presenters from Limagrain or professional organizations, universities, etc.

LIMAGRAIN ACADEMY, A TRAINING PROGRAM AVAILABLE TO THE WHOLE GROUP

Management, personal development methods, multidisciplinary themes (finance, cooperation, etc.) and knowledge of the Group (introduction to plant breeding, 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 customized programs, adapted to the needs of the various populations (by profession, country, level of expertise, etc.).
These programs are geared towards our employees and farmer members. They encourage intercultural exchanges and collaboration between our different activities and various populations.

462,000 euros budgeted for Limagrain Academy

51 training sessions, 721 participants

501 people attended one of the Business Unit induction programs and 113 people attended the Group induction program

Limagrain Academy receives the Internationalization Award

In late March 2017, Limagrain Academy received the Internationalization Award given during the second U-Spring, the Spring of Corporate Universities*.
This prize recognizes Limagrain's efforts to encourage intercultural exchanges and collaboration within the Group.

* The Spring of Corporate Universities brings together more than 680 decision-makers, HR managers, corporate university directors, "Learning & development" managers, as well as several startups and professional organizations. This event is dedicated to exchanges on transformations in occupational training.

DIALOGUING
WITH OUR STAKEHOLDERS, A RICH RESOURCE

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

For 50 years, our Group has been forming many scientific collaborations with public and private research laboratories all over the world: INRA (France), Evogene (Israel), GIS Biotechnologies Vertes (France), CSIRO (Australia), CAAS (China), University of California, Davis (United States), Hebrew University (Israel), John Innes Centre (United Kingdom), Max Planck Institute (Germany), Wageningen University (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 crops, Limagrain is a majority shareholder in Biogemma (Europe and USA), specializing in plant biotechnologies. The Franco-German joint venture Genective was created with the seed company KWS in order to develop GMO corn traits. 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 Limagrain Seeds, Australian Grain Technology, and Limagrain Cereals Research Canada, which open new paths for the breeding, production, and distribution of field seeds.

THE REGIONAL INNOVATION LABORATORY (LIT)

Furthermore, since 2015, the Limagrain cooperative has implemented the program, "Laboratoire d'Innovation Territorial" (LIT) for field seeds in Limagne Val d'Allier, Auvergne. This ambitious project – inspired by living lab models and supported by the French Ministry of Agriculture – is dedicated to agro-ecology.

It aims to experiment and invent new ways of innovating in agriculture, in order to make Limagne Val d'Allier an area of agricultural excellence and encourage the emergence of new economic models and startups. The LIT is a joint venture with the competitive cluster Céréales Vallée, INRA (National Institute for Agricultural Research), and IRSTEA (National Research Institute of Science and Technology for Environment and Agriculture) and is based around collecting feedback on the eco-systems of farmers.

Charte
RELATIONS FOURNISSEURS
RESPONSABLES

A RESPONSIBLE PROCUREMENT POLICY TO CONSOLIDATE LINKS WITH OUR SUPPLIERS

Convinced that relations 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 AFNOR (French Standardization Association).

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

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

Our suppliers

Among the **158** suppliers listed by the Group Procurement Department, **74.1% are committed to a CSR policy and 62.7% have ISO certification.**

Furthermore, **43** of them, **or 27.1%, have signed the Global Compact.**

During the 1st semester of 2017, **4 audits were carried out** as part of calls for tenders, examining in particular the CSR commitment. No non-conformity was noted; however, areas for improvement, such as membership in Sedex or evaluations by Ecovadis, were identified. Today, all things being equal in a call for tender, the one from a supplier committed to a CSR policy is preferred.

ENCOURAGING COLLABORATION AND COLLECTIVE INTELLIGENCE IN OUR ECOSYSTEM

In accordance with principle 9 of the 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 Auvergne, 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 local scientific and economic life and collaborates with professional regional organizations and regional authorities. Furthermore, it sponsors ASM Clermont Auvergne (rugby club) and supports the project to make the Chaîne des Puys –Limagne Fault 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 one of the nine private partner companies in Bivouac, the base camp and startup accelerator for digital projects in Auvergne, certified as "French Tech Clermont Auvergne." During the inauguration on June 16, 2016, our chairman, Jean-Yves Foucault, emphasized that "the development of agriculture will be based around innovation and the digital sector."

Through this partnership, Limagrain is committed to provide the expertise, skills, and knowledge of its markets to benefit startups engaged in Bivouac programs.

BPIFRANCE INNO GÉNÉRATION: LIMAGRAIN PARTICIPATED IN MANY MEET-UPS ON INNOVATION

Limagrain contributed to the "business meet-up" program during the 3rd annual Bpifrance Inno Génération, one of the largest gatherings of entrepreneurs in Europe, organized by Bpifrance in October 2017. Focused on strategic prospective, this annual event offers presentations by company heads, thematic workshops, "business meet-ups" for entrepreneurs, as well as a wide range of innovation demonstrations.

Close to 100 companies likely to open up subjects of interest for Limagrain's various activity segments, even ideas for partnerships, were identified. During the weeks that followed the event, these entrepreneurs were connected with specialists from these areas within the Group to assess the value of these initial contacts.

ACL EXPERIENCE, OR HOW RESEARCHERS CAN COLLABORATE IN AN INNOVATIVE WAY

ACL, or Association of Limagrain Researchers, is an annual three-day meeting that brings together close to 300 researchers from the Group. The agenda includes plenary sessions and workshops on a topic that changes each year.

Even though ACL did not take place in its normal format in 2017, the organizing Scientific Affairs Committee still wanted to stimulate the researcher community, and so created ACL Experience. The ambition was to invite researchers from around the world to collaborate on topics they suggested.

Those interested were invited to respond to the question, "In your opinion as a Limagrain researcher, what subjects should we consider collectively?" Within a month, we received 270 responses covering a wide range of topics:

- how are new tools and technologies used?
- how can the effectiveness of R&D and innovation be improved?
- how can we work better together?
- how can new market needs and societal expectations be taken into account?
- how should research at Limagrain be done today and in the future?, etc.

Researchers were then asked to indicate which proposals among those grouped into 39 different topics they preferred and which one(s) they would like to contribute to.

327 researchers responded and 215 of them volunteered to participate in a focus group.

Based on the results of this survey, the Scientific Affairs Committee selected fifteen topics and set up working groups which had several months to work on a topic and make recommendations and action plans. These topics were then presented during ACL 2018 in January.

This goes to show that when faced with a limitation, collective intelligence and creativity can come up with new ways to collaborate and share at the Group level.

ACL EXPERIENCE

Testimony by Tjeerd SNOEREN

Entomologist - Limagrain Vegetable Seeds

At the start of 2017, a new approach was launched for ACL 2018: ACL Experience. For this, Limagrain's community could propose topics that were interesting to tackle by using unorthodox, promising approaches. Since we expressed our interest to consolidate our ideas on " How to Battle Pest Insects " for our crops in the requested white paper, our team for this topic took shape. We learned that working with a team globally spread was fun, challenging, and enlightening. In addition, it already boosted our collective intelligence on this topic. The last thrilling leap was to present it in a Pecha Kucha manner, for which we took the analogy "Game of Crops".

BEING AN ACTIVE CONTRIBUTOR TO SOCIETY AND ACTING TO DEVELOP THE REGIONS WHERE WE DO BUSINESS

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

Our involvement in society and our local regions is an expression of our societal responsibility and a way to make our baseline "from earth to life" concrete through actions selected for their consistency with three main themes: the earth and the environment, the agricultural profession and its integrated chains, community progress through access to quality food and education, for all.

The Group's various Business Units have also implemented a range of initiatives in society that correspond to specific local issues. They thus contribute to improving the quality of life in the regions where they operate.

Initiatives in society and philanthropy (2016-2017)

123 actions

1.7 million euros

of which **271,434** euros were for philanthropy (72 actions)

NEW DEAL IN AUVERGNE: ATTRACTING TALENT!

As a cooperative Group invested in its region and the 2nd largest company in Auvergne, Limagrain has the ambition of participating in the economic vitality and reputation of its region.

As part of this effort it has, since 2012, been part of the "New Deal Ambition Auvergne" program launched by the Agence des Territoires d'Auvergne, which aims to attract talent to the region by helping new hires in local companies get settled. The support offered is to finance the first months of housing, personalized assistance in getting settled, assistance in finding work for the spouse, etc.

Since 2012, 14 new Limagrain employees have benefited from this program.
It is an opportunity for Limagrain to enhance its attractiveness as an employer and support its development.

VILMORIN JARDIN, A STRONG COMMITMENT TO SOCIETY FOR HOME GARDENS

Vilmorin Jardin is intent on sharing the enjoyment of learning and experimenting in the garden from a young age and is very aware of environmental issues. Because it is especially interested in programs that encourage educating children about ecology, it played a part in the 2017 "One School, One Garden" Awards. These awards, established by Fonds Sylvain Augier(1), recognize twenty educational establishments in France for their programs to set up gardens in their establishment or as part of their classes.

In addition, since 2014, Vilmorin Jardin has been committed to Jardins du Coeur, workshops and employment integration programs by Restos du Coeur. These gardens, in addition to providing employment integration for people in difficult situations, provide vegetables to Restos du Coeur for distribution. Vilmorin Jardin's action takes place at several levels:

- seed donations to the 42 Jardins du Coeur in France, renewed each year,
- support for the Jardin du Coeur in Valence by receiving people being reintegrated into employment at the Portes-lès-Valence factory for internships to learn about our professions and the business world,
- organization of a "Solidarity week" in April at the Boutique Vilmorin in Paris (Quai de la Mégisserie – Paris 1st district) in collaboration with the Jardin du Coeur in Montreuil. On the agenda: gardening advice and tastings. As well as donations (1 € donated to the association for every 10 € in purchases) and product collection (seed packets, gardening gloves, aromatic plants, etc.) based on the principle of food collection,
- other actions with the Jardin du Coeur in Montreuil such as working with people being reintegrated into employment at the Boutique Vilmorin in Paris, doing landscaping with the team at the Boutique, or supplying various garden products.

(1) Fonds Sylvain Augier is a donation fund whose goals are to contribute to preserving land in all of its forms, acting to protect the environment and biodiversity, raising awareness and promoting environmental education.

VILMORIN-MIKADO SUPPORTS "PLANTONS POUR L'AVENIR"

It is not very well known, but in addition to its skills in vegetable seeds, VILMORIN-MIKADO is also a specialist in tree seeds and a major player on the French market. In fact, one out of every two trees planted in French forests comes from a VILMORIN-MIKADO seed. The renewal of the forests in France is no longer a sure thing and, in spite of the wide area covered, it is no longer able to meet the increasing demand for lumber or the sustainable development challenges regions are having to deal with. VILMORIN-MIKADO has thus committed 15,000 euros in the "Plantons pour l'avenir" endowment fund, whose goal is to relaunch the reforestation of French forests. The company is thus actively participating in the renewal of French forests and is working for energy transition, the development of a sustainable economic chain, and the preservation of natural regional biodiversity.

LIMAGRAIN'S INITIATIVES FOR BIODIVERSITY WITH THE LPO

For three years, in collaboration with the " Ligue pour la protection des oiseaux "(League for the Protection of Birds) Auvergne, Limagrain has been participating in protecting the Montagu's Harrier, a protected bird of prey which nests in wheat fields and whose young still inhabit the nest during harvest time.

Thanks to the natural observational talent of our farmers and a group of volunteer employees, 68 nesting couples were sighted in 2017 and their nests were protected during harvests. 64 young harriers have been observed taking flight, 61 of which were thanks to the nest protection program put in place in the middle of wheat fields.

LIMAGRAIN, A MAJOR PARTNER WITH ASM

In support of local anchorage and convinced it has a role to play in the development and influence of its original region, Limagrain decided in 2007 to support an emblematic representative of its region: the ASM professional rugby team.
As a major partner of this team, which has played in the France Championship (Top14) for decades, Limagrain has offered more than one hundred farmer members and employees the opportunity to come support ASM during home games.
As clear evidence of its support, one of the two major grandstands of the Marcel Michelin stadium in Clermont-Ferrand (France), where home games take place, has, since 2016, borne the Limagrain name. 2017 marks the tenth year of Limagrain's support. During this decade-long commitment, ASM has twice earned the title of Champion of France.

The GLOBAL COMPACT's 10 principles

WE SUPPORT

This document presents the 10 principles of the Global Compact that meet our commitments.
These principles fall into four categories and encourage companies to:

HUMAN RIGHTS

1: Support and respect the protection of internationally proclaimed human rights;

2: Make sure they are not complicit in human rights abuses.

ENVIRONMENT

7: Support a precautionary approach to environmental challenges;

8: Undertake initiatives to promote greater environmental responsibility;

9: Encourage the development and diffusion of environmentally friendly technologies.

INTERNATIONAL LABOR STANDARDS

3: Uphold the freedom of association and the effective recognition of the right to collective bargaining;

4: Contribute to the elimination of all forms of forced and compulsory labor;

5: Contribute to the effective abolition of child labor;

6: Contribute to the elimination of discrimination in respect of employment and occupation.

ANTI-CORRUPTION

10: Work against corruption in all its forms, including extortion and bribery.

METHODOLOGICAL NOTE

The environmental, social, and societal reporting process used by Limagrain 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 fiscal year (from July 1, 2016 to June 30, 2017).

Scope

The objective of the reporting scope is to be representative of Limagrain's activities.

For fiscal year 2016-2017:

- the environmental, social, and societal reporting covers the totality of Limagrain's consolidated sales for 2016-2017;
- however, the absence of monitoring by certain subsidiaries forced the Group to calculate certain data with a reduced scope.
  - Concerning energy, the coverage rate [1] is 98.3% of 2016-2017 sales.
  - This represents 100% of the sales of companies with an industrial site.[2]
  - Concerning water, the coverage rate is 97.4% of 2016-2017 sales. This represents 99.15% of the sales of companies with an industrial site.[2]
  - Concerning waste, the coverage rate is 92.9% of 2016-2017 sales of the companies surveyed. This represents 99.15% of the sales of companies with an industrial site.[2]

Each time an indicator is reported using a 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 2015-2016 and 2016-2017, calculations were carried out to measure the scope effect.

(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.

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. Harmonization work was started in 2013-2014 and has continued for 2016-2017;
- 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.

Furthermore, certain indicators are measured using a specific calculation:

- Accident rate (TF): indicator calculated according to this formula: (Number of accidents with stoppage x 1,000,000) / Number of hours worked;
- Accident severity rate (TG): indicator calculated according to this formula: (Number of days with stoppage x 1,000) / 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 organization of non-financial reporting relies on:

- the Group CSR Department that coordinates the Business Units, consolidates all the non-financial data and ensures consistent societal and environmental data;
- the Group Human Resources Department, which ensures 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 contact the subsidiary companies as well as validate their data;
- "company representatives" named by the Business Unit coordinators, who enter the data for their company and supply supporting documents.

The verification and consolidation of this data is carried out in two stages:

- **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 that 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 fiscal year 2016-2017, 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 seven companies within four 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 BV (Netherlands, Vegetable Seeds activity);
- HM.CLAUSE SA (France, Vegetable Seeds activity);
- HM.CLAUSE Chile (Chile, Vegetable Seeds activity);
- HM.CLAUSE Turkey (Turkey, Vegetable Seeds activity);
- Limagrain Europe SA (France, Field Seeds activity);
- Limagrain Iberica (Spain, Field Seeds activity);
- Vilmorin SA (France, Vegetable Seeds activity).

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

DESIGNED AND WRITTEN BY:
Group Corporate Social Responsibility Department (CSR)

DESIGNED, CREATED, AND PRODUCED BY:
All Contents – R.C.S 495 289 399 - Clermont-Ferrand – +33 (0)4 73 28 20 20

PHOTO CREDITS:
GettyImages, Vincent BOUCHET, Jerome CHABANNE, Fair Planet,
Photo library of Limagrain and its subsidiaries

TRANSLATED BY:
MÉTAFORM LANGUES – Clermont-Ferrand
+33 (0)4 73 28 00 72

HEAD OFFICE:
Biopôle Clermont-Limagne
14 rue Henri Mondor
63360 Saint-Beauzire
France

MAILING ADDRESS:
CS 20 001
63360 Gerzat
France

Tél. +33 (0)4 73 63 40 00
Fax +33 (0)4 73 63 40 44

www.limagrain.com

#Limagrain