

2016

2017

Encouraging "well-living"  
through vegetable products

The logo for Bonduelle, featuring a stylized orange and yellow arc above the brand name "Bonduelle" in a green, serif font.




**Registration  
document**



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# Registration document

Including the annual financial report

2016

2017



The Registration Document (Document de référence) 2016-2017 in French language was filed with the *Autorité des marchés financiers* (French financial markets authority) on October 18, 2017, in accordance with Article 212-13 of the General Regulations of the *Autorité des marchés financiers*. The filed document has been prepared by the issuer and its signatories are responsible for its content. It may be used in support of a financial transaction if it is supplemented by a prospectus approved by the *Autorité des marchés financiers*.

This document is a free translation into English of the "Document de Référence", and has no other value than an informative one. Should there be any difference between the French and the English version, only the French-language version shall be deemed authentic and considered as expressing the exact information published by Bonduelle.







# The Bonduelle Group



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Items of the Annual Financial Report are identified in the contents using the AFR symbol AFR



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[BONDUELLE.COM](http://BONDUELLE.COM)

# 1.1 Bonduelle Group key figures

GRI Standard 102-7

## 1.1.1 2016-2017 key figures – GRI Standard 102-7

(in millions of euros)	2015/06/30	2016/06/30	2017/06/30
Revenue	1,982	1,968	2,288
Evolution	3.20%	(0.7)%	16.3%
Current operating income	112	104	108
Net income	69	54	60
REBITDA	188	178	187
Leverage ratio	2.73x	2.47x	3.53x*
Acquisitions of tangible assets	64	69	66
ROCCE	10.70%	10.30%	8.50%*

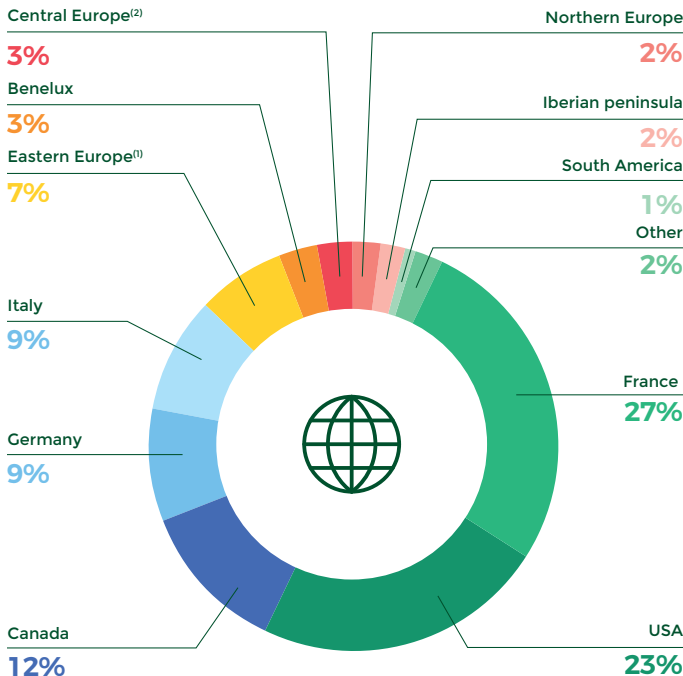
\* 1.67x and 11.5% respectively, excluding the acquisition of Ready Pac Foods.

Alternative performance indicators are defined in Note 1.2.U to the annual consolidated financial statements.

## 1.1.2 Breakdown of 2016-2017 revenue

### Breakdown of revenue

#### By region



**m€ 2,288**  
Total revenue

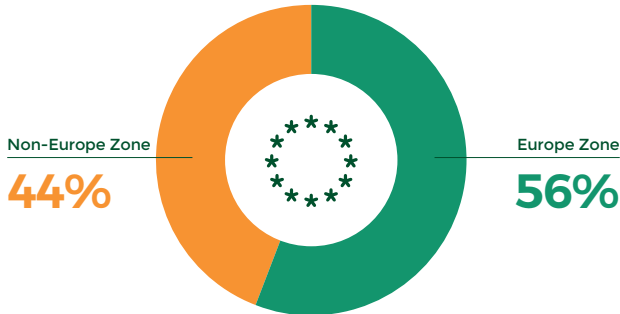
(1) Russia and other Commonwealth of Independent States (CIS) countries.

(2) Eastern European countries now in the European Union.





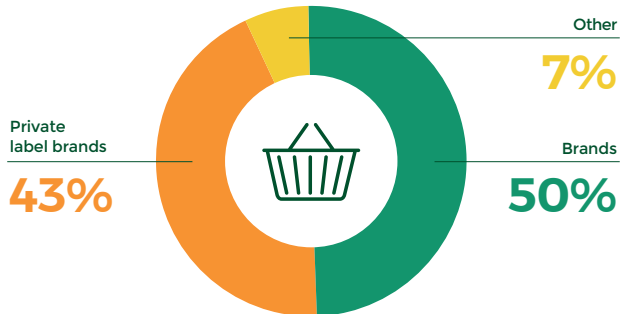
### By Europe Zone and Non-Europe Zone



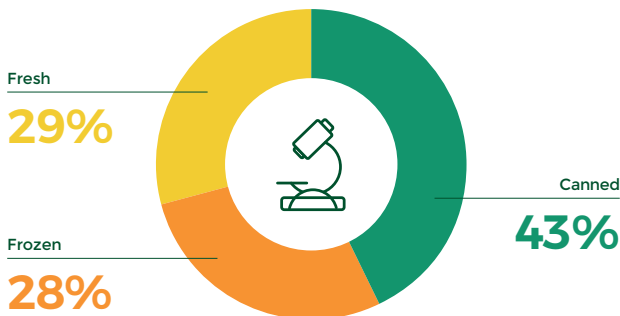
### By distribution channel



### By brand



### By segment



## Bonduelle in figures



**10,807**  
permanent employees



**128,000\***  
hectares cultivated around the world



**3,100\***  
farmers



More than **500**  
varieties of vegetables



**257**  
vegetable recipes  
have been improved



**1,158**  
Bonduelle brand products  
underwent a rigorous  
nutritional audit process



**191**  
projects have been supported  
by the Louis Bonduelle  
Foundation in the past 10 years

\* excluding Ready Pac Foods.

## 1.2 Message from Executive Management: 2016-2017, a key milestone in the VegeGo! 2025's ambition

**With revenue exceeding 2 billion euros for the first time, representing a 16.3% increase in reported figures Bonduelle is intensifying its already solid organic growth. Group Chairman Christophe Bonduelle comments these figures and the highlights of 2016-2017.**



**Christophe Bonduelle**  
Bonduelle Group Chairman

### 1. Historical scope

#### Recovery in the Europe Zone despite agricultural difficulties

2016-2017 was impacted by extremely difficult meteorological conditions. The 2016 spring/summer was very humid in Northern Europe and hampered planting and flooded pea fields. This was followed by cold conditions and precipitations of historic proportions that hit Southern Spain and Italy during the 2016-2017 winter, damaging the salad crops from these regions that supply all of Europe during this season.

Despite lackluster consumption and inventory shortfalls caused by these difficult conditions, sales within the Europe Zone returned to positive internal growth. Our brands (Bonduelle and Cassegrain) in particular outperformed significantly the market and recorded market share gains in canned products as well as in frozen, in both retail and food service channels.

#### Consumption crisis in Russia

The collapse of oil prices had a heavy impact on the ruble exchange rate, leading to significant imported inflation that was not reflected in wage policies in Russian companies. The drop in local purchasing power obviously steered consumers towards low-cost food products.

In this context, our Bonduelle and Globus brands saw their market share slightly affected in volume. Nevertheless, the valiant persistence of their market shares by value bears witness to their powerful hold. The return to positive GDP growth in Russia since spring 2017 suggests better days lie ahead.

#### Solid internal growth in North America

Our internal growth continued in North America, particularly in the frozen segment, a technology that represents 75% of sales in this market, and in which the group has become the leader. This growth exceeds 10% and was driven by the 12 plants located in both Canada and the US that have now reached saturation in terms of processing, as well as in packaging, storage and shipping.





**“2016-2017 has been a very successful transition year on the historical scope of businesses. It is likely to be remembered as the one of an acquisition that “transformed” our group, namely the acquisition of Ready Pac Foods in late March 2017”.**

## Profitability maintained

In this context, and contrary to forecasts, the level of profitability achieved on the historical scope exceeded the one of the previous year; this performance is remarkable given that the manufacturing programs deliberately did not utilize plants to full capacity in 2016 in order to reduce inventory surpluses. It is also remarkable given the extremely unfavorable meteorological conditions. However, above all, it is the return on capital employed that stands out. The «Finance for Growth» project rolled out across the whole group enabled a very striking improvement in working capital requirements.

## 2. Balancing the strategic portfolio

Although 2016-2017 was a very successful transition year on the historical scope of businesses, it is likely to be remembered as the one of an acquisition that “transformed” the group.

The acquisition of Ready Pac Foods at the end of March provides embedded growth that will increase revenue towards 3 billion euros in 2017-2018, but, above all, it represents a major change to our strategic portfolio:

- the United States will become the group's number one country;
- the Europe Zone and North America are now on an equal footing;
- sales in refrigerated channels have now supplanted those of canned products.

In terms of organization, this acquisition logically led to the creation of the group's 5<sup>th</sup> business unit: BFA (Bonduelle Fresh Americas), joining the ranks of BALL (Bonduelle Americas Long Life), BFE (Bonduelle Fresh Europe), BELL (Bonduelle Europe Long Life) and BEAM (Bonduelle EurAsia Markets).

On the strength of its excellent positioning in “healthy snacking”, with its salad bowls holding a market share of over 80% in the United States, BFA has an annual internal growth rate in excess of 10%; this new business unit could accordingly quickly exceed 1 billion US dollars in sales given its significant commercial synergies with BALL and technological synergies with BFE.

This acquisition was made without compromising the maximum debt ratio set by the group ( $NFD^*/EBITDA \leq 3.5$ ) and already reached in 2012 (simultaneous acquisitions in Russia, Hungary and the United States). The combination of these elements, as well as the assurance of management continuity at Ready Pac Foods, have been very well-received by the financial markets.

## 3. VegeGo!: the ambition for 2025 is within our grasp

Although the quantitative goal set in 2012 to be achieved by 2025 may have seemed difficult to reach (revenue: 3.5 billion euros, current operating income: 250 million euros, ROCCE<sup>\*\*</sup>: 12.5%), the strong performance of our long-standing core activities and our emergence in fresh foods in North America place this goal well within our reach.

Our employees are the foundation of this ambition, and today they justifiably feel proud of our achievements, all the more so as they are being achieved at the same time as respecting our qualitative Corporate Social Responsibility (CSR) goals.

Today, our community of some 11,000 permanent employees is strongly committed to the corporate objective of becoming “the world reference in ‘well-living’ through vegetable products”, and this commitment is clearly the Company's most precious asset for the future.

\* NFD: net financial debt.

\*\* ROCCE: return on capital employed (before tax).

## 1.3 Strategy and Company policies

### 1.3.1 Bonduelle company profile

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#### **Vision**

Climate change, rapid population growth, the erosion of biodiversity and the depletion of natural resources... All of this impacts actors in the agricultural ecosystem.

In this context, feeding the world sustainably is a major challenge for the entire agro-industrial chain.

#### **Mission**

Bonduelle is a French family-owned business. Since 1853, it has been motivated by a concern for People and their food.

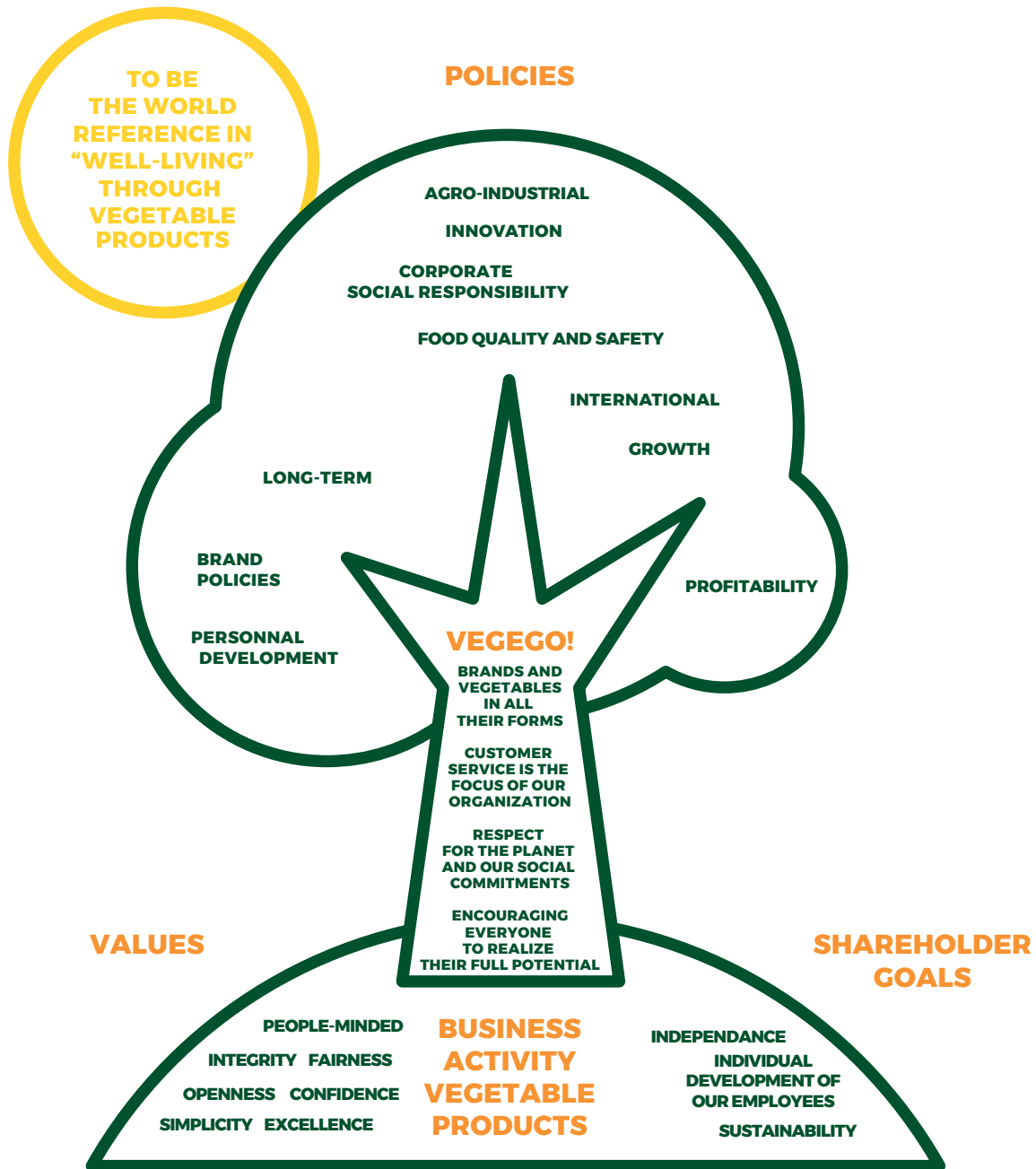
As pioneer in Corporate Social Responsibility, Bonduelle regards vegetables as key to the next food revolution and is continually pushing at the boundaries of its ecosystem.

#### **Ambition**

To be “the world reference in ‘well-living’ through vegetable products.”

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The group's values are its cornerstones and pave the way for its policies, which contribute to the achievement of the Bonduelle Shareholders' historical objectives: sustainability, independence and the individual development of our employees. To attain its goals, the VegeGo! corporate project ensures the Company's growth.

## 1.3.2 10 Policies

In an economic and political environment in the throes of rapid and deep changes, the 10 policies of the Bonduelle Group ensure its durability and its development beyond its borders. They are connected and interdependent, and translated into decisions and actions.

### 1. Long-term focus

*Bonduelle is a family-owned business created in 1853 and has become the world leader in ready-to-use fresh vegetables by promoting a long-term vision.*

- VegeGo! was launched by Bonduelle in 2012 as its corporate vision for 2025. The 22 initiatives launched exist to fulfill the group's ambition of becoming "the world reference in 'well-living' through vegetable products."
- In order to breathe new life into its Corporate Social Responsibility (CSR) strategy and to better integrate it into the VegeGo! project, Bonduelle has set five macro-objectives: to encourage everyone to eat more vegetables and to have access to healthy and sustainable food, to care for cultivated land with its agricultural partners, to reduce the environmental impacts from field to table, to ensure the welfare of its employees and local communities and to encourage all Company employees to be committed to this program.

### 2. Growth

*Through strong reliance on the other nine policies, Bonduelle is implementing growth that is external and internal in equal parts.*

- Despite a demanding and unstable environment marked by the lack of a recovery in consumption, the economic crisis in emerging countries and difficult harvests, Bonduelle has exceeded, for the first time in its history, 2 billion euros in revenue (2,288.1 million euros), *i.e.* growth of 16.3% in reported figures. This growth is fueled by a solid internal growth of 2.7%, in the higher range of the disclosed targets, a favorable exchange rate (+1%) and the consolidation of the US company Ready Pac Foods although for only one quarter.
- Based on its ambition to be "the world reference in 'well-living' through vegetable products", in March 2017, Bonduelle acquired the US leader in single served salads bowls, Ready Pac Foods. With four production plants, 3,500 permanent employees and more than 800 million

US dollars in revenue, this acquisition bears witness to the complementary nature of Bonduelle's growth policies, its agro-industrial commitment and its international presence. As a result of a long series of successful acquisitions in North America, the United States are now the leading country for group operations, and fresh foods its leading business segment. This acquisition also underscores the search for growth engines that are capital-efficient. This acquisition is fully compatible with Bonduelle's strong financial profile and creates value for Shareholders. As such, it fits perfectly within its strategic plan and will strengthen its leadership positions in its core businesses: convenience, healthy foods and fresh prepared vegetables.

### 3. Food safety

*Bonduelle ensures the safety of its food, which represents both a major challenge for the group as well as its greatest opportunity to fulfill its vision and to play a role in feeding the world of tomorrow.*

- Quality checks on incoming "vegetable" raw materials and all other supplies, quality checks on the production lines and final quality checks prior to shipping: these three stages ensure the optimal quality of the products. In 2016-2017, 43,900 food safety analyses were carried out on canned products and 19,985 on frozen, fresh and prepared products.

### 4. Respect for the environment

*As an actor in its ecosystem, Bonduelle incorporates adaptations to climate change, protecting biodiversity and the preservation of natural resources into its development plans.*

- Respect for the environment has been part of Bonduelle's CSR policy since 2002.
- On lands cultivated by Bonduelle or with its agricultural partners, numerous alternative cultivation techniques are tested, and then deployed in the various production areas. Accordingly, in Russia, the strip till technique, which makes it possible to preserve the land while minimizing labor, has made significant inroads. Adopted in 2013-2014 over a surface area of 500 hectares, in 2016-2017, it is used on a surface area that is five times larger. At least 41.5% of green waste from Russia's Timashevsk (Russia) and Novotitarovskaya (Russia) production sites is recycled as compost, reducing the use of conventional fertilizers (see 2.3 Caring with our agricultural partners, for cultivated land).





- The CSR component of the agricultural strategy is in the process of being defined and focuses on the following five priorities: protecting the soil, increasing biodiversity, reducing the carbon footprint, optimizing water quality and efficiency, and reducing residues from chemical inputs. Some initial programs along these lines were launched in 2016-2017 (see 2.3 Caring with our agricultural partners, for cultivated land).
- During the first half of 2016, Bonduelle also defined its new environmental roadmap focused on a single target objective to be achieved by 2025: “zero-waste”, not wasting natural resources in the short-term and preserving the long-term environmental value of the lands where it operates (see 2.4 Reducing environmental impacts from field to plate). The French Bonduelle plants of Genas (France), Saint-Mihiel (France), Rosporden (France) and Saint-Benoist-sur-Vanne (France) were certified in 2016-2017 and bring to 13 the number of sites that meet the requirements of ISO 50001, the international standard for energy management systems.
- In 2016-2017, Bonduelle selected the EcoVadis platform to evaluate the CSR work of its suppliers, particularly with regard to its social and environmental aspects (see 2.4.10 Responsible purchasing).

## 5. Profitability

*Profitability governs the sustainability and development of the group. It is therefore a strategic imperative in 2016-2017*

Extra vigilance with regard to the group's cost structure, continued investment in marketing/media and the sound performance recorded by the group's brands offset the negative impact of poor harvesting conditions in the summer of 2016 (canned and frozen) and in early 2017 (salads).

BFA's growth and profitability outlook confirms VegeGo! 2025's profitability target.

## 6. Brand strategy

*In order to ensure product quality, the independence desired by Shareholders and the distribution of risks, Bonduelle implements a selective brand policy.*

- According to the OpinionWay survey conducted for Bonduelle in December 2016, Bonduelle is the most confidence-inspiring consumer goods brand for French consumers, with a 75% approval rating. The main reasons noted for this confidence are the quality and taste of the products, supported by the brand's favorable reputation and its long history, as well as the fact that it is a French brand produced in France.
- Bonduelle finished in 19<sup>th</sup> place among European FMCG (Fast Moving Consumer Goods) brands in the Brand Footprint 2016. This ranking by Kantar Media provides a snapshot of the brands that are purchased the most frequently by the greatest number of purchasers.

## 7. Innovation

*Innovation is crucial to the success of our brands and to the group's growth and demonstrates Bonduelle's successful adaptation to the group's long-term vision of its ecosystem and the environment.*

- As the inventor of the famous pea and carrot mix in 1957, Bonduelle has always incorporated a spirit of innovation in its product development: frozen vegetables (1967), freezing vegetables in easy-to-use portions (1978), *vapeur* pre-cooked steamed vegetables (2011) salad of the day depending on deliveries (2014), vacuum-packed canned products (2015), etc. Each year, the group dedicates 1% of its revenue to research and development and renews one-third of the fresh products range.
- Among the innovations for 2017, Bonduelle launched the new concept of a 1/8<sup>th</sup> box format. Dubbed a *Touche de* (Touch of), this new range encourages consumers to use chickpeas, corn, red kidney beans and mushrooms as ingredients in their cooking. Another novelty, *Graines de Salade* (Salad grains), is the first 100% vegetarian salad meals to-go range, consisting of cereals, pulses and at least 30% vegetables. In Food service, the Bonduelle brand innovated with the ready-to-eat Smart Salad Bar mixes.
- The creation of the “*Prospective et Développement*” Division in 2016 was intended to extend the geographical and time horizons of the group's existing activities, notably by forging partnerships with innovative firms. It oversees long-term research and development activities, digital technologies, international sourcing and manages the group's geographical expansion outside the existing business units.

## 8. Agro-industrial commitment

*Bonduelle ensures the long-term retention of its expertise by continually investing in its production tools and by participating in the evolution of the agro-industrial sector.*

- With the acquisition of Ready Pac Foods, Bonduelle now owns four plants, in Irwindale (CA - USA), Jackson (GA - USA), Florence (SC - USA) and Swedesboro (NJ - USA).
- For the third consecutive year, Bonduelle took part in the *Salon international de l'agriculture* (International Agricultural Show) along with its agricultural partners. Under the 2017 theme “Farming: a passion, a set of ambitions”, Bonduelle welcomed over 30,000 visitors to its stand and introduced them to the life cycle of vegetables: from field to plate.
- The group invited stakeholders to take part in a *hackathon*: a collaboration over 1.5 days to work on the question “How can you make responsible agriculture more attractive to people?” Among the seven projects presented, the jury chose the Agri Party project: an agricultural festival where farmers invite consumers to learn about their daily lives, and showing the real path from the pitchfork to the table fork: demonstrations in agricultural fields, vegetable cooking workshops with chefs and shared meals.

## 9. International

*Alongside its long-term visions and growth, Bonduelle's international development serves to ensure the future prospects of the group.*

- Bonduelle has a presence on three continents. The Bonduelle EurAsia Markets (BEAM) business unit, dedicated to developing the group's business in Russia, Kazakhstan and Belarus, has been operational since July 1, 2016.
- With the acquisition of Ready Pac Foods, and the creation of a 5<sup>th</sup> business unit, Bonduelle Fresh Americas, the United States is now the leading country for the group's operations thereby confirming its international profile.

## 10. Personnel development

*Inspired by its familial aspect, employee development is a crucial management principle for Bonduelle's growth.*

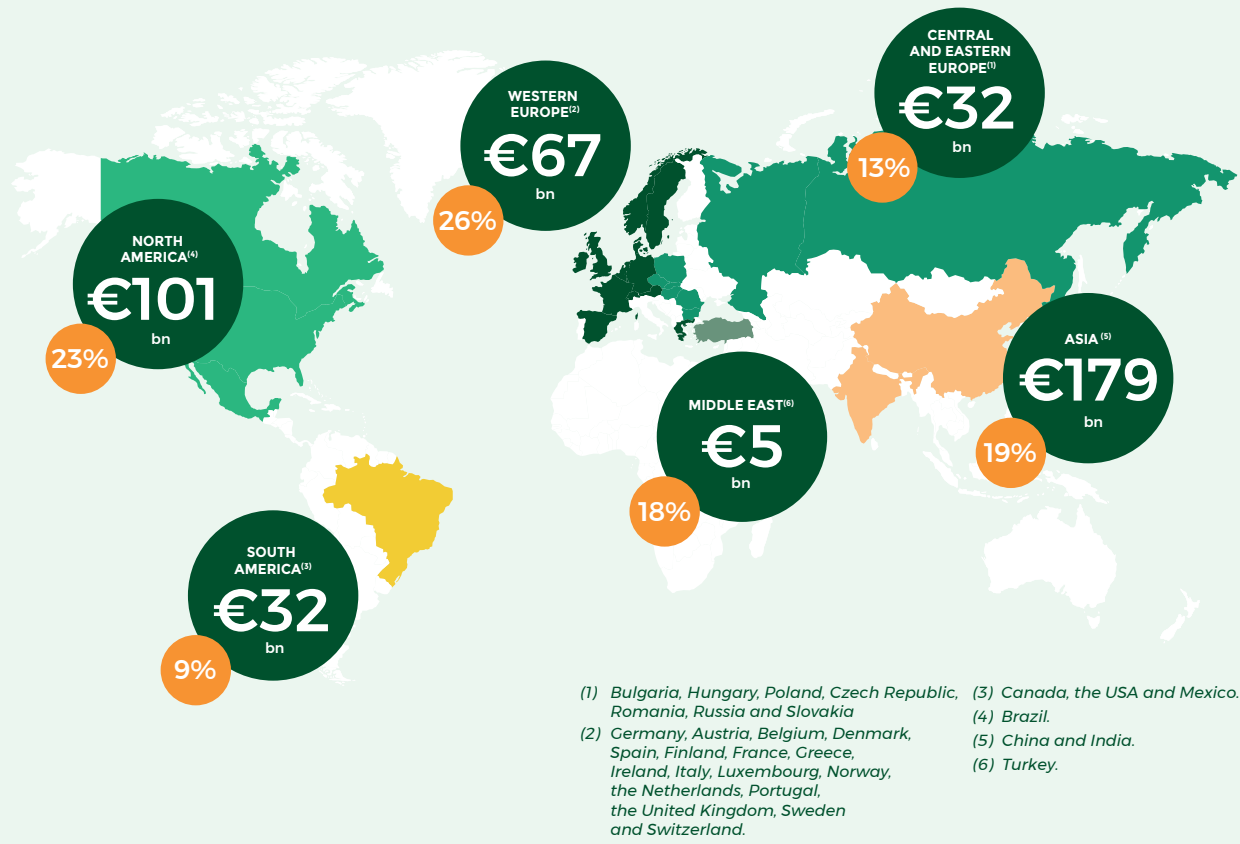
- The training component of the Finance for Growth initiative gives the group's employees a chance to contribute to the collective improvement of return on capital employed. Since October 2015, training has been rolled out to improve knowledge of financial mechanisms through online learning tools and practical case studies.
- The "Climate" survey of all group employees makes it possible to establish their motivations and level of commitment and to identify the actions needed to meet their expectations. The 2016 survey had an 89% response rate.
- The group continues to distribute the individual pay and benefits passport that provides a clear and concrete picture of their overall compensation to permanent employees. The passport is currently distributed to 2,971 permanent employees in France and will soon be distributed in two other countries.
- The 2016-2017 fiscal year was dedicated to the definition of a simple and engaging long-term macro-objective: "strive for zero workplace accidents, promote employee commitment and increase the involvement of its production facilities in local communities by encouraging each site to become involved in at least one civil society initiative."



# 1.4 Trends in the worldwide vegetable market

For the last few months, the vegetable market has recorded some excellent performances as a direct result of consumers' enthusiasm for vegetarian or flexitarian products. This is confirmed by the fact that it was the most innovative market in 2016, with a 14.5% increase in launches worldwide. All market players are showing their ingenuity in attracting and surprising a broader audience in search of new recipes and variety. Plates are now more colorful, more creative and playful, as well as more ethical and more local.

**Vegetable market in all segments (fresh, raw and prepared) by value (in billions of euros) and the share of prepared vegetables (in %) by region\***



\* Source: Food For Thought 2017.



## 1.4.1 Trends analysis

### Ethical and nature-based positioning, hallmarks of trust and quality

66% of French people, 63% of Spanish, 61% of Italians and 40% of Germans say they worry about the safety of their fruit and vegetables, numbers that illustrate today's major challenge for the agri-foods industry: bolstering consumer confidence in the companies supplying the food market. Organic, "no preservatives", "non-GMO", local products, etc. a plethora of labels for consumers who are increasingly concerned about the ethical and environmental impact of their purchases. For example, over half of European consumers\* and one-third of Americans think that it is reasonable to pay a higher price for local products. Accordingly, between 2015 and 2016, there was a 22% increase in vegetables launches with origine France ( "Country of origin: France") labels. Ethical human values are also being taken into account in purchasing decisions. This is why companies in this market are providing greater information about farmers by telling their stories and disclosing their methods.

### Conquering a larger customer-base

The key to a greater market volume is an expansion of its target. The main companies seem to be aiming to revitalize and rejuvenate the category by targeting millennials and children.

Young adults are more adventurous, more creative and in-the-know about the latest culinary trends, through social media on which they share images of their colorful plates. This is the reason that more audacious mixes are appearing in the canned, frozen and fresh prepared foods sections, presented in formats designed to enliven dishes or salads with recipe suggestions, and even with mixes for barbecuing.

Children, who are often reluctant when it comes to vegetables, represent another major target for the industry. For example, half of Italians and Spanish say they have problems introducing vegetables in their children's diet; in the US, the figure is 27%. To make this category more fun, a program co-financed by the European Union features the characters Frutti and Veggi in TV ads aimed at promoting the taste, appeal and health benefits of fruit and vegetables among children.

### Vegetables and pulses as alternatives to animal protein and starches

2016 was proclaimed the international year of pulses. Used as meat substitutes, snacks or as side dishes, pulses and peas are gaining ground in food innovation and are ingredients in approximately 7% of the innovations made throughout the world (versus 5% in 2013). Recognized for their many health benefits (rich in protein, fiber, minerals, and gluten-free), pulses are not only being used as ingredients but also as side dishes in their own right. The benefit? Substituting high-carbohydrate ingredients such as rice, pasta or semolina with ingredients that are naturally low in carbohydrates meets the needs of the one-third of the French population who are reducing their carbohydrate consumption. Chickpeas, peas, as well as lentil varieties, are enjoying great popularity since they can be consumed either hot or in salads, and fully nourishing.

### A move to boost the image of canned products

Although the canned products market is growing in emerging countries, it is stagnating, or even declining in developed countries, particularly in terms of purchase volumes, a phenomenon closely linked to a poorer perception of these products among consumers. Canned vegetables are often incorrectly accused of being low quality, lacking in nutritional value and of being artificial.

This segment therefore poses a dual challenge: to reassure customers about the origin of the ingredients used, but also to diversify their use by providing innovative recipes and formats. From mini formats, customized canned products, international recipes and expansion of organic ranges (21.3% of canned product launches in Europe versus 12% two years earlier), to more attractive visuals, there is a real dynamic to boost the image of canned products in Europe, driven by all players in the market. National brands and private labels, as well as organizations such as the *Union interprofessionnelle pour la promotion des industries de l'appertisé en boîte métallique* (UPPIA, Union for the promotion of the canning industries), are initiating campaigns such as *la conserve, ça déboîte*. Most companies are striving to win over the youth market, to whet their appetite for canned products and inspire trust. This range revamp is all the more important since it is known that one out of two "click 'n' collect" baskets in France contains canned products, a promising growth driver for canned vegetables.

Source MINTEL 2017.

\* (France: 54%, Germany: 59%, Italy: 59%, Spain: 60%, Poland: 54%).



## 1.4.2 Distribution channels

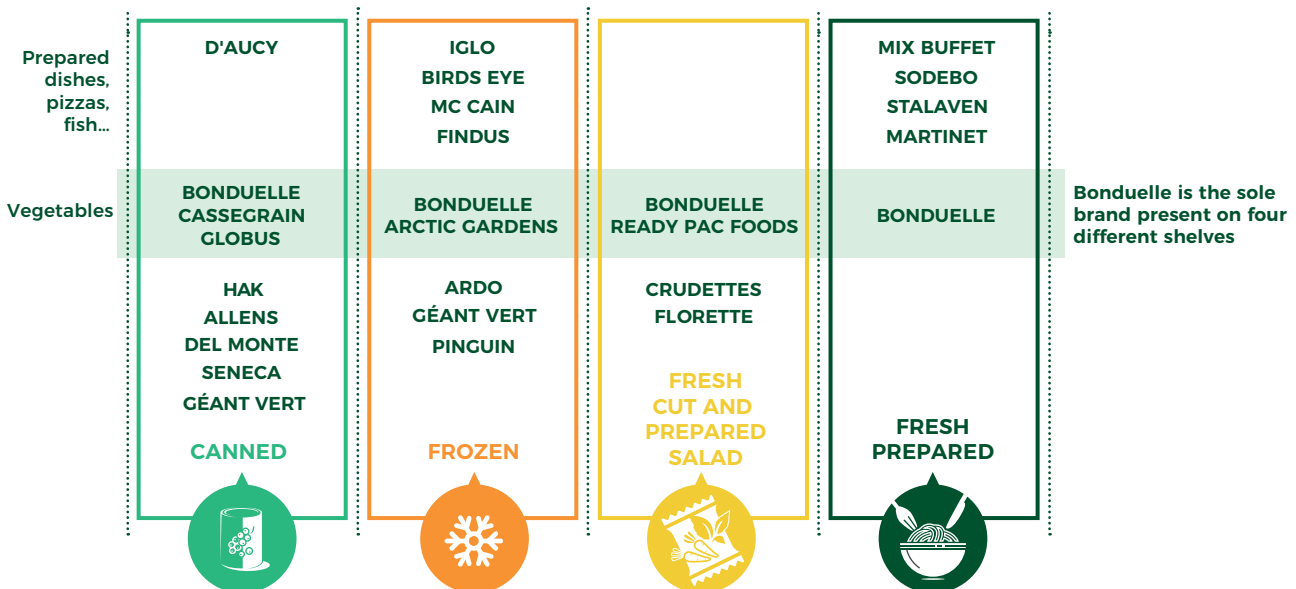
### Food Service <sup>(1)</sup>, a development vehicle for processed vegetables

	Central and Eastern Europe	Western Europe	North America	South America	Asia	Middle East
Food Service share of the total vegetable market	8.20%	13.63%	17.11%	12.06%	12.06%	18.34%

Source: Food For Thought 2017.

## 1.4.3 Competition

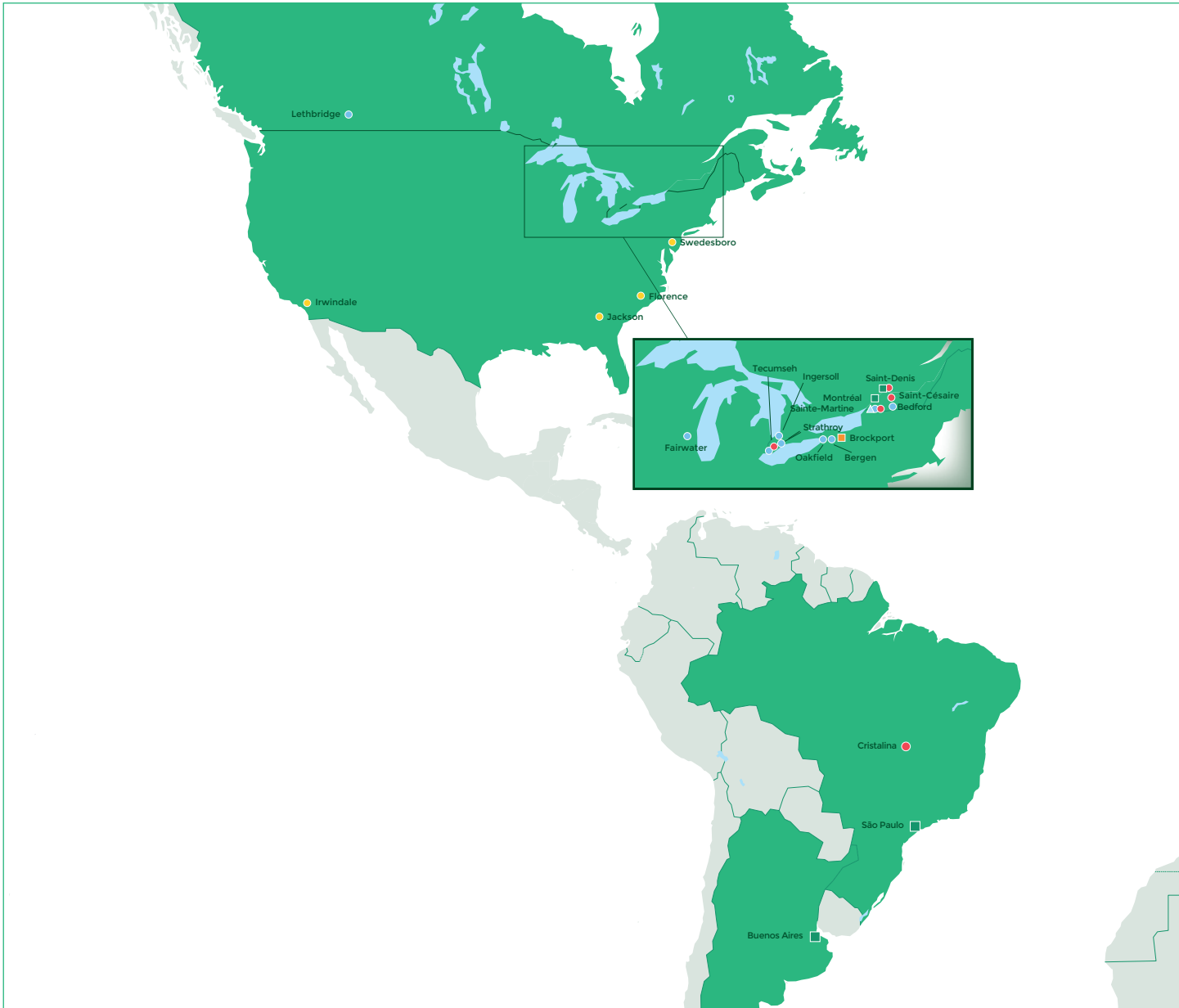
### Bonduelle, sole pure player vegetable brand



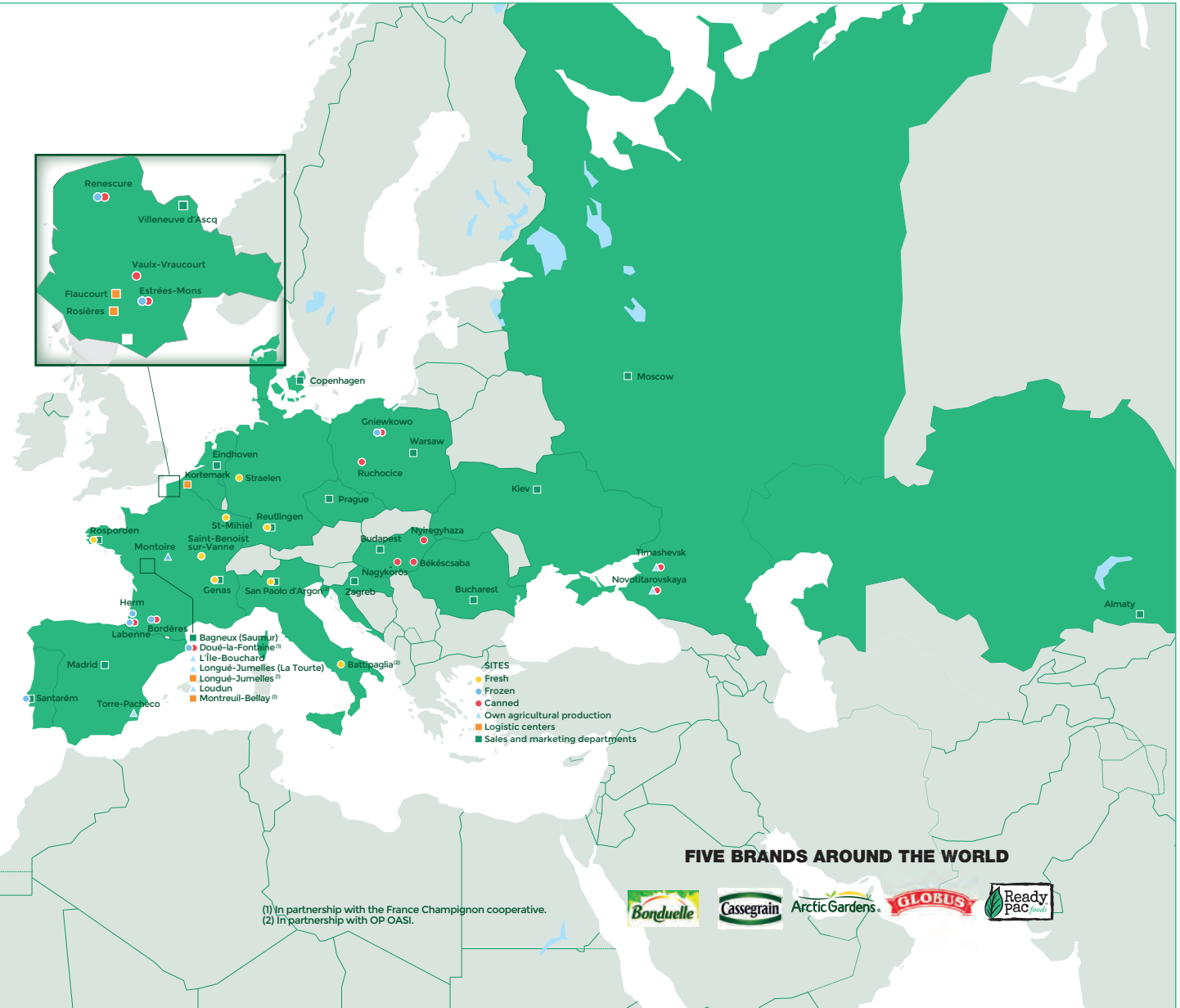
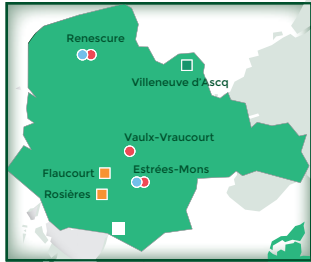
(1) Food Service: this channel includes all services in commercial catering and in other out of home sectors.

# 1.5 Bonduelle worldwide as of 2017/07/01

*GRI Standard 102-2 / GRI Standard 102-4 / GRI Standard 102-6*







## 1.6 Group organization structure as of 2017/07/01

*GRI Standard 102-2 / GRI Standard 102-4 / GRI Standard 102-7 / GRI Standard 102-45*

The Bonduelle Group now has five business units, operating in the Europe and Non-Europe Zones:

- **Bonduelle Europe Long Life (BELL)** serves as an umbrella for all of the group's canned and frozen vegetable activities in Europe, the national brands - Bonduelle and Cassegrain - and private labels in the mass-market retailing and Food service channels;
- **Bonduelle Fresh Europe (BFE)** includes all the group's ready-to-use fresh vegetables, fresh-cut bagged salads and prepared salads in Europe, for the Bonduelle brand and private labels in the mass-market retailing and Food service channels;
- **Bonduelle EurAsia Markets (BEAM)** brings together the group's activities and development in Eastern Europe in particular, for the Bonduelle and Globus brands as well as private labels, in all segments and all distribution channels;
- **Bonduelle Americas Long Life (BALL)** includes all canned and frozen vegetable activities in North and South America for the Bonduelle and Arctic Gardens brands, as well as private labels, in the mass-market retailing and Food service channels;

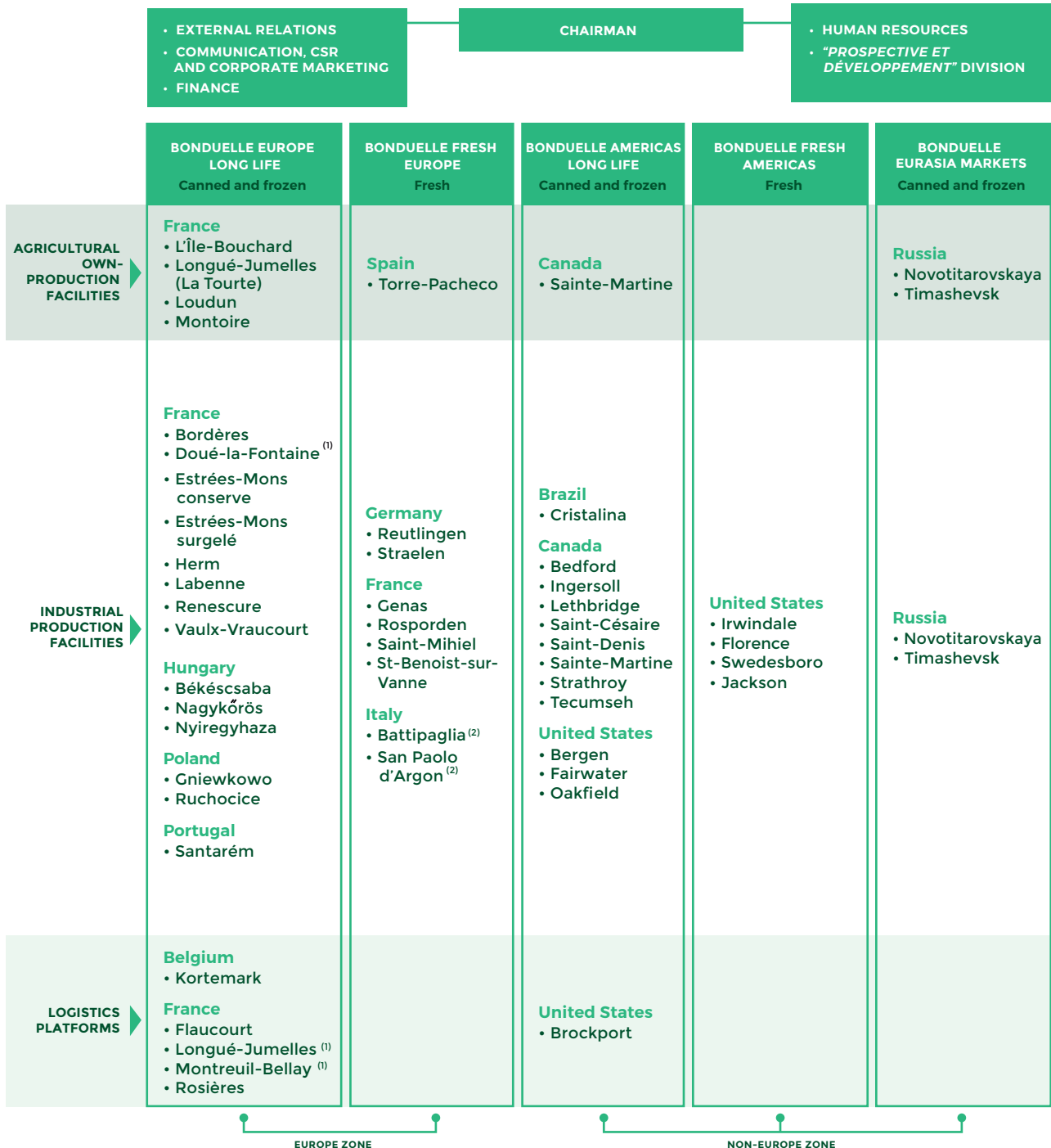
- **Bonduelle Fresh Americas (BFA)** covers all fresh products in the United States (bowls, ready to mix salads, snacks and fresh-cut fruit) under the national brands Ready Pac Foods, Bistro, Ready Snax and elevAte and under private labels in the mass-market retailing and Food service channels.

### Specialization of the “*Prospective et Développement*” Division

The group's reorganization (effective on July 1, 2017) from four to five business units following the acquisition of Ready Pac Foods, was accompanied by the specialization and increase in expertise of the “*Prospective et Développement*” Division. This Division is tasked with supporting Executive Management and the five business units, and making the business units autonomous in their conquest of all new territories identified for development, be it in terms of new geographical locations, technical innovations or the exploration of new markets.



Group organization structure as of 2017/07/01



(1) In partnership with the France Champignon cooperative. (2) In partnership with OP OASI.

## 1.7 Our activities as of 2017/07/01

GRI Standard 102-2 / GRI Standard 102-6

The activity report can be found in Section 4 of the General Management report on page 131.

The VegeGo! corporate project is based on 4 strategic pillars:

### Respecting the planet and the group's social commitments

Bonduelle is eager to find the optimum balance between performance and respecting the planet. The group has conducted a pro-active Corporate Social Responsibility (CSR) policy for over 20 years. In 2017, the CSR objectives were reviewed so as to provide an even better fit to the VegeGo! corporate project. There are five objectives:

- caring for cultivated land with its farmer partners;
- reducing environmental impacts from field to plate;
- encouraging people to eat healthily and sustainably and increasing affordability;
- ensuring the 'well-living' of employees and local communities;
- encouraging the employees taking part of the CSR strategy.

### Developing the brands and vegetables in all their forms

The 2016-2017 new products illustrate the richness and diversity of product innovations: European launch of the 1/8<sup>th</sup> format canned range *Touche de* (Touch of), *Graines de Salade* (Salad grains) vegetarian salads to-go, frozen pulses in the Benelux countries, sugar-free peas and organic veggie burgers in Italy, *gratins du jour* (daily gratin dish) in France, *légumes façon 'tempuras'* (tempura-style vegetables) and ready-to-eat Smart Salad Bar mixes by Bonduelle Food Service, etc.

### Customer and consumer service is the focus of our organization

Bonduelle products under national and private label brands are adapted to the expectations and specific requirements

of each world region where the group is present. Bonduelle is committed to continual innovation and developing its organization in accordance with customer needs to achieve sustainable and harmonious development.

- The reorganization of the group's business units by region enables each entity to provide a specific response for each business activity and for each market.
- Bonduelle has redoubled its efforts to reach out to consumers. In 2014, the group introduced its own version of direct selling in France with a network of ambassadors and the concept of culinary workshops. More recently, it launched the "*Mon panier secret*" (My secret basket) product box. These concepts provide more direct contact with consumers and are an opportunity to help consumers discover products, recipes or menu ideas, and to share information on vegetable consumption and seasonal vegetables.

### We encourage everyone to realize their full potential

Our people make us what we are. They are central to our corporate plans, in accordance with our founding values. The group wants to improve working conditions in particular, and to integrate disabled employees into its workforce. It is striving to ensure greater equality of opportunity and diversity, internal mobility, safety, professional and personal fulfillment and to work closely with local communities.

- The safety policy continues to bear fruit thanks to the involvement and vigilance of all: accordingly, in the United States, the Oakfield plant has had six consecutive years without any accidents with lost time.
- The Social Networks Guide was provided to all employees in June 2016 and shares best practices and effective and responsible rules of conduct. It provides guidance to every employee on their role as a group ambassador in their digital communications.
- The second internal "Climate" survey of employees regarding their motivations and commitment had an 89% response rate.







# Corporate Social Responsibility



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Items of the Annual Financial Report are identified in the contents using the AFR symbol AFR

## 2.1 The Bonduelle Group and Corporate Social Responsibility

### 2.1.1 “CSR: a company vision for a more responsible world” – GRI Standard 102-10

*Christophe Château, Bonduelle Group CSR, Communications and Corporate Marketing Director*

*Firmly anchored in the group's strategy and practices, in 2016-2017, Bonduelle's CSR policies underpinned its forward-thinking ethos and its international reach. Driven by the UN's Sustainable Development Goals (SDGs) and the group's expansion, the scope of CSR issues has broadened.*

*In 2017, Bonduelle defined its participation in SDGs, which aim to eradicate hunger and poverty by 2030, whilst acknowledging the equal importance of human development and saving our planet. Building on the outlook and ambition defined within the framework of its VegeGo! project, these global objectives offer Bonduelle's CSR initiative a new perspective: more than half of the group's material issues are included in these global objectives.*

*In spring 2017, Bonduelle acquired Ready Pac Foods, making North America Bonduelle's largest operational area (ahead of Europe). This brings about a significant change in the group's international dimension, and alters the challenges it faces as regards its environmental and societal impact. Our energy management policy was redefined at the end of 2016; it now consists of 200 best practice examples. The new energy policy was successful on the pilot sites, and will be implemented group-wide in 2017-2018.*

*Last year, greater efforts were also made to support and monitor our global suppliers in protecting the environment and upholding human rights.*




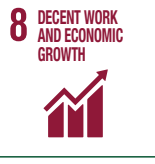


*At the same time, in 2016-2017 the group worked internally to redefine its CSR road map, and broaden the scope of CSR initiatives and their performances as of 2017-2018. Experts and business unit representatives worked together to identify the best tools and procedures to achieve the macro-objectives by 2025:*

- caring, with our farmer partners, for cultivated land;*
- reducing our environmental impact, from field to plate;*
- encouraging as many people as possible to eat healthily and sustainably, and increasing affordability;*
- ensuring the “well-living” of employees and local communities;*
- encouraging involvement across the board.*

*Inspired by the SDGs and its inherently sustainable corporate vision, the Bonduelle Group wants to play its role in building a more responsible world, by creating the sustainable vegetable products of the future in its business activities.*



**The United Nations Sustainable Development Goals (SDGs) offer a new perspective on Bonduelle’s material challenges.**

SDGs	Goal SDG	Material challenges faced by Bonduelle
 <p><b>2</b> ZERO HUNGER</p>	2.4	<ul style="list-style-type: none"> <li>• use of agricultural inputs (see Section 2.3)</li> <li>• relations with producers (see Section 2.3)</li> <li>• food safety (see 2.5)</li> </ul>
 <p><b>6</b> CLEAN WATER AND SANITATION</p>	6.3 and 6.4	<ul style="list-style-type: none"> <li>• water pollution (see Section 2.4)</li> </ul>
 <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	7.2 and 7.3	<ul style="list-style-type: none"> <li>• energy savings (see Section 2.4)</li> </ul>
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	8.8	<ul style="list-style-type: none"> <li>• compliance with international labor commitments (see Section 2.6)</li> <li>• health and safety in the workplace (see Section 2.6)</li> </ul>
 <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	12.2, 12.3 and 12.5	<ul style="list-style-type: none"> <li>• packaging quality and safety (see Sections 2.4 and 2.5)</li> <li>• water conservation (see Sections 2.3 and 2.4)</li> </ul>
 <p><b>15</b> LIFE ON LAND</p>	15.1 and 15.3	<ul style="list-style-type: none"> <li>• soil preservation (see Section 2.3)</li> </ul>

### 2.1.2 A pioneering approach - GRI Standard 103-1

Bonduelle is a family company established in 1853, which produces ready-to-use and ready-to-eat vegetables. It has a commercial presence in over 100 countries and operates or owns 54 agro-industrial production sites. Its growth is based on two fundamental pillars: respect for nature - essential for a group whose business activity is directly linked to the land every single day - and its drive to place humans at the heart of a long-term corporate strategy. This project aims to offer the best that nature can provide, guided by ethical principles formulated by six generations of Shareholders.

Bonduelle has been a pioneer in these crucial areas of sustainability and CSR; this spirit is reflected in the targets set by the group's family Shareholders: sustainability, independence and the individual development of our employees. Since 1996, the group has also had a sourcing charter in place with its producer partners to ensure optimum production conditions and the best product quality, while protecting the land.

With the intention of responding even better to society's expectations while formalizing its approach, the Bonduelle Group decided in 2002-2003 to step up its CSR actions by setting up a dedicated Steering Committee.

*"CSR is a key part of the Shareholders' vision for the future, and a vital component of the VegeGo! corporate strategy. It remains an intrinsic part of many of the group's business activities. The CSR strategy has been in place for ten years now, reducing the group's negative social and environmental impacts, and increasing its positive impacts, reflecting the importance the group has always placed on a long-term outlook."*

*Christophe Bonduelle, Chairman of the Bonduelle Group*  
GRI Standard 102-14

In 2012, the Company began a new phase in its development to shape the group's future to 2025 by launching VegeGo!. A visionary and collaborative corporate strategy, the aim of VegeGo! is to position the Bonduelle Group as *"the world reference in 'well-living' through vegetable products"*, wholeheartedly embracing its responsibilities to Shareholders, employees, partners, customers and the environment.

**VegeGo! is structured around four pillars:**

#### 1. We respect the planet and our societal commitments

Backed by our unique agro-industrial expertise, particularly in agricultural upstream, Bonduelle's proactive policy over almost 20 years demonstrates its determination to be exemplary in its business practices.

#### 2. We promote the development of women and men

People matter most to Bonduelle and are placed at the heart of its corporate plan. This pillar demonstrates the group's intention of furthering its actions in the area of equal opportunities, diversity, internal mobility and safety, setting a target of zero workplace accidents by 2025.

#### 3. We are developing our brands and vegetables in all their forms

Bonduelle's brand portfolio enjoys international recognition. The Bonduelle brand's international positioning was defined in 2013 to create a strong unit: *"Bonduelle: your inspiration for cooking with and enjoying vegetables every day"*. This positioning focuses on how our products contribute to healthy living (health, environment, nutrition, pleasure and taste) and demonstrates the group's intention of developing all its brands, across all channels and in all technologies.

#### 4. Our organization serves our customers

Bonduelle offers national brand products and private label products, in line with the specific requirements of consumers and guests in different markets. The group, which is present in all distribution channels (retail, food service, industry sales) worldwide, is constantly innovating to bring added value to set its products and services apart.

In order to boost its CSR strategy, and, following the preparation of its materiality matrix (see 2.8.3 Materiality matrix), Bonduelle has set itself five macro-objectives to be met by 2025. This initiative, implemented in four stages (materiality, inspiration, co-creation and validation), aligns the CSR policy with the VegeGo! corporate initiative and the overall group strategy. It also redefines simple, comprehensible long-term macro objectives, which are monitored each quarter by the Executive Committee. These five objectives, for which the road maps were drawn up in 2016-2017, are as follows:

#### 1. Caring, with our farmer partners, for cultivated land

The aim is for all land to be cultivated using at least one alternative farming method to cut out or reduce the use of chemical products and mineral fertilizers.

#### 2. Reducing environmental impacts from field to plate

Environmental protection is a major target, to be achieved by monitoring natural resource consumption and implementing overall plans to manage greenhouse gas emissions, biodiversity and water resources across all of our operations. Transport flows and actions to reduce CO<sub>2</sub> emissions are also subject to annual assessment. Bonduelle aims for zero loss of natural resources, through saving and recycling.



### 3. Encouraging people to eat healthily and sustainably, and increasing affordability

The group is committed to vegetable traceability, quality and innovation, recipe formulation – without compromising food safety –, and nutrition via the Louis Bonduelle Foundation and social innovation.

### 4. Ensuring the “well-living” of employees and local communities

The group aims for zero workplace accidents, promotes employee commitment and increases the involvement of its production facilities in local communities by encouraging each site to become involved in at least one societal initiative.

### 5. Encouraging involvement across the board

Bonduelle is convinced that the success of the CSR policy, promoted at the highest corporate level, must also be promoted by all employees. This approach is based on co-building with employees and is supplemented through our experiences and lessons learned.

The first four macro-objectives reflect this chapter. The fifth is illustrated by the initiatives throughout this report and further detailed in Section 2.6. All of these are shared by the Bonduelle Group’s five business units – *GRI Standard 103-1*.

## 2.1.3 CSR governance – *GRI Standard 103-3*

The CSR Steering Committee puts forward the CSR strategy to the Executive Committee <sup>(1)</sup>, which is responsible for approving it, and receives the managers of the Business Units and Area Managers for a yearly progress update.

The Bonduelle CSR Steering Committee analyzes the results each year for each CSR topic and has them systematically evaluated if necessary, by seeking the opinions of stakeholders, or using benchmarks.

It is made up of a member of each Management Committee from the business units, representatives from group-wide functions and CSR experts: human resources, quality, purchasing, etc. The business unit representatives are responsible for implementing the approach within their entities. The experts from each area work in tandem with the business unit representatives to meet the targets and share best practice.



### The Bonduelle Americas Long Life (BALL) business unit: dialog and consultation

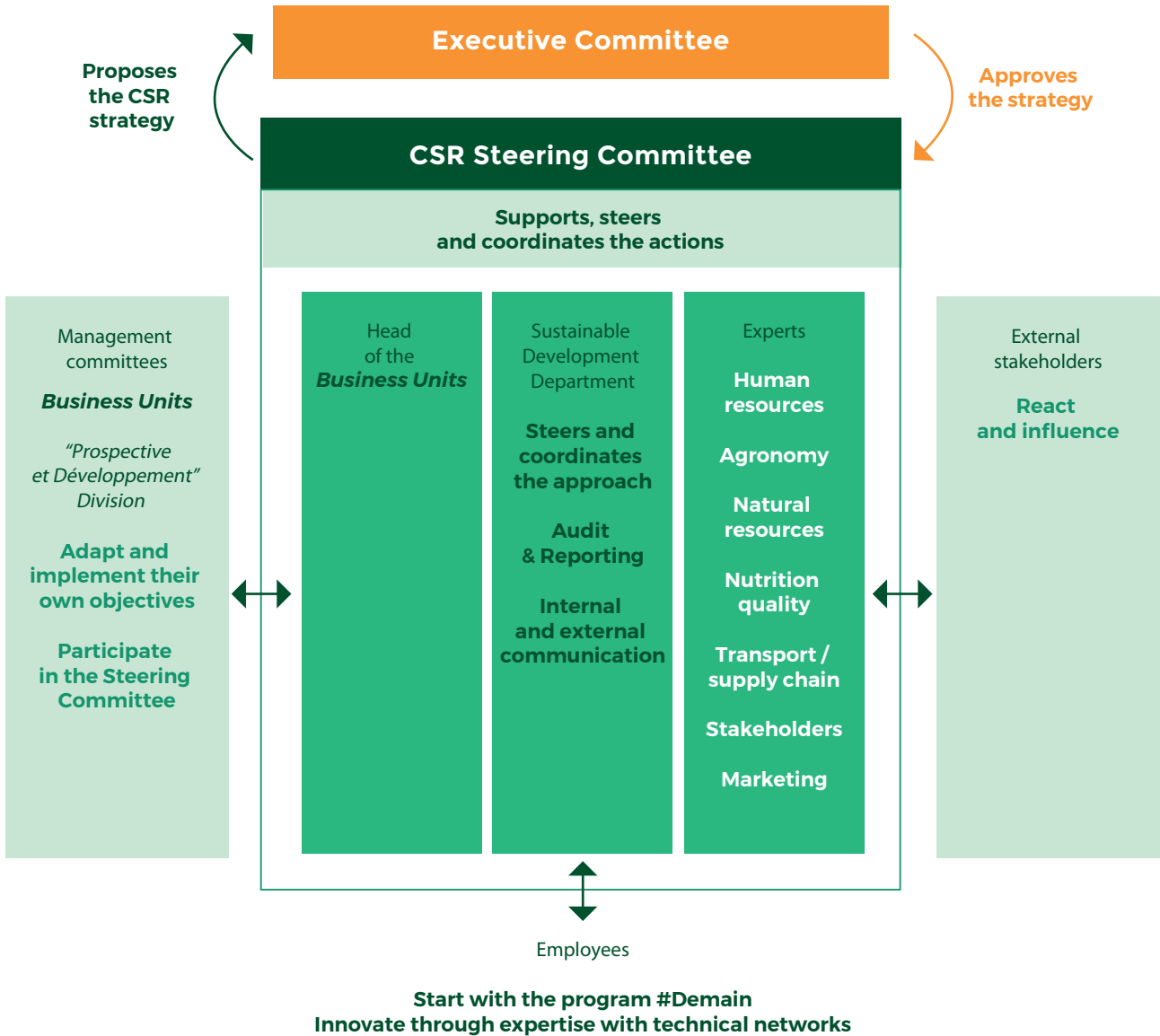
The BALL business unit has its own CSR Steering Committee, whose mandate is to:

- recommend the BALL CSR objectives and strategies to the Management Committee;
- implement these strategies and report back to the BALL Management Committee on the business indicators;
- represent BALL on the group CSR Steering Committee.

Following consultation with its stakeholders and business partners, and as a result of its work to set the CSR targets for 2025, in autumn 2016, the CSR Steering Committee was overhauled to make it more strategic, more operational and to increase the representation of the English-speaking businesses. The Committee also determined the CSR road map for the next three years. In early 2017, the BALL Management Committee was involved in the work and issued the final approval for the action plans and key performance indicators.

(1) The Executive Committee is presented in Section 3.1.3 of the registration document.

**The Bonduelle Group’s CSR governance:**







## 2.1.4 Ethical business practices – GRI standard 203-2, 103-2

Under its ethics charter, Bonduelle requires all employees, suppliers and subcontractors to adhere strictly to all laws regulating their activities and working environment.

A range of new regulations require the Bonduelle Group to continue its efforts and go further as a responsible company by implementing an anti-corruption plan and a monitoring plan to identify and prevent serious infringements of human rights, fundamental freedoms, health and safety and the environment. These policies apply to all of the group's employees and stakeholders and are part of the group's continued drive for improvement.

### Bonduelle Group ethics charter

Bonduelle's ethics charter reflects the group's values: people-minded, confidence, openness, simplicity, integrity, fairness and excellence. It supplements the Company's existing rules and regulations for employees, while encouraging individual ethical behavior in accordance with Bonduelle's values.

The ethics charter will reiterate the group's commitment to Corporate Social Responsibility, particularly through its long-standing membership of the UN Global Compact (since 2003). This United Nations initiative requires signatories to apply ten basic principles in the areas of human rights, anti-corruption, environment and labor standards. The group's ethics charter defines the core principles of Bonduelle's stance as a corporate citizen, responsible, equitable and integrated company.

The Ethics Committee supports and defines the group's approach in this area. It meets in May and October every year and submits its reports to the Chairman of the Bonduelle Group.

The complete text of the ethics charter and the composition of the Ethics Committee can be found in the Appendices (see 2.8.1 Ethics Committee and 2.8.2 Ethics charter).

### Monitoring plan

Bonduelle is subject to French law No. 2017-399 of March 27, 2017 on the monitoring duties of parent companies and contracting companies.

In line with its CSR commitments and its duties as a UN Global Compact signatory, Bonduelle has set up working

groups to draw up and implement its monitoring plan to detect and prevent the risk of serious infringements of human rights and fundamental freedoms, health and safety and the environment.

In 2016-2017, Bonduelle selected the EcoVadis platform to evaluate the CSR work of its suppliers, particularly with regard to social and environmental aspects (see 2.4.10). In 2017-2018, Bonduelle will continue to map the CSR risk of its suppliers to guide the implementation of this evaluation strategy.

### Anti-corruption program – GRI Standard 205-2

In line with the CSR commitments and its duties as a UN Global Compact signatory, Bonduelle is implementing an anti-corruption program to prevent and detect corruption and misuse of authority, in France and overseas, in accordance with Article 17 of law No. 2016-1991 of December 9, 2016 on transparency, fighting corruption and modernization of economic life.

63 Bonduelle Group employees (8% of permanent employees) from support, purchasing, sales and management functions, and nine independent persons from the BSCA Supervisory Board or the Ethics Committee, have taken part in working groups to fight corruption and improve monitoring.

### Fine amounts and significant convictions in social and environmental areas – GRI Standard 419-1 and 307-1

When they are likely to have an impact on the share price, any convictions imposed upon Bonduelle are disclosed in the regulated information. In 2016-2017, no major convictions in the social, economic or environmental areas were imposed upon any companies in the Bonduelle Group that could have an impact on its share price.

### Fair competition training program

In 2016-2017, the Bonduelle Group launched an e-learning initiative on the main principles of competition law for employees with access to strategic information. More than 700 employees in countries where Bonduelle operates are taking part in this training campaign, which will be completed in 2018. After 2018, the program will remain in place for new employees and will be updated regularly.

## Transparency requirements – GRI Standard 102-54 and GRI Standard 102-12

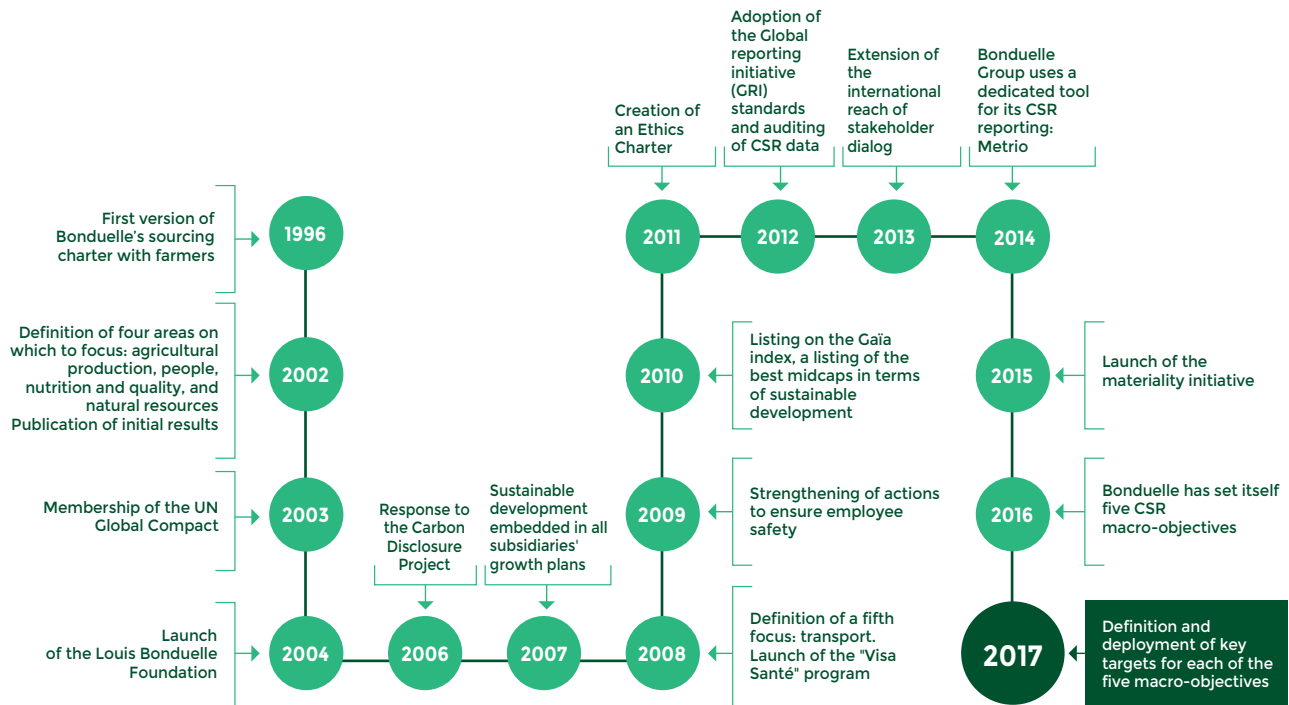
In line with its commitments and to make its CSR information accessible to all of its stakeholders, Bonduelle is making this report available on several web platforms (bonduelle.com, unglobalcompact.org and corporateregister.com) and reports back to stakeholders on its work (see 2.2 Structuring dialog with stakeholders) at specific meetings such as the one held in February 2017 in Paris during the *Salon international de l'agriculture* (International Agricultural Show).

For internal stakeholders, the annual collection of CSR data at group level is a way of identifying areas for improvement. Reporting of this data can be accessed by all the group's sites. This makes it possible to share data and monitor performance.

Bonduelle also shares its CSR information with various renowned expert bodies. Since 2012, the Bonduelle Group has submitted certain of its CSR reporting indicators for auditing

by an independent third party, in this instance, Deloitte. In 2012, Bonduelle also attained application level B+ from the Global Reporting Initiative (GRI). This report was drawn up in line with the GRI Standards Core compliance option (see chapter 8.4.4 - Cross-reference table of the Corporate Social Responsibility chapter with Global Reporting Initiative GRI Standards Content Index and Article 225 of the French Grenelle 2 Act). The proactive verification of the correctness of the location of the GRI Standards was initiated at the request of the Company's executive body, the group's Executive Committee. Bonduelle has also been part of the Gaïa index, a sustainable development ranking of French midcaps, since 2009. The Company scored an overall rating of 90% and ranked in 12th place out of the 85 companies with revenue in excess of 500 million euros (results published in October 2016). Finally, for its commitment to the United Nations Global Compact, Bonduelle achieved GC Active level from the UN Global Compact.

## 2.1.5 Over 20 years of CSR commitment





## 2.2 Structuring dialog with stakeholders

In 2014-2015 the Bonduelle Group began a materiality analysis in consultation with its stakeholders (see 2.8.3 Materiality matrix) and implements an active dialog policy, both internally with its employees and social partners and externally with farmers, suppliers, consumers, national and local public institutions, etc.

### 2.2.1 Regular involvement – GRI Standard 102-42, 102-43, 102-44, 102-13, 103-2

Bonduelle employees take part in the work of industry organizations as members of commissions, directors or by chairing them (the list of bodies can be found in Section 2.8.4). For Bonduelle this is about assuming its responsibility as an industry actor and asserting its interests, by providing a link between the different professions and federations and the government bodies of the countries in which it operates. Areas of work notably include protection of the environment and agricultural production. The Bonduelle Group did not finance any political parties in France or abroad in 2016-2017. Moreover, Bonduelle has a history of forging partnerships and initiating actions to share best practice in the agro-industrial sector, with an emphasis on pilot programs run in conjunction with public or private institutions and organizations. In June 2017, Bonduelle took part in the call for cooperation between politicians and the agri-food industry through its membership of the European Association of Fruit and Vegetable Processing Industries. The association has highlighted the dangers to health (obesity, diabetes and cardiovascular diseases) caused by the decreasing amounts of fruit and vegetables consumed in Europe.

The External Relations Officer is responsible for developing communication with all types of stakeholders: trade federations; institutions; European, national and international regulatory bodies and agencies; NGOs; ratings agencies; local communities; the media; and educational and research institutions.

Furthermore, the Louis Bonduelle Foundation promotes sustainable changes in eating habits, in conjunction with scientific, public and community partners, against a backdrop of growing public health concerns related to poor food.

Discussions with investors and customers are also a source of progress. The group responds to questionnaires from SRI (Socially responsible investment) funds and, twice a year, organizes one-to-one meetings with representatives of these types of funds. In addition, it responds to questionnaires from its distributor customers, which also audit its production sites.

A detailed organization of Bonduelle's dialog with its stakeholders is presented in Section 2.2.2 in the table "Bonduelle stakeholders and forms of dialog".

### Highlights 2016-2017

#### France

- At the end of 2016, Bonduelle introduced a new format for its meetings with stakeholders by borrowing an innovative creativity technique from the domain of IT developers: the hackathon. Bonduelle teams from the agronomy, IT, digital, marketing, communication and sales departments worked alongside the group's external stakeholders: farmers, advertising agencies, consumers, social entrepreneurs, etc. One of the ideas of the hackathon was to make consumers aware of the day-to-day life of farmers, highlighting the whole process from field to plate. This concept was tested in February 2017, at the *Salon international de l'agriculture* (International Agricultural Show, IAS) (see page 32).
- As in previous years, Bonduelle teams and farmer partners met at the Bonduelle Group's stand at the 54th edition of the IAS, held in Paris from February 25 to March 5, 2017, to talk to the public and share their passion for vegetables. With a different team on the stand each day, a total of 74 experts were able to speak to visitors; the teams included 24 farmers, 24 agronomists, 10 industrial representatives, 10 people from the marketing teams and 10 people from communications. Bonduelle's stand not only had an open, educational and fun "from field to plate" theme, with three different spaces – the field, the processing plant, the products – it also included vegetable-based cooking workshops and a VIP area. An excellent way of demonstrating and increasing awareness of the Bonduelle Group's commitment to sustainable agriculture, at the center of tomorrow's nutritional challenges, the IAS is also an important opportunity to raise public awareness of the benefits of eating vegetables, in all guises. This year once again, Bonduelle's partner producers played an important role in putting together and presenting this event. Over 250 farmers and their families met at the stand, which this year attracted over 30,000 visitors.

### Structuring dialog with stakeholders

Bonduelle also used its stand at the IAS to invite its stakeholders (distributors, farmers, consumers, Shareholders, etc.) to work together on the broad lines of its CSR strategy, during a participatory workshop. Work was done on very targeted challenges, such as measuring the extent to which the Company's products benefit civil society, and the criteria for defining a "good industrial product".

#### Russia

Following on from Canada and France, Russia designed its materiality matrix in 2016-2017 in line with the group's

methodology. The perception of six strategic CSR priorities (people and safety, agronomy, natural resources, transportation and supply chain, quality and nutrition, local commitment) was measured across 118 internal and external stakeholders. One of the conclusions of this study was that quality and nutrition were the highest priority, followed by (of equal importance): people and safety, agronomy, and natural resources.

Italy will be the next country to complete its materiality analysis.

### 2.2.2 Bonduelle stakeholders and forms of dialog – GRI Standard 102-40, 102-42, 102-43, 102-44, 102-12

Sphere	Stakeholders	Information Communication	Dialog Consultation
SOCIAL	Employees/social partners	<ul style="list-style-type: none"> <li>Web-based communication tools (intranet, Company social network)</li> <li>Brochures and reports</li> <li>Dynamic display at all Bonduelle sites</li> <li>Specific events</li> </ul>	<ul style="list-style-type: none"> <li>Dialog with employees, employee representatives and trade unions</li> <li>European Works Council – at least one meeting per year</li> <li>Internal climate survey – every two years</li> </ul>
	Customers	<ul style="list-style-type: none"> <li>Corporate Social Responsibility report included in the registration document</li> <li>Specific questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>Responses to questionnaires and key customer CSR audit – once a year for each customer</li> <li>European study on the main mass-market retail customers of canned and frozen Bonduelle products. The study is part of an improvement approach initiated by Bonduelle – every two years</li> </ul>
ECONOMIC	Citizens/Consumers	<ul style="list-style-type: none"> <li>Packaging</li> <li>Communication media, including social media and country-specific websites</li> <li>Websites: <a href="http://www.developpementdurable.bonduelle.com">www.developpementdurable.bonduelle.com</a> or <a href="http://www.sustainability.bonduelle.com">www.sustainability.bonduelle.com</a></li> <li>Brochures and reports</li> <li>Specific events</li> <li>Communication campaigns organized by industry associations of which Bonduelle is a member – for example in France, involvement in the Les Grandes Marques s'engagent aujourd'hui pour demain ("Big brands making a commitment for the future") campaign</li> </ul>	<ul style="list-style-type: none"> <li>Dedicated consumer relations department in all countries</li> <li>Consultation with consumer panels – on average, one study is carried out in the group every month</li> <li>Awareness-raising initiatives by the Louis Bonduelle Foundation</li> </ul>
	Farmers under contract with Bonduelle	<ul style="list-style-type: none"> <li>Brochures and reports</li> <li>Specific events, such as plant visits</li> <li>Websites: <a href="http://www.developpementdurable.bonduelle.com">www.developpementdurable.bonduelle.com</a> or <a href="http://www.sustainability.bonduelle.com">www.sustainability.bonduelle.com</a></li> </ul>	<ul style="list-style-type: none"> <li>Dialog and consultation – once a year, and permanent contact during the harvest period by Bonduelle field supervisors and cultivation supervisors</li> </ul>
	Suppliers	<ul style="list-style-type: none"> <li>Brochures and reports</li> <li>Websites: <a href="http://www.developpementdurable.bonduelle.com">www.developpementdurable.bonduelle.com</a> or <a href="http://www.sustainability.bonduelle.com">www.sustainability.bonduelle.com</a></li> </ul>	<ul style="list-style-type: none"> <li>Evaluation and audit of suppliers of finished products and ingredients on quality issues</li> <li>CSR support and evaluation by EcoVadis (see 2.4.10 Responsible purchasing)</li> </ul>

\* The questionnaires and meetings are specific to the materiality initiative and their frequency varies depending on the country.





**Agreement-Partnership-Collaboration**

**Method of contributing to the materiality matrix\***

- Collective agreements with employee representatives and trade unions

- Questionnaire

- Questionnaire
- Discussion meeting

- Questionnaire
- Discussion meeting

- Sourcing charter
- Shared preparation and manning of the Bonduelle stand at the *Salon international de l'agriculture* (International Agricultural Show) in Paris - once a year

- Questionnaire

- Questionnaire
- Discussion meeting



Sphere	Stakeholders	Information Communication	Dialog Consultation
FINANCIAL	Ratings agencies	<ul style="list-style-type: none"> <li>Websites: <a href="http://www.developpementdurable.bonduelle.com">www.developpementdurable.bonduelle.com</a> or <a href="http://www.sustainability.bonduelle.com">www.sustainability.bonduelle.com</a></li> <li>Corporate Social Responsibility report included in the registration document</li> <li>Specific questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>Responses to questionnaires/<i>ad hoc</i> requests - once a year</li> </ul>
	Investors	<ul style="list-style-type: none"> <li>Quarterly financial information</li> <li>Annual and interim results</li> <li>Annual report and Corporate Social Responsibility report included in the registration document</li> <li>Shareholder newsletter - once a year</li> </ul>	<ul style="list-style-type: none"> <li>Financial events/analysts' meetings/investors' meetings - at least twice a year</li> <li>Specific meetings (Socially Responsible Investment funds) - at least twice a year and individual meetings upon request</li> <li>Specific events, including the Shareholders' Meeting and plant visits</li> </ul>
SOCIAL	National, European and international regulatory bodies and agencies	<ul style="list-style-type: none"> <li>Websites: <a href="http://www.developpementdurable.bonduelle.com">www.developpementdurable.bonduelle.com</a> or <a href="http://www.sustainability.bonduelle.com">www.sustainability.bonduelle.com</a></li> <li>Corporate Social Responsibility report included in the registration document</li> </ul>	<ul style="list-style-type: none"> <li>Specific meetings and individual interviews on request</li> <li>Participation in the UN Global Compact - once a year</li> </ul>
	NGOs	<ul style="list-style-type: none"> <li>Websites: <a href="http://www.developpementdurable.bonduelle.com">www.developpementdurable.bonduelle.com</a> or <a href="http://www.sustainability.bonduelle.com">www.sustainability.bonduelle.com</a></li> <li>Corporate Social Responsibility report included in the registration document</li> </ul>	<ul style="list-style-type: none"> <li>Replies to queries</li> <li>Meetings with NGOs - once a year</li> <li>Participation of environmental and community associations in stakeholder sessions - once a year</li> </ul>
	Local communities	<ul style="list-style-type: none"> <li>Brochures and reports</li> <li>Website</li> <li>Specific events</li> <li>Country-specific websites</li> </ul>	<ul style="list-style-type: none"> <li>Dialog with local communities - upon request</li> </ul>
	Media	<ul style="list-style-type: none"> <li>Press releases and/or files - at least once a year</li> <li>Websites: <a href="http://www.developpementdurable.bonduelle.com">www.developpementdurable.bonduelle.com</a> or <a href="http://www.sustainability.bonduelle.com">www.sustainability.bonduelle.com</a></li> <li>Specific events</li> </ul>	<ul style="list-style-type: none"> <li>Invitation to the press to visit one of Bonduelle's sites around the world - once a year</li> </ul>
	Trade federations	<ul style="list-style-type: none"> <li>Several Bonduelle employees take part in the work of industry organizations (detailed list in 2.8.4) as committee members, directors or chairing said committees - meetings at least twice a year</li> </ul>	
	Education and research	<ul style="list-style-type: none"> <li>Initiatives in schools close to headquarters, subsidiaries and sites</li> <li>Websites: <a href="http://www.developpementdurable.bonduelle.com">www.developpementdurable.bonduelle.com</a> or <a href="http://www.sustainability.bonduelle.com">www.sustainability.bonduelle.com</a></li> </ul>	<ul style="list-style-type: none"> <li>Trainee and apprenticeship programs</li> <li>Partnerships and studies</li> </ul>
	CSR experts	<ul style="list-style-type: none"> <li>Websites: <a href="http://www.developpementdurable.bonduelle.com">www.developpementdurable.bonduelle.com</a> or <a href="http://www.sustainability.bonduelle.com">www.sustainability.bonduelle.com</a></li> <li>Corporate Social Responsibility report included in the registration document</li> </ul>	<ul style="list-style-type: none"> <li>Responses to questionnaires - once a year</li> <li>Presentations and discussions at events such as the World Forum for a Responsible Economy - at least once a year</li> </ul>

\* The questionnaires and meetings are specific to the materiality initiative and their frequency varies depending on the country.



**Agreement-Partnership-Collaboration**

**Method of contributing to the materiality matrix\***

- Questionnaire
- Discussion meeting

- The Bonduelle Group has been listed on the Gaïa index, a listing of the best midcaps in terms of sustainable development, since 2009

- Questionnaire
- Discussion meeting

- Questionnaire
- Discussion meeting

- Questionnaire
- Discussion meeting

- Calls to international projects conducted by the Louis Bonduelle Foundation - once a year
- Participation by Bonduelle in local life in the places in which it operates, with a view to developing a project for each site

- Questionnaire
- Discussion meeting

- Bonduelle is a signatory to the European Brands Association (*Association des industries de marques - AIM*) charter on "Brands for health and well-being"

- Questionnaire
- Discussion meeting

- Louis Bonduelle research prize - once a year
- Involvement in awarding scholarships for the *Institut de technologie agroalimentaire* in Saint-Hyacinthe (Quebec, Canada)
- In 2015, the Bonduelle Fresh Europe business unit launched the Jeunes Pousses program. In partnership with three engineering schools
- Finance and support for students of second chance schools (France)

- Questionnaire
- Discussion meeting

- Questionnaire
- Discussion meeting

## 2.3 Caring for the land with our farmer partners

### 2.3.1 Challenges, targets and review –

#### GRI Standard 102-9 and 103-2

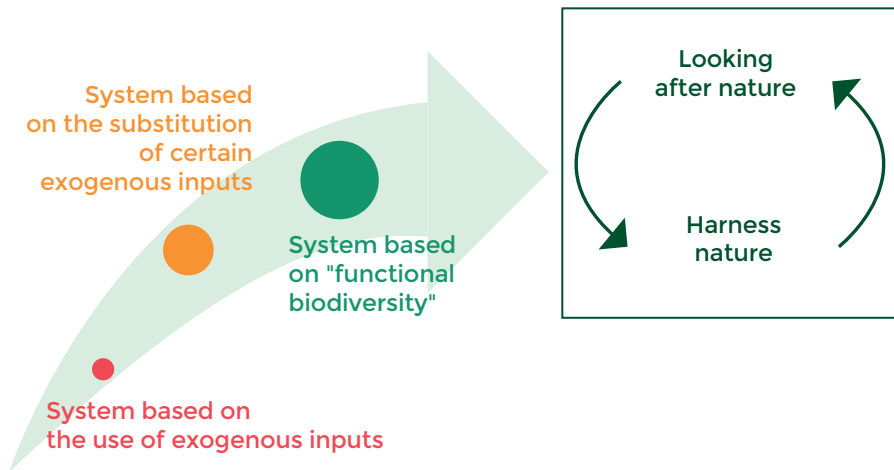
Bonduelle, as a major operator in first-stage agro-industrial vegetable processing, plays a key role within the sector:

- it has farmer partners and drives innovation for upstream agricultural activities;
- by bringing frozen, canned, fresh-cut and processed fresh vegetables to the market, it has made crop diversification

and rotation possible. It thereby helps to reduce farmers' exposure to the agronomical technical and economic risks of farming (volatility of agricultural commodities markets).

The Bonduelle Group has developed a clear vision of how it intends to assume this role. It wishes to be actively involved in agro-ecological transformation (see below) to ensure the sustainability of its production operations and optimize the quality of its vegetables. It intends to play a part in developing the future of agriculture, making it possible to feed 9 billion people by 2050.

#### Bonduelle's strategy for agro-ecological transformation:





Caring for the land with our farmer partners



Agronomy challenges	Objectives 2017	Five-year review (base 2011-2012)
<p><b>ENVIRONMENTAL CHALLENGES</b></p> <ul style="list-style-type: none"> <li>• Protect the soil and biodiversity               <ul style="list-style-type: none"> <li>• Implement sustainable management and efficient use of natural resources (SDG 12)</li> <li>• Reduce the use of phytosanitary products (SDG 12)</li> </ul> </li> <li>• Ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production and that help preserve ecosystems (SDG 2, SDG 8)</li> <li>• Preserve the genetic diversity of seeds (SDG 2)</li> <li>• Measure the environmental impact of farming practices using indicators</li> </ul>	<p>Encourage farmer partners to adopt environmentally-friendly practices</p> <ul style="list-style-type: none"> <li>• Reduce the use of phytosanitary products with targets for each business unit</li> <li>• Increase the number of partner farmer signatories of the fifth sourcing charter to 100% within five years</li> <li>• Develop pilot farms adopting alternative cultivation methods in all countries where the group operates</li> <li>• Launch a plan to reduce agricultural upstream waste and optimize harvests</li> </ul>	<ul style="list-style-type: none"> <li>• Test and then rollout numerous alternative growing practices in different production areas</li> <li>• Lead group-wide exchanges between different agricultural production areas via the “<i>Prospective et Développement</i>” Division</li> <li>• VEGESOL experimental platform which, for over eight years now, has compared different soil management systems within the context of extended and diversified crop rotation</li> <li>• Implementation of the sourcing charter in all agricultural production areas. 96% of farmers have signed up to the sourcing charter</li> <li>• Launch of residue reduction programs. For example, in Quebec: 22% of the total surface area used to cultivate peas was given over to organically-grown peas in 2017, 25% to organically-grown sweet corn and 12% to organically-grown green beans</li> </ul>
<p><b>ECONOMIC AND SOCIETAL CHALLENGES</b></p> <ul style="list-style-type: none"> <li>• Maintain constant communication with farmer partners and the agricultural world</li> </ul>	<p>Maintain and develop sound relationships with farmer partners</p> <ul style="list-style-type: none"> <li>• Develop partner loyalty within each business unit</li> <li>• Support partners in the use of innovative vegetable-growing techniques</li> </ul>	<ul style="list-style-type: none"> <li>• Involvement of farmer partners in Bonduelle’s stand at the <i>Salon international de l’agriculture</i> (International Agricultural Show, IAS) in Paris</li> <li>• Coordination of internal communities for sharing of best agro-ecology practices (Innova Terre, BALL Agriculture, Réseau Agro, etc.)</li> </ul>

The results of all indicators, in figures, are provided in Section 2.7.7.

Caring for the land with our farmer partners

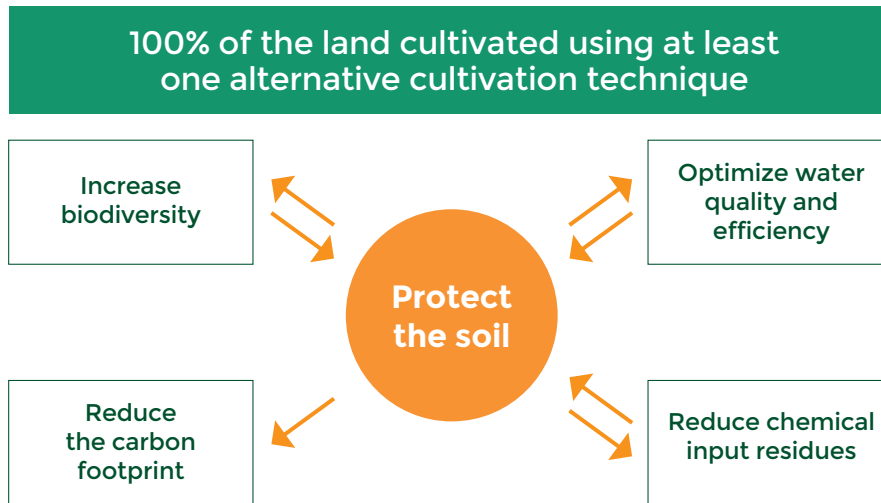
**2016-2017: construction of the new road map**

Bonduelle defined the CSR component of its agronomy strategy on the basis of five priorities:

- protect the soil;
- increase biodiversity;

- reduce the carbon footprint;
- optimize water quality and efficiency;
- reduce chemical input residues.

One overall objective was defined in terms of methods for upstream agricultural activities: **for all land to be cultivated using at least one alternative cultivation technique.** This objective generates multiple benefits in respect of the five strategic priorities.



Targets are in the process of being defined for each strategic priority, as well as a road map and indicators that will make it possible to monitor the achievement of the targets.

** The founding principles of agro-ecology**

Agro-ecology consists of designing agricultural production systems based on the functionalities offered by natural ecosystems. It extends these functionalities (e.g.: combats erosion and stimulates soil biodiversity by means of plant cover and no-till farming, water purification and the provision of areas of refuge for auxiliary insects and strips of land for growing bee-friendly flowers, etc.) with the aim of reducing environmental impacts (greenhouse gas emissions, use of synthetic fertilizers and phytosanitary products, etc.) and preserving natural resources (water, energy, biodiversity, minerals, etc.).

Agro-ecology aims to transform agriculture and develop food systems to make them more sustainable. Accordingly, agro-ecology proposes modifying production methods to optimize their productivity whilst increasing their capacity to withstand climate change and the volatility of agricultural and food prices. It also aims to maximize the eco-friendly services supplied by agro-systems and to limit their negative impacts, in particular, by reducing dependency on fossil fuels. Agro-ecology takes the form of a logical series of agricultural practices that enhance ecological processes and biodiversity.





### 2.3.2 The Bonduelle Group's vegetable sourcing model - GRI Standard 203-2

Over 30 different vegetables and nearly 500 different varieties are cultivated for Bonduelle.

In order to produce high-quality vegetables that are affordable for all, Bonduelle devised a sourcing model that prioritizes producer groupings (77% of the group's total cultivated surface areas). This predominant sourcing model is based on entering into contracts with farmers on an annual basis, making it possible to:

- ensure plot rotation, vital for preventing soil depletion;
- produce as leanly as possible, in line with sales forecasts, to minimize waste;
- plan seed planting and harvesting to optimize the industrial yield.

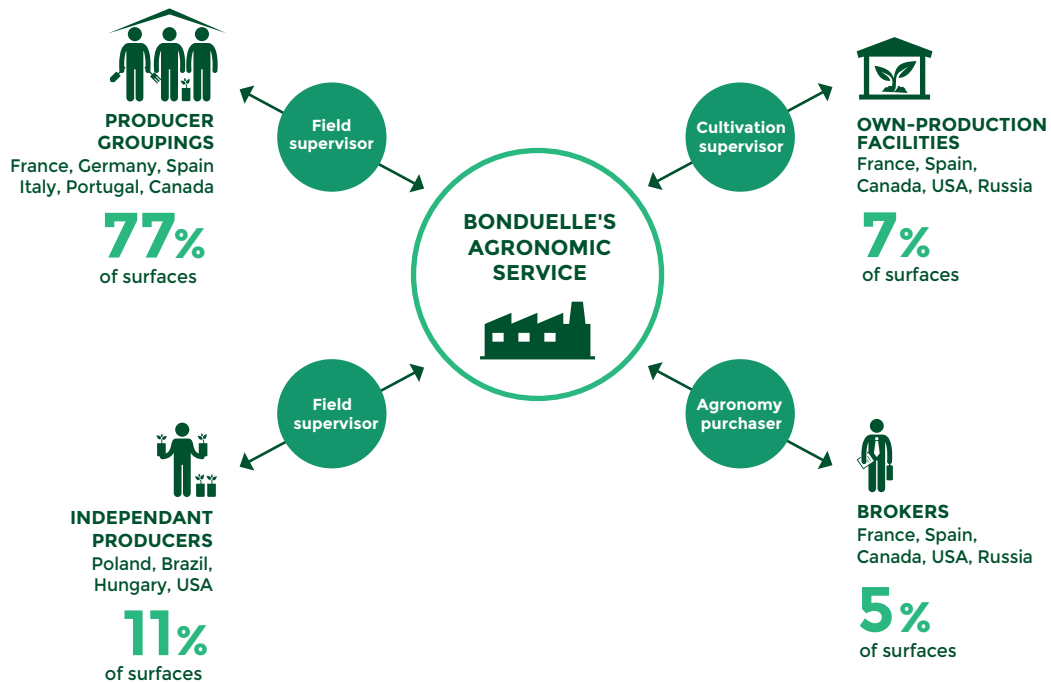
This model also has a number of benefits for farmers who are members of groupings:

- independence: generally speaking, Bonduelle does not account for more than 20% of their revenue;
- prices guaranteed several months in advance and not subject to global price fluctuations offer safeguards for their businesses;

- fair compensation for farmers, adjusted for climatic uncertainties and inevitable variations in yield, in a single production area, since cultivation is staggered so that the plant can be supplied on a linear basis;
- access to the expertise of Bonduelle's 261 agronomy professionals: engineers and technicians (field and cultivation supervisors) who share their expertise and know-how with farmers.

The group completes its procurement policy by adapting to the local situation. Where producers are not organized into groupings, Bonduelle may enter into contracts with independent producers (11% of surface areas), particularly in countries where operations extend over very large areas (Brazil, United States, Hungary, Poland), or may buy through brokers who act as intermediaries (5% of surface areas). Lastly, in countries where the level of know-how does not meet its quality requirements, or where continuity of supply risks exist, Bonduelle operates its production sites itself (7% of surface areas), taking the opportunity to increase its agronomic know-how and develop alternative growing practices.

#### The Bonduelle Group's vegetable sourcing model:



Caring for the land with our farmer partners

This approach allows Bonduelle to concentrate on its core business of vegetable preparation whilst at the same time developing its agronomic know-how. The group also works with service providers able to take care of transport, planting, harvesting and other cultivation activities. This avoids producers having to invest heavily in special equipment.

The Company maintains close relationships with its farmer partners (see 2.2 Structuring dialog with stakeholders).

### 2.3.3 Group policy and methods used

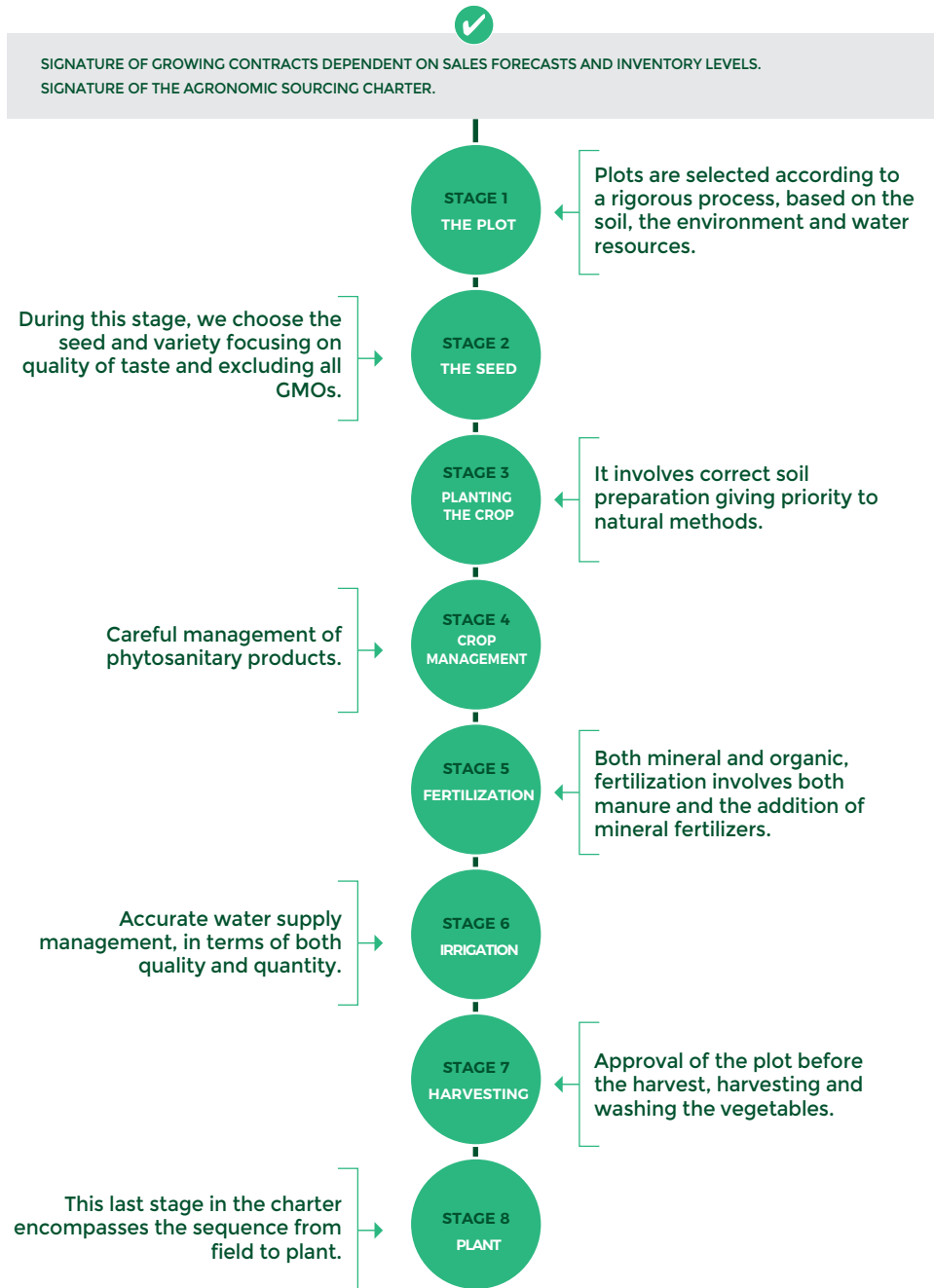
To meet the needs and challenges of our countries and markets, the group's agronomy organization is broken down by business unit, each being responsible for its own agricultural policy within the framework of the group's agronomy strategy, which defines common progress objectives, whilst taking into consideration the specific nature of each business unit. The agronomic policy is shared across its network of Agronomy Managers, who meet once or twice a year at its *Journées Techniques Agronomiques* (Agronomy Technique Days).

The sales forecasts determine the activities of their Agronomy Departments for each zone. The Agronomy Departments are the link between Bonduelle and its producer partners, from the time contracts are entered into with farmers until the vegetables are delivered to the plant. All of the steps managed are outlined in the diagram below.

## Key stages in vegetable cultivation

From seed to harvest, our sourcing charter tracks vegetable growing and sourcing in eight stages.

### KEY STAGES IN VEGETABLE CULTIVATION BY THE AGRONOMY DEPARTMENTS



Caring for the land with our farmer partners

### Bonduelle's agronomic sourcing charter

To guarantee product quality, food safety and sound risk management, the group devised a global agronomic sourcing charter in 1996.

This charter sets the rules with which all partner producers must comply. It is an exclusive contractual commitment covering the process from seed to harvest to ensure that Bonduelle's specifications are strictly adhered to and covering different areas from selection of plots of land and variety selection to cultivation methods. 96% of Bonduelle's partner producers have a contractual obligation to comply with the agronomic sourcing charter.

The fifth version of the agronomic sourcing charter has been rolled out in the group's different production areas. It reflects the increasingly international nature of Bonduelle and the specific features of the different geographic areas and production channels. It also focuses on new topics such as water conservation and the protection of field workers.

### 2.3.4 Bonduelle's agro-ecological transformation with its partners – GRI Standard 103-2

The group monitors the land through the crops in the fields and supports its partner producers in a preventive approach, by selecting the plots of land best suited to different types of vegetables and encouraging regular crop rotation so as not to deplete the soil's resources, while promoting biodiversity and optimizing yields. A key example of Bonduelle's involvement is the central role of field supervisors who support farmer partners through their presence on the land at all stages of cultivation: from sowing, to crop monitoring, to harvesting.

### The development of alternative cultivation techniques

In terms of agriculture, Bonduelle's "Prospective et Développement" Division supports the business units both in the short term, with certain specific operational issues, and in the medium and long term, by coordinating an agronomic innovation program.

For several years now, the Agronomy Research and Development Department, in close collaboration with the business units, has identified new technologies, tested them and incorporated them into innovative cultivation practices. These activities are carried out on the basis of partnership agreements with various types of third party organization

(start-ups, established companies, research institutions etc.). The best agricultural practices developed are then shared and implemented with all the business units.

A review of these innovations and other relevant practices already in place, as well as an assessment of their impact and/or experimental results, was conducted in 2016-2017 with the aim of contributing to the development of the group's strategy, in line with its key objective of becoming a major player in agro-ecological transformation. An initial report listed 30 or so alternative practices and identified their contribution to the five CSR objectives of the group's agronomic strategy. The first catalog of "Alternative Growing Techniques", capable of delivering measurable progress in relation to at least one of the five CSR strategic priorities of the group's agronomic strategy, was compiled. For example, the use of organic fertilizer or intercropping with plant cover helps to protect the soil, to reduce residues and the carbon footprint and to preserve biodiversity.

These alternative cultivation techniques have been tested and rolled out across a number of different production areas including the following examples:

- in Russia, Bonduelle Group farms (nearly 10,000 hectares) offer ideal conditions for testing **innovative growing techniques, particularly those that aim to protect the soil such as strip-till, which is expanding rapidly**. Adopted in 2013-2014 on 500 hectares, this practice covered nearly 2,400 hectares in 2016-2017. Strip-till, performed by machines guided by GPS, limits soil disturbance and ensures greater protection against erosion by covering the soil with the residues of the previous crop or by intercropping. Strip-till encourages the development of biodiversity in all its forms (superior organisms and microorganisms), on the surface of the soil and beneath. A drastic reduction in fuel consumption (-50%) was also observed as well as a drop in the use of mineral fertilizer. Procedures for implementing this practice are in the process of being defined before it is extended to other crops and agricultural production area;
- **biological control** reduces the need for insecticides and chemical fungicides. For example, wasps were used on one of Bonduelle's farms in Russia as a test to control the proliferation of lepidoptera caterpillars;
- **intercropping with plant cover** is also being studied with the aim of promoting the rollout of this practice, which consists of sowing one or more species at the same time as, or between, two crops. The plant cover is not harvested but left on the plot to protect the soil and enrich it with organic matter and nutrients;
- **reducing chemical inputs**. Levels of residue in vegetables when they are harvested are analyzed across all business units, especially at Bonduelle Europe long Life (BELL) and Bonduelle Fresh Europe (BFE), so as to identify trace





products. Crop routing is being developed to avoid the use of products that leave these residues behind, as well as relevant alternative practices (hoeing machines, mechanical weeding, etc.).

## Collaboration with pilot farms to experiment with cultivation techniques

The **VEGESOL experimental platform**, set up on the La Woestyne farm (Renesecure, France) is the result of a partnership between Bonduelle, Syngenta and the University of Picardie Jules Verne (Amiens, France). It was devised in order to compare, over a period of time (eight years), the effects of different soil management systems (bare soil tilling, tilling with plant cover intercropping, no-till bare soil, no-till with plant cover intercropping) on plants, soil, water and the environment.

VEGESOL has both a scientific aim and that of transferring technology to farmers, by generating best practices and lessons learned.

The experimental device comprised a five-hectare plot divided into 39 micro-plots, growing six different species (winter wheat, spring wheat, corn, beetroot, peas and green beans) using three different methods of nitrogen fertilization. Tests began in spring 2010 and so 2017 was the eighth harvest to be assessed and compared. This work led to two doctoral theses and a number of scientific publications. The results are very encouraging in terms of the potential for conservation agriculture in the crop rotations typical of the Nord-Picardie area.

Bonduelle contributed to the creation of the **Innova Terre network** in 2016, in the Nord-Picardie area. This is a group of 30 or so innovative farmers who want to develop their agro-ecological practices, in particular, preservation of the soil, the productive capital of their operations. The group facilitates discussion to encourage and support developments in agricultural practices.

**Bonduelle's pilot farm in Murcia in Spain** took part in the INSPIA (European Index for Sustainable Productive Agriculture) program in 2017. The aim of this program is to promote agro-ecology through the sharing of best practices and the implementation of indicators to monitor progress achieved. Bonduelle is also continuing its involvement or participation in a network of pilot farms charged with experimenting with, and validating, the growing practices in question. Already established in Germany, Canada, Spain and Russia, this network was extended to Italy in 2016-2017.

In the Nantes region of France, Bonduelle is also taking part in **"large area shelter" experiments**. Grown in plastic greenhouses, market garden crops are protected from the weather and have less exposure to pests and diseases, making it possible to prioritize more natural growing practices.

## Harnessing technology for the benefit of agro-ecology

The information technology used by farms enables them to better manage cultivation practices.

Bonduelle's Russian farms routinely use electronic equipment. The Cropio decision-making tool aims to optimize fertilization and irrigation, and thus reduce the amount of fertilizer and water used. Cropio, combining weather information and satellite data, also makes it possible to monitor crops and yield forecasts.

In North America, Bonduelle's sites use AgPOD (Agricultural Portal for Online Data), an online program developed specifically for Bonduelle and its farmer partners to share actual agronomy data recorded in the field.

Further, in 2014-2015 in Portugal, the agricultural area that supplies the Santarém plant was one of two pilot sites for the implementation of Gaïa, a tool used to identify the plots of land used for cultivation by farmer partners. Gaïa has continued to be rolled out to all business units except Bonduelle Americas. The tool will be extended to Hungary and the France Champignon companies in 2018.

Certain production areas use predictive disease progression models to optimize fungal treatment (minimum quantity and maximum efficiency) and/or to assess the risk of crop failure and waste of raw materials (seeds, fertilizer, water, etc.). This is the case with the complex of soil-borne pea diseases, for example. Similarly, and with the same aim of predicting biological pest outbreaks and reducing phytosanitary treatments, observation networks detecting pest infestations on the plains have been set up. These trapping networks are installed by Bonduelle or through industry associations (Arvalis, Unilet, etc.).

In France, based on the information gathered, producer partners receive recommendations on the best techniques to use to control these risks. This initiative forms an integral part of the biological monitoring system, established by the French Ministry of Agriculture, which has been run by industry professionals since 2010.

## R&D partnerships in the AgTech sector

Bonduelle is forging partnerships with various research and development actors in the AgTech sector. These include public technical and research institutes, technology firms, agri-business companies and AgTech start-ups. The partners are chosen according to how relevant their programs are for the agronomic priorities set by Bonduelle. The group is keen to channel its efforts and investments into unique and innovative forms of vegetable production that will provide a significant boost to agro-ecology.



Caring for the land with our farmer partners

Bonduelle has established partnerships targeting the following areas:

- automation, especially in weeding;
- efficiency and accuracy of crop monitoring;
- harvest prediction;
- irrigation management;
- Big data - particularly to identify agronomic drivers of agro-industrial performance and the quality of sweet corn.

In the longer term, the group plans to embark on research into real-time monitoring of food safety in the field and early detection of disease.

### The selection of seed varieties is key to the agronomic strategy and CSR challenges

In accordance with current legislation, Bonduelle's products are free from genetically modified organisms (GMOs).

The selection of seed varieties is essential to maintaining productivity and quality, while reducing the use of chemical inputs and **respecting biodiversity**. Making this varietal choice central to its policy, the group works with national and international seed partners to develop varieties that are most resistant to disease, water stress and climate variations, using conventional selection methods. Bonduelle works with

selectors and guides their choices in terms of agronomic specificity, technological quality and organoleptic quality.

By testing new varieties, their suitability and agronomic behavior in different geographies can be gauged. Bonduelle initially selects new varieties that are then tested in the soil and agro-climatic conditions of each area. The last stage of the selection takes place on large plots of land, with the variety then going to the plant to test its technological performance.

In addition to selecting varieties that are disease- and pest-resistant, Bonduelle is researching natural methods (using fewer chemicals) to combat diseases affecting vegetables such as peas, which require a six-year crop rotation to prevent blackleg disease (a soil-borne disease complex). The group is also working with the French Institute for Agronomy Research (*Institut national de la recherche agronomique*, INRA) on an in-depth study of pathogenic soil fungi on peas.

### Certification

**100% of Bonduelle's salad production is Global Gap certified.**

This protocol combines best agricultural practice guidelines outlining the global requirements that agricultural and horticultural companies must meet in terms of food safety, sustainability and quality.

In addition, **nearly one-third of Bonduelle's salads have LEAF (Linking Environment and Agriculture for the Future) certification**, which is recognized in the UK and Scandinavia. The group is aiming for 100% LEAF-certified salads by 2025.





## 2.4 Reducing environmental impacts from field to plate

### 2.4.1 Challenges, objectives and assessment – GRI standard 102-9 and 103-2

Faced with conflicting global energy trends of falling oil prices and commitments from the public and private sector to tackle climate change, Bonduelle is pursuing its proactive policy of adapting to climate change and reducing its environmental footprint. The Company's priorities include responsible management of energy, water, industrial waste and transportation, while ensuring that its sites have a positive impact on their local area.

Natural resource challenges (industry and supply chain)	Objectives 2017	5-year review (base 2011-2012)	
<ul style="list-style-type: none"> <li>Ensure sustainable management of water resources and reduce pollution (SDG 6)</li> <li>Increase the share of renewable energy and improve energy efficiency (SDG 7)</li> <li>Ensure sustainable consumption and production patterns: achieve the efficient use of natural resources, reduce food waste, and prevent waste generation, recycle and reuse (SDG 12)</li> <li>Protect and restore land ecosystems, halt and reverse soil degradation and put an end to biodiversity loss (SDG 15)</li> <li>Control and minimize discharges into the natural environment</li> <li>Understand and manage the overall impact of operations on the environment and society</li> </ul>	<p><b>INDUSTRY</b></p> <p>Optimize the use of non-renewable resources</p> <ul style="list-style-type: none"> <li>Continue to reduce energy consumption: reduction in energy consumption of 5% per year to 2016-2017 (in tonnes of manufactured product)</li> <li>Continue to reduce water consumption without compromising on product quality: reduction in water consumption of 3% per year to 2016-2017 (in tonnes of manufactured product)</li> <li>Launch at least five renewable energy projects in five years between 2011-2012 and 2017-2018</li> </ul>	<ul style="list-style-type: none"> <li>2016-2017: introduction of a group-wide operational approach for sustainable energy and water management: 12 pilot tests carried out</li> <li>Energy consumption up 5.96% from 2015-2016 (as a ratio per tonne of manufactured product). 3% decrease over 5 years</li> <li>12 sites ISO 50001 certified at June 30, 2017</li> <li>Water consumption up 7.2% from 2015-2016 (as a ratio per tonne of manufactured product). 4.2% decrease over 5 years</li> <li>Renewables account for 11.2% of the energy mix, as a result of initiatives to recover biogas through methanation, purchase of steam that is 100% biomass-generated, supply of biomass, etc.</li> </ul>	
	<ul style="list-style-type: none"> <li>Implement tools to measure environmental impact</li> </ul>		<ul style="list-style-type: none"> <li>Bonduelle's greenhouse gas emissions assessment (scopes 1, 2 and 3)</li> <li>2016-2017: two new metrics trialed: monitoring of complaints and greater awareness of "local conditions"</li> <li>Policy of sustainable water management: internal mapping of agro-industrial usage in 2014-2015; acquisition of an operational tool for short and medium-term usage management in 2016-2017</li> </ul>
	<p><b>Avoid, sort and recover waste</b></p> <ul style="list-style-type: none"> <li>Recover 80% of non-hazardous industrial waste in the period 2011-2012 to 2015-2016</li> <li>Recover 100% of green waste</li> <li>Minimize packaging impacts</li> </ul>		<ul style="list-style-type: none"> <li>Recover 88.5% of non-hazardous industrial waste (NHIW). 24 sites recover more than 80% of their NHIW</li> <li>Since 2015-2016: rollout of an internal compost production and recovery channel at the Timashevsk and Novotitarovskaya sites</li> </ul>
	<p><b>SUPPLY CHAIN</b></p> <p>Continue to save 5,000 tonnes of CO<sub>2</sub> emissions from transport</p> <ul style="list-style-type: none"> <li>Continue to roll out measures to cut CO<sub>2</sub> emissions from transport in all subsidiaries and areas</li> <li>Stabilize the methods used to calculate levels of CO<sub>2</sub> generated by transport among the various business units and define a common framework</li> <li>Focus on alternatives to road transport</li> </ul>	<ul style="list-style-type: none"> <li>Overall saving of 8,215 tonnes of CO<sub>2</sub> over the year</li> <li>Continued rollout of combined rail-road transportation on multiple flows</li> <li>Continuation of trials with a French carrier to develop natural gas vehicles, for CO<sub>2</sub> savings of 15%</li> </ul>	

The results of all indicators, in figures, are provided in Section 2.7.7.



Reducing environmental impacts from field to plate

**2016-2017: designing the new road map**

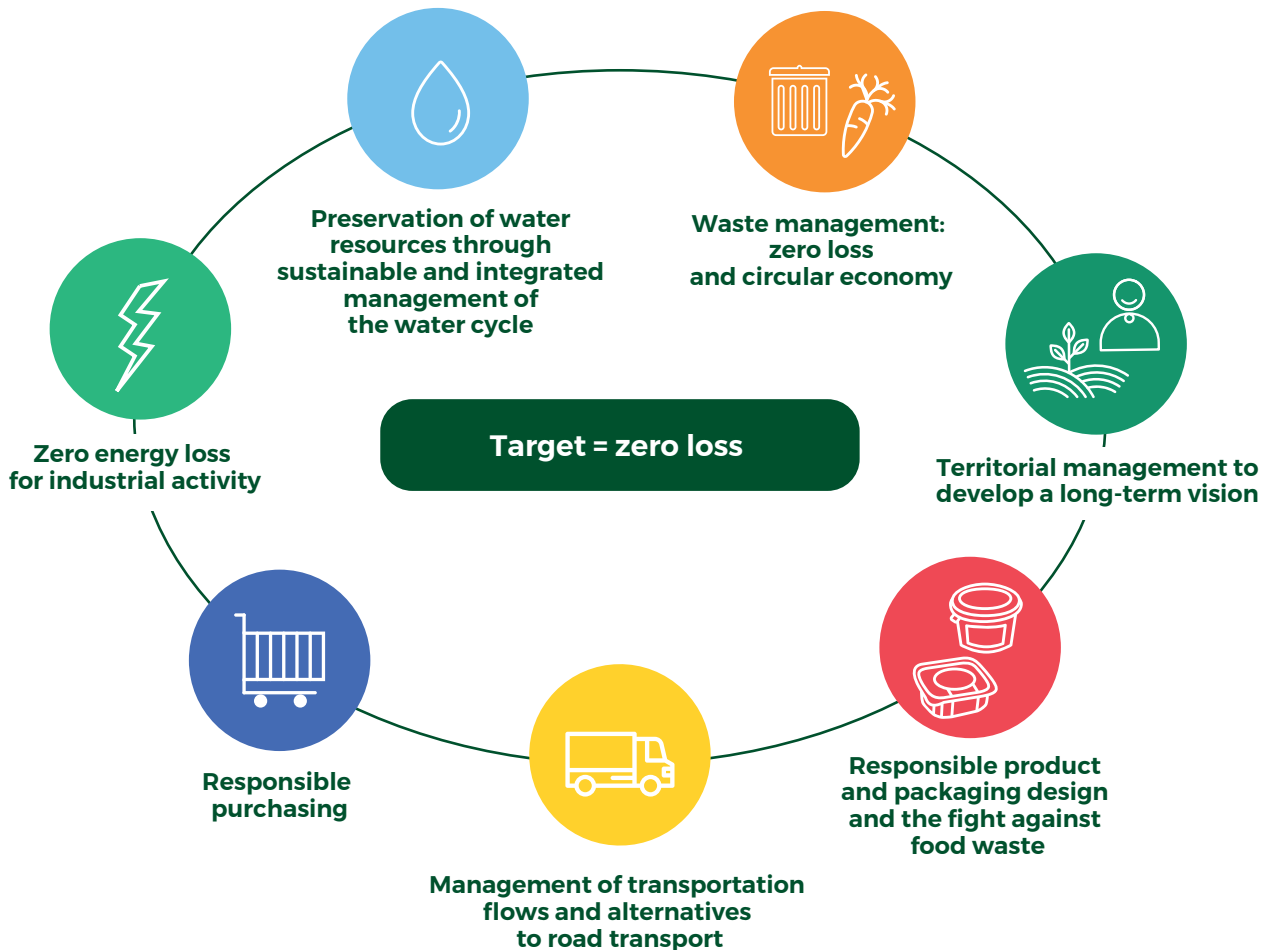
Reducing environmental impacts from field to plate: Bonduelle translated this macro-objective of its CSR policy into a new road map, centered around a target for 2025 and monitored using various indicators.

Armed with over ten years of experience, Bonduelle has transformed its environmental strategy from a silo structure to a usage-based approach. In 2016-2017, the group devised a circular approach based on seven challenges: controlling energy consumption; conserving water resources; optimizing

inputs and outputs and managing waste; responsible land management; designing sustainable products and packaging; managing transport flows and alternatives to road transportation; implementing the group’s responsible purchasing policy. Based on this circular approach, the road map is built around a single target by 2025: “zero loss”; in other words, no waste of natural resources in the short term and preserving the environmental value of host regions in the long term.

The road map was phased in during the second half of 2016-2017 with the support of environment and energy networks.

**7 challenges for reducing environmental impacts:**





## 2.4.2 Group policy and methods used – GRI Standard 103-2

For more than 15 years, Bonduelle has been able to count on the internal commitment of all its business activities and a process of ongoing improvement to rationalize the group's consumption and make recycling standard procedure in order to curb "losses".

The three policy areas are:

1. rationalizing consumption through moderation and reduction at source;
2. recycling and promoting a broad-based circular economy, manufacturing products while cutting back on the consumption and waste of raw materials and non-renewable energy sources, thereby helping to create and preserve local value;
3. making a lasting commitment by focusing on a long-term vision.



### Technical meetings on environment and energy

In February 2017, the BALL business unit held a series of technical meetings on energy and the environment. The meetings were attended by the environment and energy representatives from each of its plants, several Plant Managers and group experts.

The aim of the two-days event was to conduct a review of the past three years and to map out BALL's future in terms of optimizing the consumption of natural resources. The program included various workshops on Bonduelle's CSR policy. Not only did this strengthen links between the different sites, it allowed them to share best practices and discuss key issues such as how to manage residual materials at production facilities.

## 2.4.3 The group's carbon footprint and energy transition – GRI standard 103-2

### The Bonduelle Group's greenhouse gas emissions assessment: a key reference

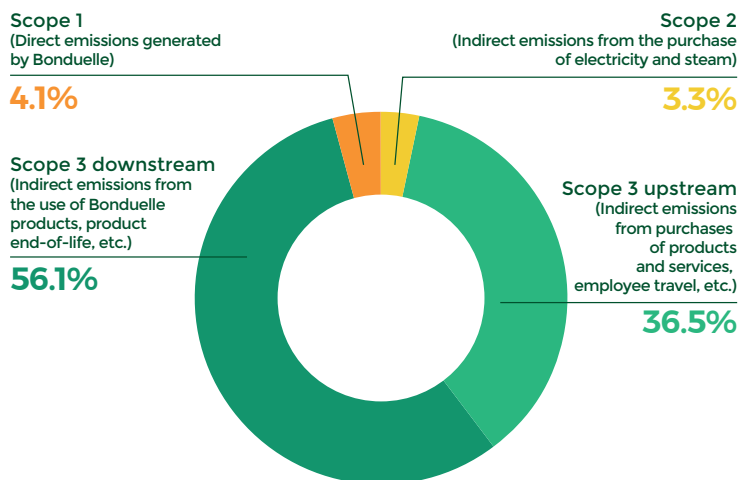
Since 2003, Bonduelle has been developing in-house expertise in assessing the carbon footprint of its business and products. In 2016-2017, the regulatory requirement for French companies to disclose significant items of direct and indirect greenhouse gas emissions generated by their business activities (Article 173-IV of the French Law on the Energy Transition for Green Growth of August 17, 2015, defined by the Decree of August 21, 2016 and amending Article L. 225-102-1 of the French Commercial Code) gave Bonduelle the opportunity to develop a comprehensive metering system and to organize annual reporting on its greenhouse gas (GHG) emissions with the support of external consultants. The greenhouse gas emissions assessment is based on the GHG Protocol. The majority of the emission factors are based on the ADEME carbon database.

Some 100 metering sites were set up over 6 months, covering the entire scope and operations of the Bonduelle Group.

Overall emissions total approximately 2,201,600 tCO<sub>2</sub>e, equivalent to the average annual emissions of around 250,000 Europeans (ADEME - 8.8 tCO<sub>2</sub>e/Western Europe/year).

The three biggest sources of emissions come under Scope 3, *i.e.*: transformation of sold products, use of sold products and products and purchased goods and services.

## Breakdown of Bonduelle’s greenhouse gas emissions <sup>(1)</sup>



The goal for 2017-2018 is:

- to increase the accuracy of annual reporting on significant items;
- to identify actions with the business units where reductions of greenhouse gas emissions are quantifiable;
- to translate Bonduelle’s commitment to reduce greenhouse gas emissions internally and externally.

### Bonduelle’s actions to facilitate an energy transition for green growth

Bonduelle has a proactive energy transition policy focused on three key areas:

1. replacing the dirtiest energy sources in terms of greenhouse gas emissions: heavy fuel oil has not been used in the Company since 2013-2014. In 2016-2017, the proportion of thermal energy from liquid fossil fuels (domestic fuel oil) was less than 1% of the group’s thermal energy mix (compared with 12% in 2010-2011);
2. alternative energy use: Bonduelle wants to achieve 20% of its energy mix from renewables by 2025, *i.e.* double the

amount in 2015-2016. In 2016-2017, alternative energy <sup>(2)</sup> represented 11.2% of Bonduelle’s energy mix;

3. co-development of the use of local alternative energies since 2011-2012:

- Estrées-Mons (France): 70% of the site’s steam requirements are covered by the biomass plant, which generates steam from biomass, saving close to 17,000 tonnes of CO<sub>2</sub> per year,
- Renescure (France): 94% of the green waste deposit methanized in the Flandres Énergie agricultural plant,
- Nagykőrös (Hungary), Békéscsaba (Hungary), Saint-Denis-sur-Richelieu (Canada, Quebec): 67.4% of the biogas produced from effluent in internal biogas plants is used in boilers.

In 2016-2017, two new contracts were signed to start delivering biomass in the summer of 2017:

- Estrées-Mons (France): Vol-V’s Vermandois biogas plant with a capacity of 18 GWh;
- Labenne (France): the Fonroche BioGasconha biogas plant, which uses agricultural products such as corn and agro-industrial and municipal by-products.

(1) Scope 3 upstream: purchased goods and services, capital goods, emissions related to fuel- and energy-related activities, upstream transportation and distribution, waste generated, business travel, employee commuting, upstream leased assets. The following non-material sub-items were excluded from the analysis since they represent less than 1% of the results of the carbon assessment carried out in 2012: volume of pesticides purchased, total volume of potassium fertilizer purchased.

Scope 3 downstream: downstream transportation and distribution, processing of sold products, use of sold products, end-of-life treatment of sold products, downstream leased assets, franchises, investments. The following sub-items were excluded from the analysis since they do not concern Bonduelle or were considered non-material: upstream leased assets, downstream leased assets, franchises, investments.

(2) Biogas, biomass and steam from biomass.





## 2.4.4 Zero energy loss for industrial activity – GRI Standard 103-2

Energy is essential for the production process. Electricity is used for the storage of frozen foods, the refrigeration of workshops, the production of compressed air, the production of chilled water, lighting and air conditioning. Thermal energy is used to generate steam and hot water. It is also used in heat recovery systems and to power handling equipment.

### Management of energy consumption

Bonduelle is targeting “zero energy loss” by rationalizing consumption to minimize energy loss and eliminate waste.

Energy consumption at its agro-industrial sites is optimized by controlling consumption and sharing best practices, in parallel with technical enhancements. Applied to electricity, gas and steam consumption, this policy has yielded the following results:

Group CSR – GRI Standard 302-4	Total energy kWh of electricity per TMP	Electricity kWh of electricity per TMP	Thermal (fossil + renewable) kWh GCV per TMP
2016-2017 scope	876	340	516
2015-2016 scope	827	332	495
Change in N-1	+5.96%	+2.4%	+4.16%
Five-year change in ratios 2016-2017 versus 2011-2012	(3)%	(1)%	-(8)%
Annual reduction target	(5)%	(5)%	(5)%

Continuous improvements continued in 2016-2017. These focused on: network exchanges; continued efforts to obtain ISO 50001 certification for energy management; rollout of measurement and management tools; installation of heat recovery systems; optimization of lighting energy consumption (using LED lighting); introduction of systems to prevent energy waste (Start and Stop); the group’s involvement in mandatory European energy-saving mechanisms.

A major project was launched in 2016-2017 to develop tools to track the progress of the 2025 road map on energy management: a performance assessment grid, designed jointly by the network of energy experts and summarizing for all the sources of energy consumption and best practices to be implemented. This internal methodology has been tested at seven pilot sites representative of Bonduelle’s operations in 2016-2017.

Programs to roll out and prioritize projects and investments for each business unit will be developed in 2017-2018 in response to the 2025 road map.



### Best practice in energy recovery

The Doué-La-Fontaine plant\* (France) has found an innovative way to recover the heat generated from cooling cans. The coolant circulates in a cooling tower, which previously dispersed the heat into the air. The heat now recovered provides heating for the empty cans storage facility, and is used to heat cooking liquids and water for boilers and blanchers. The plant is continuing its plans to recover residual heat (approximately 45°C) to heat premises.

### Exchange network

The energy experts from production facilities form a dynamic network that shares best practices on an ongoing basis. The sites share tools, resources and results and discuss issues that reduce consumption and energy costs: benchmark technologies, optimized investments, harmonized practices, projects and improvement plans, monitoring common indicators and energy costs.

\* In partnership with the France Champignon cooperative.



### ISO 50001 certification

In 2016–2017, Bonduelle's French plants in Genas, Saint-Mihiel, Rosporden and Saint-Benoist-sur-Vanne obtained ISO 50001 certification for the implementation of an energy management system aimed at continuous performance improvements. These sites join the German plants in Straelen and Reutlingen, and the following French production sites: Estrées-Mons conserve (canned), Estrées-Mons surgelé (frozen), Longué-Jumelles (La Tourte), and Renescure (France).

### Circulation of measurement and steering tools

The real-time electronic management of energy consumption uniformly and accurately improves performance. Some sites already have the data acquisition software: Saint-Césaire (Canada), Novotitarovskaya (Russia), Estrées-Mons conserve (canned), Estrées-Mons surgelé (frozen), Bordères, Saint-Mihiel (France), Straelen (Germany).

The rollout of this system, which connects measuring devices on equipment connected to the IT network directly on meters or machines, is continuing on the group's sites and is part of the drive for ISO 50001 certification.

### Start and Stop systems

Systems to prevent energy waste at the plants are inspired by the Start and Stop concept developed in the automobile sector. The idea is to move towards the "zero production = zero consumption" principle. The result of research conducted since 2013 by Bonduelle's Research and Development Department and pilot sites, these systems have now been approved and are operational. Currently being rolled out to the group's various plants, they are used to adjust consumption in the absence of products on the line.

### Optimizing lighting

Conventional lighting systems are continuing to be replaced by energy-efficient LED systems. The Bordères site in France and the Tecumseh, Strathroy and Ingersoll plants in Canada joined the scheme this year.

### Mandatory European energy saving mechanisms

Bonduelle is also involved in the mandatory European energy saving mechanism. The group's agro-industrial sites have therefore made their technological and organizational

improvement actions part of the subsidized energy saving plans. The value of energy savings certificates (ESCs) obtained or being obtained for work carried out in fiscal year 2016-2017 on energy efficient systems and technology, is equivalent to almost 260,600,000 kWh cumac <sup>(1)</sup>.

The ESCs break down as follows:

- 88% thermal energy saving (heat exchanger system, insulation);
- 12% saving on electricity consumption (variable speed control, regulators).

## 2.4.5 Preservation of water resources through sustainable and integrated management of the water cycle – GRI Standard 103-2

### Sustainable water management

A major challenge in Bonduelle's materiality matrix, water is used in production facilities as an ingredient in the finished product (liquid, sauce) and in processing as a way of transporting and transferring heat or cold. It is also used to wash vegetables and to clean production lines. The relative proportion of these uses depends on the industrial activity in question, and differs at each site. On the upstream side, water used for crop irrigation is a key factor in industrial performance and the control of vegetable quality.

In 2014–2015, Bonduelle conducted extensive mapping of its water use at all stages of its agro-industrial process, covering its entire scope of consolidation.

This year, Bonduelle tested pilot operational water management systems in its plants, spanning both water supply and water losses in plants. These studies contributed to the environmental objective of "zero water loss," which applies equally to industrial water processes and efficient irrigation in the 2025 road map. A water management progress tool has been developed. A standard performance-tracking chart for all of the group's plants has been co-constructed by the Environment Expertise Network.

This internal methodology was tested on six pilot sites representative of Bonduelle's activity in 2016–2017.

Programs for the deployment and prioritization of projects and investments by business unit will be drafted in 2017–2018 in line with the 2025 road map.

(1) The kWh cumac is the unit of measurement of French energy savings certificates. It corresponds to the cumulative final energy consumption in kWh discounted over the life of the product (kWh of cumulative discounted final energy) and represents the amount of energy saved by the actions implemented.



### Pilot water management

In 2016-2017, the sites of Novotitarovskaya and Timashevsk (Russia) performed self-assessments of their water management and established their own action plans. A Steering Committee has been established. Water management will be carried out by means of a metering plan, the tracking of networks and the daily monitoring of consumption. The main initiatives taken will be to reduce water consumption ratios, to implement quality measures and to review equipment and technologies.

In Reutlingen (Germany), cooled wastewater is collected and used to cool process water used in the fresh salad production process. This good practice will be replicated in order to manage additional savings on a plant cooling system.

Total water consumption was 12,424,679 m<sup>3</sup> in 2016-2017, of which 71.4% from borehole water, 24.6% water from urban distribution networks and 4% from surface water. It was 11.8 m<sup>3</sup>/TMP (tonne of manufactured product), an increase of 7.2% on the 2015-2016 ratio.

Group CSR	Water Ratio m <sup>3</sup> /TMP
2016-2017	11.8
2015-2016	11
Change in ratios in 2016-2017 versus 2015-2016	+7.2%
Change in ratios over five years 2016-2017 versus 2011-2012	(4.2)%
Annual reduction target	(3)%

### Saint-Césaire (Canada): daily awareness-raising about water consumption

The Saint-Césaire plant regularly raises its employees' awareness about water consumption. Consumption figures are emailed daily, and are the subject of display campaigns on the plant performance communication board. Awareness-raising messages about water wastage are also screened in the cafeteria and sent to all staff during information meetings.

### Treatment of water and management of treatment plants

In 2016-2017, industrial effluent contained an organic load of approximately 40,447 tonnes of Chemical Oxygen Demand (COD). 95% of this load was treated by Bonduelle (treatment plants and agricultural spreading), in the following structures:

- 23 independent ventilated biological treatment plants;
- 6 sites have a treatment stage using an anaerobic biological reactor (production of biogas);
- 13 sites use urban infrastructures for the full or finishing treatment of their effluent;
- 11 sites use an agricultural wastewater recycling system after physical or biological treatment.

The group's Environment Department rigorously controls and monitors the quality of plant effluent before it is discharged into the natural environment.



### 2.4.6 Waste management: zero loss and circular economy – GRI Standard 103-2

To contribute to the achievement of the environmental objective of “zero loss” in 2025, Bonduelle aims to reduce agricultural losses, logistics waste and non-recoverable waste at source, to sort its waste and to feed non-recoverable waste into the local circular economy.

552,068 gross tonnes of vegetable or mushroom by-products (green waste) were produced in 2016-2017, *i.e.* a ratio of 524 kg green waste/TMP (tonne of manufactured product). The plants are continuing their efforts to reduce losses of agricultural raw materials and improve processes. During this fiscal year, 92% of the deposits were recycled in commercial channels, used as animal feed, methanized or used as compost.

The sorting and recovery of industrial waste is another priority for the group. Thanks to the efforts of all plants, the group’s overall performance in terms of energy recovery or recycling improved, with a rate of 88.5% compared with 82.7% in 2015-2016.



#### Tecumseh (Canada): recovery of industrial waste

The Tecumseh plant has implemented several good practices for sorting and collecting industrial waste: the recovery rate increased from 38% in 2015-2016 to 72% in 2016-2017.

Measures have been implemented on several positions producing waste. Damaged cans are now sorted and recycled, organic waste from plants is reused by a local farmer, recyclable waste is collected by the municipality, and wooden pallets are made available to local residents and passers-by to be processed and reused. Used batteries and fuel cells are also collected and sent for recycling. In the canteen, waste can now be placed in one of several bins depending on its category; food unfit for consumption is sent to a partner and reused as an energy source.



#### Rosporden (France) at the dawn of the circular economy

“As part of our sustainable development approach, we have demonstrated our determination to recover 100% of our industrial waste. Today, at Rosporden, nothing is wasted, everything is transformed! We are at the dawn of a circular economy and are continuing our search for ways to recycle and reduce waste at source,” said Véronique Deslandes, Quality Manager of the Rosporden site.

A neighboring computer-hardware sorting company takes used computer equipment from the Rosporden site to recycle it, and is given Bonduelle’s vegetable big bags for free to be used to store the electronic components. 75% of the site’s waste is used for animal feed or goes to composting or recycling processes. Waste wood is put to a number of uses, including being given to charities such as Emmaus to fuel boilers. The diversity of these initiatives attests to the heightened awareness of the plant’s employees, as they were the originators of the initiatives.

Special industrial waste represented 206 tonnes in 2016-2017, *i.e.* a ratio of 0.2 kg per tonne of manufactured product.



#### Saint-Césaire (Canada): towards “zero waste” in the laboratory

Located in the Saint-Césaire cannery, the laboratory carries out numerous partial and comprehensive product analyses, generating product and packaging waste.

The team sorts empty containers, which are then entrusted to a company specializing in the recycling of metal and vegetable waste which is used for composting. The volume of waste sent to landfills has accordingly been reduced by more than 53 tonnes of organic matter per year and by more than 105,000 empty cans of all sizes.

This initiative is part of a global approach that includes the “zero paper” operating of several quality processes and the recycling of paper. Thanks to efforts made to meet the goal of “zero waste”, the laboratory and its dozen employees now produce only a single bag of unrecovered waste per day.



Bonduelle is also committed to tackling food waste, which is a real problem. According to the UN Food and Agriculture Organization (FAO), 30% of global food production is thrown away without being consumed. Instead of destroying products that do not meet Bonduelle's specifications in full, but are perfectly edible, the group donates several tonnes of vegetables each year to charities, which redistribute them locally. The amount totaled 3,603 tonnes in 2016-2017, covering Canada, the United States, France, Italy, Poland and Hungary, for canned, frozen, fresh cut salad and prepared products.

### 2.4.7 Territorial management to develop a long-term vision

Newly formalized in 2016-2017, the territorial management angle complements Bonduelle's operational environmental approach. It offers a different framework for steering four local environmental challenges - all of which are interdependent and require a long-term approach - around its sites:

- biodiversity and the adequacy of ecosystem services rendered;
- quality of available water resources;
- absence of disturbance and acceptance by local residents;
- adaptation to climate change and the energy transition.

The land management approach will allow each agro-industrial entity to construct an action plan geared towards preserving its local land value in a progressive way by 2025.

### Preserving biodiversity on land used

Bonduelle's agri-food business is located on large areas of land and requires a significant level of availability of natural resources such as plants, water and energy. The Bonduelle biodiversity road map anticipates the creation of an action plan by 2025. The foundations laid in 2016-2017 will support three pillars:

- acquire knowledge and call on recognized circles of expertise to identify the specific challenges facing Bonduelle. In 2016-2017, Bonduelle joined OREE, a multi-stakeholder association devoted to integrated environmental management at the territorial level;
- raise awareness among production facilities about new regulatory constraints and local biodiversity issues. In 2016-2017, Bonduelle created an indicator relating to awareness of "local conditions" and set itself three years of observation to make it operational. For the first year, in 2016-2017, six out of 39 sites identified remarkable areas on the land they occupy;

- design appropriate management tools allowing Bonduelle to identify good practices and weaknesses, lay down structural improvement plans and quantify progress. In 2016-2017, Bonduelle drafted specifications for a pilot study designed to define challenges and perform methodological tests. Implementation on a pilot basis is planned for 2017-2018.

### Monitoring of local acceptance

In 2016-2017, a new indicator known as the "complaint index" was implemented in plants to monitor the degree of local acceptance. It takes into account the frequency and nature of complaints. The group has set itself three years of observation to make it operational.



### Animal mowers at Saint-Benoist-sur-Vanne (France)

Bonduelle's Saint-Benoist-sur-Vanne site is located on a ground with a steep hill and a precipitous slope. It proved difficult to maintain the grass until the site came up with an original and ecological solution in the form of a flock of 20 sheep. The grounds staff and the shepherd monitor the good health of the animals and adjust their number depending on the season so that they always have enough to eat. This initiative removes the need for energy-intensive equipment, illustrating an innovative synergy between environmental and local issues.

**Bonduelle**  
ENVIRONMENT | FRESH - France - Saint-Benoist-sur-Vanne  
**LANDSCAPE MAINTENANCE BY SHEEP!**

Since 2016, 20 sheep have been maintaining our site's green spaces. These spaces (such as steep hills and slopes) are hard to access with machines. After defining and fencing in the area, an eco-pasturing company has been managing the sheep on the property.

- Positive image of the site for neighbouring residents
- No need for energy-guzzling equipment
- Positive interactions with employees
- New lambs born on site to celebrate!

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### 2.4.8 Responsible product and packaging design and the fight against food waste – *GRI Standard 103-2*

Packaging has to have many attributes:

- to protect products prior to purchase, prolonging their shelf life and preventing damage;
- to minimize the environmental impact by being recyclable and smaller and thinner;
- to comply with the relevant legislation;
- to be cost-effective;
- to be user-friendly, *i.e.* easy to open and to empty/remove;
- to enhance the product's visual appeal so that consumers will want to buy it.

Bonduelle thus uses various types of packaging to ensure the best possible quality and experience for its customers:

- steel and aluminum for metal cans;
- glass for jars;
- flexible plastic for bags of frozen and fresh vegetables;
- rigid plastic for trays of prepared products;
- cardboard for some frozen packaging and all bulk and transport packaging.

These materials are chosen according to processes, preservation requirements, market convention and their robustness in relation to the product and their use.

### 2016-2017: a new approach

To contribute to the achievement of the environmental objective of “zero loss” by 2025, Bonduelle's marketing teams are exploring leverage from actions such as adjusting packaging to match national sorting systems or managing product ranges based on the evaluation of their eco-responsibility. Improvement plans will be drafted within three years.

### Packaging optimization

The prevention of waste generated by packaging products for sale is a regulatory requirement: the reduction at source of packaging materials used is therefore an integral part of the group's approach to designing, optimizing and upgrading its packaging.

In 2016-2017, Bonduelle continued work on its program to optimize the wall thickness of canned product packaging, an area it has been working on for several years. The program has reduced at source the quantities of raw materials (steel or aluminum), while taking into account the specific constraints of the various processes and industrial plant. In Europe, an optimization program has been developed around a targeted metal saving of around 500 tonnes per year compared with the quantity used in 2013. A multi-year test plan (2013-2016) has been developed to qualify assumptions. It is steered by the plants and suppliers with coordination by the packing unit of the BELL business unit.

The Purchasing and Research & Development Departments actively monitor environmentally friendly packaging by identifying market opportunities and evaluating their technical-economic potential.

In 2016-2017, 48% of the total packaging used by Bonduelle was made from recycled materials.





## Fight against food waste

In addition to its internal “zero-loss” approach in plants (see 2.4.6 Waste management: zero loss and circular economy), Bonduelle promotes the fight against food waste among consumers. The group offers different kinds of packaging (shelf life, portion size) and specifies the size of the portion so that consumers can make appropriate choices depending on their type of household and consumption. In addition, Bonduelle’s websites and social networks provide practical information such as help understanding use-by dates.



### “Des légumes qui envoient” (vegetables that hit the spot!): raising the awareness of chefs in kitchens

In 2016-2017, Bonduelle Food Service, the Bonduelle Group’s food service brand, created an unprecedented campaign under the slogan “Des légumes qui envoient !” (vegetables that hit the spot!), designed in collaboration with chefs and for chefs. The challenges are to reduce waste, promote the use of vegetables and win over the commercial food service sector, which still tends to confine its use of vegetables to garnishes.

Bonduelle observed the use of vegetables in the kitchens of 150 restaurateurs in France, Benelux, Germany, Italy, Spain, Portugal and Poland. The entire range was then redesigned in the form of a creative color chart around the “seven roles for vegetables”. A practical and inspiring site for chefs, “ça dépote en cuisine” (Pouring out of the kitchen) was launched in November in France and will be rolled out in the rest of Europe in 2018. In organized encounters, chefs were able to test recipes and share their experiences so as to break down the roles and traditional ways in which vegetables are used. Lastly, events at the Paris Culinary Institute and the International Hotel, Catering and Food Trade Exhibition (SIRHA) helped change the perception of vegetables among professionals and the general public.

The Louis Bonduelle Foundation also acts to raise awareness of the fight against food waste (see 2.5.7 Louis Bonduelle Foundation). It supports the *Ateliers du bon goût* (Good taste workshops) run by French association Freegan Pony, which introduces Aubervilliers junior high school students to recipes for cooking damaged or “ugly” vegetables.

## Environmental responsibility

In order to honor its commitment to designing responsible products, Bonduelle has put together a cross-disciplinary team, with representatives from the Agro-industry, Environment and Packaging Research and Development, Marketing and Communication Departments to work on producing an environmental responsibility guide. This guide, completed in 2015, aims to serve as a reference for all teams responsible for design, production and marketing. The implementation methods are still being decided. It sets out the core objectives for all branded products sold throughout the world (Bonduelle, Cassegrain, Arctic Gardens and Globus) and provides guidelines for improving responsibility, without compromising on aspects such as pleasure, taste and accessibility.

The guide is based on ten basic principles:

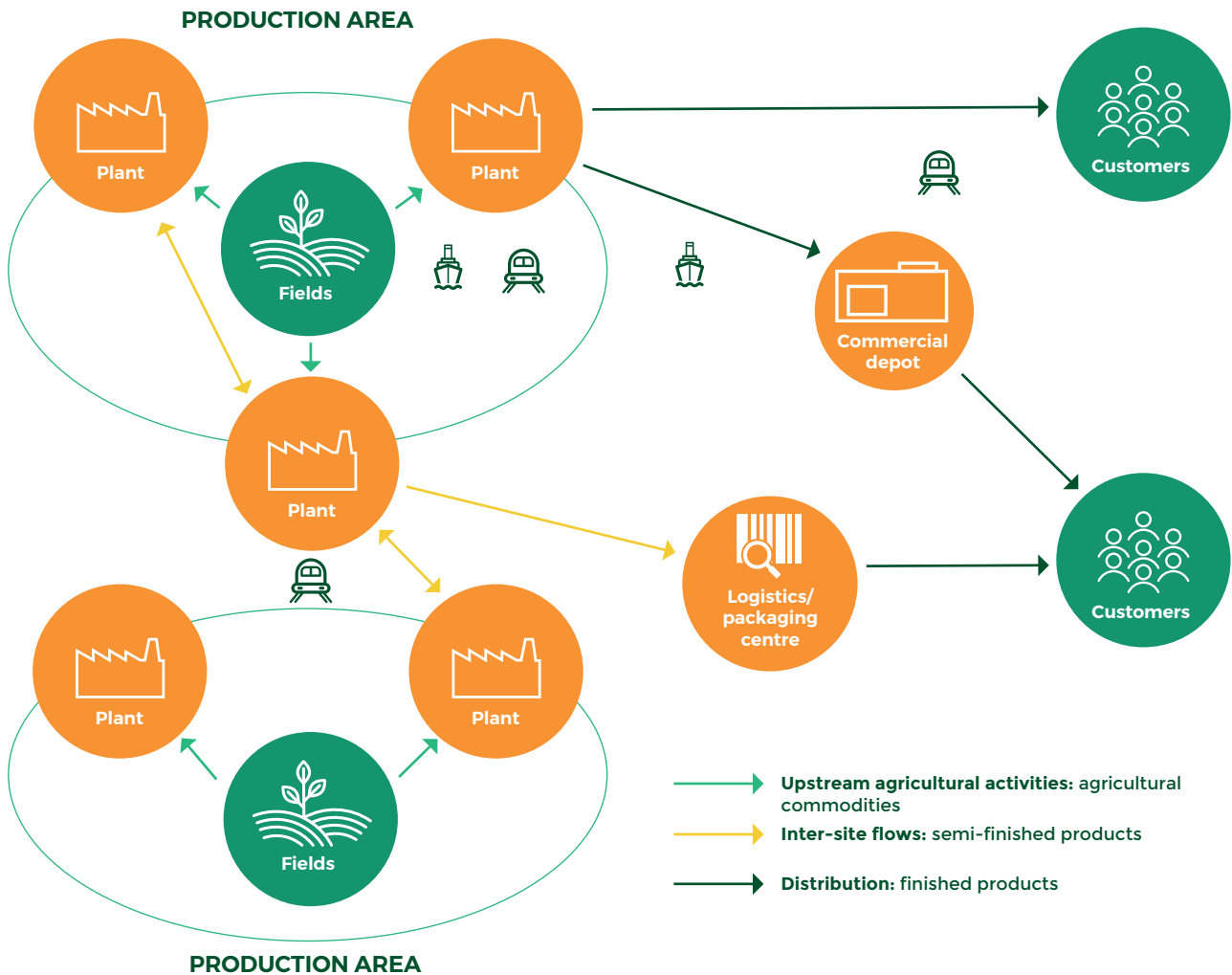
1. measure the environmental footprint of our products and be transparent about their impacts;
2. ensure responsible purchasing according to our agronomic sourcing charter or sourcing contracts (covering vegetables, ingredients and packaging);
3. monitor cultivation methods to guarantee the safety of our products by controlling and minimizing the use of inputs for vegetable crops, anticipating regulatory changes and seeking alternative solutions;
4. limit distances traveled by vegetables and other ingredients;
5. reduce environmental impacts, ensure socially responsible management and guarantee food safety during production;
6. devise nutritious recipes for consumers;
7. reduce the use of additives;
8. optimize and develop low-environmental impact packaging, while guaranteeing the quality and safety of our products;
9. limit the impact of transport by optimizing the loading rate and routes for road transport and by developing alternative transport solutions;
10. provide consumers with recommendations for use, factoring in environmental and nutritional impacts and raise awareness of food waste.



### 2.4.9 Management of transportation flows and alternatives to road transport

The Bonduelle Group's transportation flows fall into three categories: upstream agricultural, inter-site and transportation of finished products to distributors.

#### Product transportation flows and alternatives to road haulage:



To implement its strategy, Bonduelle has formed a Transport and CSR Monitoring Committee, made up of representatives of the logistics entities of the agro-industrial sites and members of the Supply Chain, Purchasing and CSR Departments. This Committee is responsible for monitoring developments in the sector and researching long-term solutions to minimize the environmental impact of transport flows.

To contribute to the achievement of the environmental objective of “zero loss” in 2025, Bonduelle has set itself the goal of maximizing the use of alternative means of transportation or solutions that emit less CO<sub>2</sub>. This approach is a continuation of the strategy for the exhaustive identification of CO<sub>2</sub> emissions already in place.



For several years, the group has been implementing a wide range of projects to optimize flows and reduce the environmental impacts of transporting vegetables to agro-industrial sites and finished products to retailers. In 2016-2017, Bonduelle focused on continuing these actions and strengthening its management. Kilometers traveled and tonnes transported are now monitored automatically. Transported tonnage data, which were previously based on estimates, are now recorded as actuals. The reporting scope of transportation data was extended to the BEAM business unit and the "Long-distance Export" activity.

The group calculates CO<sub>2</sub> emissions from transportation using the guidelines produced by the *Agence de l'environnement et de la maîtrise de l'énergie* (ADEME, France) in Europe. The BALL business unit is excluded from the reporting scope for this indicator this year. Nevertheless, CO<sub>2</sub> emissions from transportation were estimated for the BALL scope for 2016-2017 as part of the greenhouse gas emissions assessment. This showed that nearly 2,540,000 tonnes of products were transported and approximately 164,000 tonnes of CO<sub>2</sub> were consequently emitted for this entity. The validation of the specific reference system designed by the BALL business unit in Americas will be completed in 2017-2018. It will then join the reporting scope of the transportation-related carbon footprint.

#### Various initiatives were pursued within the group's business units in 2016-2017:

- **Combined rail-road transportation** avoided the emission of 8,215 tonnes of CO<sub>2</sub> in 2016-2017, compared with the exclusive use of road haulage. This means of transportation has been promoted on several flows with the Nord-Picardie basin (France), Hungary, Italy, Spain and packaging returns. The creation of a logistics platform in Almaty (Kazakhstan) has allowed the generalization of rail flows from our Russian plants, and Bonduelle has optimized transportation in Russia;
- **Natural gas, a way to reduce our environmental footprint:** in liaison with its transportation partners in South-West France – Transports P. Mendy – Bonduelle favors NGVs (natural gas vehicles) using natural gas in liquefied or compressed form. This option generates CO<sub>2</sub> emission savings of almost 15% compared with traditional fuels. Another advantage is the sharp fall in nitrogen oxide emissions (-50%) and fine particles (-80%);
- Lastly, Bonduelle has continued its research into the feasibility of river transportation, which may prove especially appropriate with the opening of the proposed Seine-North Europe Canal within a decade.

## 2.4.10 Responsible purchasing – GRI Standard 103-2, 408-1, 409-1

In 2016-2017, Bonduelle redefined its vision of responsible purchasing: to adopt recognized purchasing model guidelines, inspired by nature's cycles and creating shared value for the Bonduelle ecosystem.

With this new perspective, the group has maintained its responsible purchasing and supplier awareness policy, while continuing to focus on food safety and quality, as well as factoring in environmental and social criteria.

### Engaging fruit and vegetable suppliers and manufacturers of finished products

Bonduelle sources the majority of its fruit and vegetables from its farmer partners (see Section 2.3 Caring for the land with our farmer partners). Independent and cooperative producers account for 88% of the land under cultivation. In 1996, the group established an agronomy sourcing charter to guarantee product quality, compliance with the cultivation requirements of each vegetable type, food safety and effective risk management. Fully 96% of the group's producers have signed up to the charter. Bonduelle plans to develop the CSR section of its agronomy sourcing charter in the near future. *GRI Standard 308-1*

Although the group's policy is to source supplies as close as possible to the end consumer, some types of produce may have to be grown in countries further afield, particularly in Africa. Where this is the case, Bonduelle chooses reputable, quality-certified partners who work with small producers on a long-term basis. This guarantees an additional revenue stream for producers, many of whom grow subsistence crops. It also ensures that the necessary crop treatments are kept to a minimum and are properly managed. These partnerships offer Bonduelle the assurance that it effectively contributes to local economic development. For example, one of its partners offers its small producers micro-credit solutions to finance their leasing and labor costs, as well as health care for plant employees. To ensure compliance with the production criteria specified by Bonduelle and to support its partners as part of a continuous improvement process, the group ensures a permanent or periodic presence by its own employees.

For fruit and vegetables purchased from other producers or brokers, which account for 5% of the land under cultivation, Bonduelle has a simplified sourcing charter. Backed up by audits, it focuses on product safety, financial risks, technical constraints and the risk of fraud. Suppliers may also be audited to check their performance and adherence to their product quality commitments. Bonduelle also implements specific

### Reducing environmental impacts from field to plate

surveillance plans according to the types of products and the potential risks. These plans notably take the form of tests on samples of phytosanitary waste and trace metal elements by independent laboratories.

### **Engaging, evaluating and supporting suppliers in other categories (ingredients, packaging, finished products, energy, industrial purchasing and service provision, etc.) – GRI Standard 412-3, 407-1**

In an effort to boost awareness and support, the group used an internal questionnaire to assess the maturity of the CSR policies of a sample of suppliers. In 2016-2017, Bonduelle appointed a leading external provider to evaluate its suppliers' CSR performance. The aim was to verify compliance with the group's CSR strategy and to identify opportunities for innovation and partnerships.

Bonduelle chose the CSR analyst EcoVadis to set up an online CSR questionnaire and conduct an expert analysis using a CSR scorecard and benchmarking and improvement tools for CSR practices.

The methodology is based on international CSR standards, including the GRI (Global Reporting Initiative), United Nations Global Compact, and ISO 26000. The evaluation is performed using 21 key CSR indicators covering four different areas:

- environment: energy consumption, water, biodiversity, pollution, materials and waste, emissions, greenhouse gases, product use and end of life, consumer health and safety;
- social: health and safety, working conditions, labor relations, career management, forced and child labor, freedom of association, non-discrimination, fundamental human rights;

- ethics: anti-corruption, anti-competitive practices, fair trade;
- purchasing: environment, working conditions and human rights.

Suppliers are also asked about any environmental and social disputes in which they have been involved and which received media coverage.

Using this recognized collaborative platform will ensure consistency and transparency in the environmental and social monitoring of supplier commitment. It will also provide suppliers with a means of showcasing their CSR practices to Bonduelle and to their other customers.

In early 2017, an initial group of 40 suppliers was consulted in a bid to define in 2017-2018 the relevant criteria for choosing suppliers to undergo evaluation. *GRI Standard 308-1*

In 2017-2018, Bonduelle will produce a CSR risk map to determine the rollout of the evaluation process. It will also continue to build CSR criteria into its purchasing policy.

### **Animal welfare**

Since 2015, Bonduelle's ready-to-eat fresh salads sold in France have been made using free-run poultry reared in humane, environmentally-responsible conditions on a diet free from animal meal or growth hormones.

Although eggs and egg products represent a tiny percentage of the ingredients purchased by Bonduelle in Europe (3.6%), the Company has launched a survey and is in regular talks with its suppliers. For its suppliers, this transition represents a significant challenge which will require time and investment. Bonduelle will gradually increase its sourcing of alternative eggs. By 2025, it hopes that the vast majority of its products offered to European customers will contain eggs and egg products that are certified as "cage-free".





Encouraging people to eat healthily and sustainably, and increasing affordability

## 2.5 Encouraging people to eat healthily and sustainably, and increasing affordability

### 2.5.1 Challenges, objectives and assessment – GRI Standard 102-9

Ensure maximum food safety and product traceability, enhance the nutritional properties of vegetables, and listen to consumers so that the Company can innovate and meet their expectations: the Bonduelle Group seeks on a daily basis to promote safe, healthy and sustainable vegetable-based food consumption.

Quality/purchasing challenges	Objectives 2017	Results 2016-2017
<ul style="list-style-type: none"> <li>• Give everyone access to safe, nutritious and sufficient food and ensure the food safety of consumers (SDG 2)</li> <li>• Ensure respect for standards of behavior and ethics</li> </ul>	<p><b>QUALITY</b></p> <p>Ensure maximum product quality and safety</p> <ul style="list-style-type: none"> <li>• Target quality process certification for 100% of sites</li> <li>• Reduce the complaints rate</li> </ul>	<ul style="list-style-type: none"> <li>• 97% of Bonduelle production sites have at least one certification</li> <li>• 43,900 food safety tests on canned goods, 19,985 on frozen and fresh or prepared produce</li> <li>• Of our industrial partners supplying finished products, 15 in the Americas (18%) and 32 for the rest of the group (19%) were audited for their performance and delivery on product quality commitments</li> </ul>

The results of all indicators, in figures, are provided in Section 2.7.7.



Encouraging people to eat healthily and sustainably, and increasing affordability

### 2.5.2 Group policy and methods used – GRI Standard 103-2

Bonduelle wants healthy and sustainable eating to be enjoyable. It wants to pique people's interest in their food, by telling them more about the products on their plate, and through new ideas, and to constantly encourage people to enjoy tasting and sharing good food. So that everyone has access to healthy and sustainable food, the Company is committed to implementing a comprehensive policy built around the affordability, convenience, diversity and quantity of its products.

### 2016-2017 – Designing a new road map

To promote a healthy, safe and sustainable way of eating, Bonduelle is pursuing its product quality and traceability policy. In 2016-2017 it came up with two new themes:

- 1. Food for good :** Bonduelle is keen to promote vegetables as being tasty and enjoyable, forging links with today's consumers as well as those of tomorrow, who are increasingly in touch and informed about environmental challenges, and building consumer confidence when it comes to the origin and naturalness of its products. *GRI Standard 417-1*
- 2. Familiarizing children with vegetables:** The Bonduelle Group wants to engage with young consumers and foster a better understanding of vegetables and vegetable products through local campaigns or actions, in the hope that children will enjoy eating them\*.

The new road map will be unveiled and rolled out in 2017-2018.

\* *It is no secret that, together with fish, vegetables are the least favorite food category among children. It is also widely accepted that a low intake of fruit and vegetables is a factor in early mortality (Binh Nguyen et al., Int J Behav Nutr Phys Act. 2016; 13: 9.). Having an understanding of food comes from learning about it at an early age. Studies show that the sooner children are exposed to a wide variety of foods; the more likely they are to enjoy a variety of foods in adulthood. Studies also show that it is possible to boost the enjoyment and consumption of vegetables through a process of familiarization, for example by presenting new vegetables in multiple ways, developing an understanding of the plant, and taking part in cookery workshops (Sensitive periods and factors in the early formation of food preferences, S. Issanchou, S. Nicklaus, ebook.ecog-obesity.eu).*





## 2.5.3 Quality and traceability – GRI Standard 417-1

The policy implemented by Bonduelle to ensure maximum product quality is based on a process and management system under the control of a Quality Director in each business unit. Working in a network, Quality Control Departments report to a general coordinator and meet twice a year. Each business unit has a quality plan tailored to its specific technological needs (canned, frozen or fresh food, etc.) as well as the (regulatory) context specific to the different geographical sites.

Quality plans are implemented in all of the group's production facilities, based on three main aspects:

- quality checks on incoming “vegetable” raw materials and all other supplies;
- quality controls on the production lines;
- final checks on products before shipping.

In 2016-2017, of our industrial partners supplying finished products, 15 in the BALL business unit (18%) and 32 for the rest of the group (19%) were audited for their performance and delivery on product quality commitments; 564 tests on phytosanitary waste and trace metal elements (TME) were conducted by an independent laboratory, 98% of which were compliant.

As part of the continued monitoring plan, 43,900 food safety tests were carried out on canned goods and 19,985 tests on frozen, fresh or prepared products in 2016-2017.

The quality plans of production facilities are accompanied by a policy of investing in and upgrading industrial facilities, certification processes and analysis of the risks of fraud and malfeasance. The action plans resulted in strengthened security at some sites.

Bonduelle undergoes a thorough and rigorous certification process for its production facilities, requiring each one to be at least ISO 9001 certified or certified under an equivalent system. In addition to this certification, it also complies with other standards (IFS, BRC) specific to the industry, its operating regions or requested by clients.

### GRI Standard 416-1

97% of Bonduelle production sites have at least one type of product quality certification. The majority of our quality-certified agro-industrial production facilities are certified by several bodies:

- 11 have obtained ISO 9001 certification.

*(International quality management certification standard delivered by an accredited external body. It sets out the requirements for an effective quality management system ensuring that products comply with the requirements of customers and applicable regulations. The most recent version is ISO 9001 V 2008);*

- 3 sites are ISO 22000 certified.

*(This standard specifies the requirements for food safety management systems and aims to improve customer satisfaction by effectively controlling food safety hazards);*

- 24 units are IFS and/or BRC certified.

*(IFS: Private international food standard, owned by the French Food Retail and Wholesale Federation (FCD - Fédération des entreprises du commerce et de la distribution) and its German counterpart. The IFS evaluates food product suppliers focusing on product quality and safety. The current version is IFS V6);*

*(BRC (British Retail Consortium): a private standard owned by the British Retail Consortium and very similar to the IFS. The current version is BRC V6);*

- 4 are FSSC 22000 accredited and 3 American sites are SQF (Safety Quality Food) accredited.

*(Private international standard owned by the Foundation for Food Safety Certification, based on ISO 22000 and PAS 220 for food producers).*

Finally, other certificates covering specific areas have also been awarded and are audited by accredited external bodies. In 2016-2017, in response to customer demand, 14 Bonduelle sites had “organic” certification.

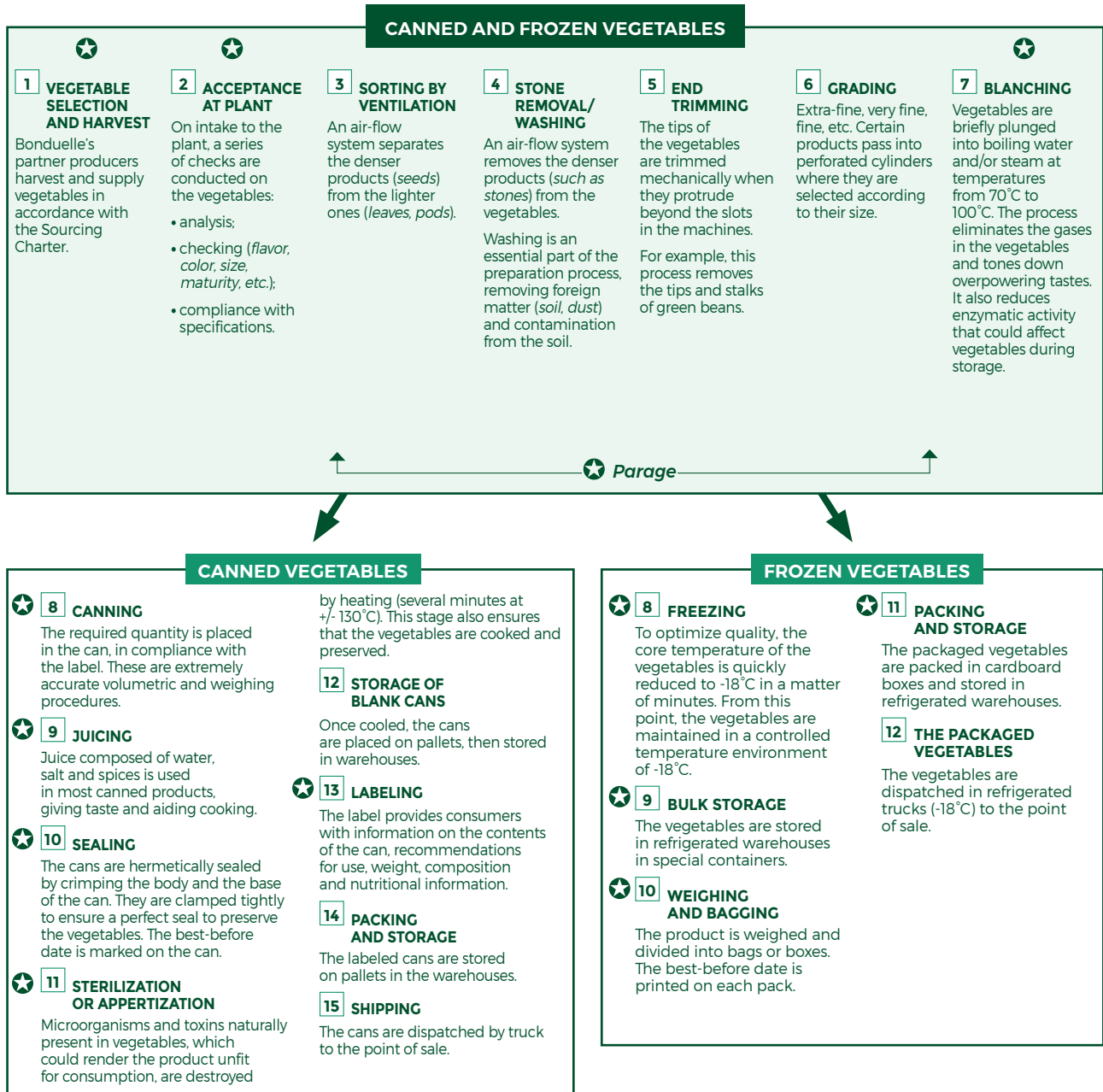


Encouraging people to eat healthily and sustainably, and increasing affordability

## MANUFACTURING PROCESSES

Dozens of quality control inspections are carried out from harvest to storage of the products, including on temperature, bacteriology and weight. Bonduelle's quality control system provides full traceability from field to dispatch, ensuring we can react swiftly in the event a quality problem is detected.

The charts below show the main checks conducted throughout the production process.



★ *Contrôles qualité*





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READY-TO-USE FRESH VEGETABLES (BAGGED SALADS) AND READY-TO-EAT FRESH VEGETABLES (SEASONED, PREPARED)

**1 VEGETABLE SELECTION**  
Bonduelle's partner producers harvest and supply vegetables in accordance with the Sourcing Charter.  
Harvesting is a delicate operation for all fragile vegetables, especially salads.

**2 ACCEPTANCE AT PLANT**  
From this point, the vegetables are maintained in a controlled temperature environment at +4°C.  
On intake to the plant, a series of checks are conducted:

- analysis ;
- vérification (flavor, color, size, maturity);
- compliance with specifications.

READY-TO-USE FRESH VEGETABLES

**3 CUTTING**  
Salads are cut, sorted and carefully inspected before they are sent for washing.

**4 WASHING**  
The salad leaves are thoroughly washed to remove soil and insects, without damaging the leaves.

**5 SPINNING OR DRYING**  
Excess water is carefully removed after washing by draining or ventilation.

**6 WEIGHING AND BAGGING**  
The salad is weighed and packed in bags or trays. The best-before date is printed on each pack.

**7 PACKING**  
The bags and trays are placed in boxes, taking care to avoid shocks or crushing the produce.

**8 STORAGE**  
Before shipping, the products are stored for a maximum of several hours, at +4°C.

**9 SHIPPING**  
A constant temperature of +4°C is maintained throughout the entire logistics chain and to the point of sale using refrigerated trucks.

READY-TO-EAT FRESH VEGETABLES

**3 ORDERING AND RECEPTION**  
Seasoned, prepared salads have a short shelf life; therefore they are only supplied and produced on receipt of the customer order.

**4 TRANSFORMATION**  
Vegetables are rinsed, cut, grated and drained.

**5 ASSEMBLY**  
Each recipe has its own ingredients, which are prepared before the order is produced.

**6 MIXING**  
The ingredients for the recipe are combined. Bonduelle ensures careful measurement of the ingredients in each recipe so that the end product is well-balanced.

**7 WEIGHING AND BAGGING**  
The salads are measured out and weighed in the different types of packaging.

**8 LABELING**  
The plastic salad container and its lid are pressured sealed. The label details the contents, storage and consumption instructions and the best-before date.

**9 STORAGE**  
Before shipping, the products are stored for a maximum of several hours, at +4°C.

**10 SHIPPING**  
A constant temperature of +4°C is maintained throughout the entire logistics chain and to the point of sale using refrigerated trucks.

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### 2.5.4 Nutritional quality

For Bonduelle, the nutritional quality of products is essential. “Visa Santé”, a continuous improvement initiative, is built around reviewing and optimizing our products and is based on four essential points:

1. classification of products into three “nutrition” groups, according to their levels of certain nutrients:
  - “raw products that have undergone minimum processing”,
  - “lightly cooked vegetables”,
  - “prepared and gourmet products”;
2. the development by the group’s Nutrition Department of a reference framework of nutritional values related to recommendations on the quantity and quality of salt, sugar and fat content in food. 1,158 products – from all segments – were tested to determine if they were in line with the recommended nutritional values;
3. recipe compliance: between 2009 and 2016, 257 recipes that did not meet the nutritional criteria were revised by the business units;
4. all new vegetable products must meet a number of minimum criteria defined by “Visa Santé” and be positioned in one of the three “nutrition” groups.

The program’s objectives also include the development of well-thought out, simple, transparent and objective nutritional communication. The group makes no nutrition claims on the packaging of its “prepared and gourmet products”. *GRI Standard 417-1*

“Visa Santé” was launched by General Management and, in addition to the Nutrition Department, now involves engineers in the Quality, Innovation and Development and Marketing Departments of the various business units.

100% of Bonduelle branded products are evaluated by “Visa Santé”. *GRI Standard 416-1*

### 2.5.5 Innovation for society

Bonduelle is keen to reflect macro-trends and meet environmental and societal challenges through innovation, whether this is demand for natural products, vegetarianism, new modes of distribution and consumption or food waste, etc.



#### Smart Salad Bar: a brand new range

In 2017, Bonduelle Food Service launched a range of mixed ready-to-eat salads called “Smart Salad Bar”. Ready to serve or use as a base, the new range addresses the current demand for healthy salads that do not have to include meat. It also reduces the food waste generated by chopping vegetables.



#### Growth of the organic sector

Bonduelle is expanding its range of organic products in response to growing consumer demand. In North America, for example, the BALL business unit is developing a brand new range of certified vegetables, including peas, beans, sweet corn, carrots, broccoli and cauliflower. The group is Quebec’s leading organic food supplier. In late 2016, two new products were added to the organic range in Germany: chickpeas and red kidney beans.

However, Bonduelle is still essentially focused on local products (*i.e.* products in their country of distribution) that are natural in the sense that they come from agro-ecology, which balances mass production with protection of ecosystems.



## Innovation in plant proteins

The plant protein movement is being driven by the nutritional challenges that the world will face in 2050, when there will be 9 billion people to feed. This will require food security to be reconciled with preventing climate change and protecting ecosystems. Bonduelle is keen to develop new products, processes and services around plant protein by fostering open innovation through accompanying and supporting start-ups. In partnership with Village by CA Nord de France, Bonduelle provided 23,000 euros in funding for the international call for applications on the theme of "innovating to increase human consumption of plant-based proteins". The 11 shortlisted candidates from France, Belgium, Italy, Switzerland and the UK presented their start-ups at the fifth Innovation in Food, Nutrition and Health event. The panel of judges, which included Bonduelle, picked four winners to join a business incubator to fast-track their project development. The winners were the 100% plant-based energy drink from On Breakfast, the 100% natural vegan snack from Funky Veggie, the plant protein food app from Mister Food Bot, and vegetarian sushi from Mosaic Sushi. The start-ups will receive support from Bonduelle to develop their offerings and will benefit from its expertise, particularly in product composition and stability. The group will also offer them the opportunity to test or even market their products through the group's distribution channels. In the same vein, a new call for projects was launched among students in the second half of 2017. In spring 2017, Bonduelle launched a new range of mixed vegetables with added plant protein entitled "Veg•e", under its Arctic Gardens brand.

## 2.5.6 Consumer information and satisfaction

Bonduelle is committed to providing transparent information on its products and their health benefits. The group also strives to promote responsible behavior by its consumers.

All Bonduelle products are labeled with the statutory information required under current European legislation (INCO). Bonduelle is also transparent, reliable and consistent in how it shares information with consumers. This objective and trustworthy information about the group's products, processes, regulations and commitments is taken from NutriGO, the dedicated platform shared by all marketing, sales, communication, quality and research and development teams throughout the Bonduelle Group.

In each country where Bonduelle operates, there is a department dedicated to consumer satisfaction. Each product bears the telephone numbers, an email address and a web address customers can use to contact the Customer Services Department at any time, either to ask questions or to make a complaint.

Bonduelle is a partner of AllergoBox, a free web portal dedicated to food allergies and intolerances. In conjunction with the world of medicine and agri-food industry brands, AllergoBox provides consumers with information so that they can find out which products and recipes are most suitable for them. The group publishes this specific data for Bonduelle and Cassegrain products sold in France on the website <https://www.allergobox.com/actualites/bonduelle-reference-plus-de-250-produits-allergobox>.

Furthermore, as a result of its expertise and with the support of the research and development teams, the Bonduelle food service activity has embarked upon an initiative to provide help and advice to specialist establishments in order to meet the special dietary needs of seniors with praxis disorders, particularly those suffering from Alzheimer's disease.

## 2.5.7 The Louis Bonduelle Foundation – GRI Standard 103-2

In October 2004, the group set up the Louis Bonduelle Foundation which works to bring about a lasting change in eating habits. It is now active in France, Italy, Belgium, the Netherlands, Canada, Spain and, as of this year, Russia. Its work focuses on its three operational areas, which are all interconnected: educating consumers, boosting scientific knowledge and encouraging its practical application.

The Louis Bonduelle Foundation is administered by a Board of Directors with eight voluntary members:

- three independent experts: Marie-Laure Frelut – pediatrician, Béatrice de Reynal – nutritionist and Abdelkrim Saïfi – Chairman of the Board of the French Heart and Arteries Foundation;
- five representatives of the group: Christophe Bonduelle – Chairman of the Louis Bonduelle Foundation and Chairman of the Bonduelle Group, Jean-Bernard Bonduelle – Member of the Bonduelle SAS Board of Directors, Christophe Château Group CSR, Communications and Corporate Marketing Director, Laurence Depezay – Head of Scientific Relations and Communications and Gianfranco D'Amico – Head of Bonduelle Italy.

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### Highlights 2016-2017

- "Food crops: changes and outlook": the tenth edition of the Louis Bonduelle Foundation's "Encounters" event took place in Montreal, Quebec. Presentations by four researchers from the fields of archeology, sociology and nutrition investigated the reasons behind our changing eating habits.
- In line with the Foundation's Encounters theme, a scientific paper was written and circulated, entitled: "issuing nutrition recommendations: food models and culture". By analyzing the relationship between nutrition and culture, light is shed on the relationship between the issuing and effectiveness of food recommendations.
- At the end of the event, the Louis Bonduelle Research Prize was awarded to Jacynthe Lafrenière, a young researcher from *Université Laval*, Quebec (Canada): the tool she is developing will help researchers and clinicians to classify individuals according to the quality of their nutrition and how closely they follow nutritional guidelines.
- In order to improve knowledge about eating habits, the Foundation has put together and is spearheading the EPICALIM research project, in partnership with Epicurium, the museum in Avignon devoted to fruit and vegetables: "evaluation and impact of on-the-ground initiatives to raise children's awareness of vegetables and their eating habits".
- For its Russia launch, the Louis Bonduelle Foundation worked to translate, publish and optimize a local version of the Foundation's website for its launch. Initiatives to promote a healthy balanced food intake began in 2017, and the Foundation aims to spread the healthy eating message, supported by cartoons, to 250,000 school children between April 2017 and May 2018.
- In partnership with the European Childhood Obesity Group, the Louis Bonduelle Foundation financed and took part in producing a free multilingual e-book for childhood obesity practitioners and researchers (available at <http://ebook.ecog-obesity.eu/>).
- The Louis Bonduelle Foundation has been a member of the Chaire Anca laboratory since 2016, which makes innovative educational digital tools to raise awareness about nutrition. In 2016, the laboratory released a video to raise awareness about sources of vegetable protein.

### Projects supported in 2016-2017 - GRI Standard 413-1

Every year, the Company's Louis Bonduelle Foundation launches a call for projects to support local initiatives whose aim is to improve eating habits. These international calls have already resulted in support for 191 projects.

20 new projects were selected following a call for projects in July 2016 to promote vegetables to children and teenagers:

- *HAAPSALU FRANCOPHILE ASSOCIATION* - "The importance of vegetables in children's daily lives" - Haapsalu and Tallinn, Estonia

This project raises awareness among children and their families of the different ways of eating vegetables and their role in the daily food intake.

- *LA MAISONNETTE DES PARENTS* - "An allotment for all" - Montreal, Canada

This project creates allotments on school and institutional land and raises awareness about eating vegetables, from the garden to the kitchen.

- *AIDE POUR LE DÉVELOPPEMENT DURABLE (SUSTAINABILITY ASSISTANCE)* - "Focus on Vegetables" - Vinaninkarena, Madagascar

By serving balanced school meals made using local vegetables and by providing information about nutrition and cooking, this project aims to increase the popularity of vegetables for pupils and their parents.

- *LA Busette Social Center* - "Funny vegetables: Making vegetables fun" - Lille, France

Because cooking is a way for families to spend quality time together, this project gives children the chance to find out how much fun they can have cooking with vegetables.

- *UNION RÉGIONALE DES CENTRES PERMANENTS D'INITIATIVES POUR L'ENVIRONNEMENT CENTRE-VAL DE LOIRE* - "Picnic time is a time to get involved!" - Val de Loire branch, France

These educational picnics focus on the way children perceive and eat vegetables, also making them aware of food waste and how to avoid it.

- *MAISON DE A NATURE ET DE L'ENVIRONNEMENT RÉSEAU D'ÉDUCATION À LA NATURE ET A L'ENVIRONNEMENT DU GARD* - "I grow my own vegetables and I love it!" - Alès, France

150 children take part in workshops on growing, tasting and reclaiming seasonal vegetables and produce a magazine about their activities.





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- **CENTRED'INITIATIVES LOCALES POUR LE DÉVELOPPEMENT DE L'EMPLOI ET DES ACTIVITÉS (CILDEA):** "What is it: a fruit, a root, a grain...?" - Loire, France

600 primary and high school children discover how important their food choices are, through cooking and gardening workshops and other activities. They learn more about how they perceive vegetables and the interaction between vegetables and the environment.

- **SYNDICAT MIXTE OUVERT (SYMO) CUISINE DES CÉSARS** - "Know your fruits and vegetables, like them to eat them" - Nevers, France

Pupils prepare and eat vegetables and receive guidance from a dietitian on how to achieve a balanced food intake.

- **ÉCO-CITOYENNETÉS:** "Reclaiming vegetables for the good of our health and our planet" - Haute Vallée de l'Aude, France

For the second consecutive year, these vegetable growing, cooking and eating activities have helped teenagers change their eating habits.

- **CRAQUE-BITUME:** "Sowing seeds with the little ones!" - Quebec (Canada)

160 children aged two to five learn about the diverse range of vegetables, through food and gardening.

- **ASSOCIATION ARPICULTURE:** "Our vegetable patch, the heart of the school" - Hautes-Pyrénées, France

600 children aged six to 11 in 10 schools benefit from a vegetable patch and activities led by 10 agro-ecology specialists.

- **FREGAN PONY** - "Good taste workshops" - Pantin, Aubervilliers, Paris, France

The project raises awareness among high school students of the infinite possibilities of vegetable recipes. The students taste and try out new recipes made using unsightly or damaged vegetables.

- **MAISON DE QUARTIER DE ROSENDAËL CENTRE** - "The little chefs" - Dunkerque, France

Children are taught to recognize and remember all kinds of vegetables, as well as how to prepare them, raw or cooked.

- **CITÉ NATURE** - "BiteShow, Fruit, vegetables and me" - Arras, France

In spring 2017, this temporary exhibition encouraged children aged three to 12 to follow the path taken by vegetables: from the vegetable garden to health, via conservation, gastronomy and sustainability.

- **EDULIA L'ASSO** - "Growing Vegetables" - Pyrénées Orientales, France

Vegetables contain nutrients, as well as history, geography, botany, perceptions and agriculture: the project uses this cultural knowledge to encourage the interest of primary and high school children.

- **ŒUVRES DE DON BOSCO** - "School gardens and improving the nutrition of disadvantaged and vulnerable young people" - Bakanja town, Democratic Republic of the Congo.

The project helps children with their vegetable gardening endeavors, introducing them to new vegetables, and giving them extra nutritional support.

- **ARO VELONA** - "Nutritional education, an integral part of learning at the Tsara Fianatra center" - Ambotofinandrahana, Madagascar

By growing vegetables and providing nutritional education, this project has helped over 200 children suffering from hunger and malnutrition.

- **CYBUS IN FABULA** - "Ente Sacra Famiglia" - Italy

This campaign is led by teenagers who encourage children to adopt healthy eating habits, by writing fairy tales and setting up a website.

- **AMITIÉS CITÉ** - "Cooking and gardening!" - Toulon, France

Vegetable-themed cooking workshops and gardening enable the association's 30 children to look after their plants.

- **ASSOCIATION SOLIDARITÉ POUR LA VIE** - "From the school garden to the school canteen at the rural state primary school of Kayalé in Togo" - Kayalé, Togo

This project aims to improve the knowledge of 200 rural children aged six to 13 regarding the diversity, benefits, production and preparation of vegetables and to improve the meals served in the school canteen.



## 2.6 Ensuring the “well-living” of employees and local communities

### 2.6.1 Challenges, objectives and assessment – GRI standard 103

One of the Bonduelle Group’s five CSR objectives for 2025 (see 2.1.2 A pioneering approach) is to ensure that employees and communities live well. This ambition takes the form of a simple, long-term macro-objective that can be communicated and monitored each quarter by the group’s Executive Committee: “strive for zero workplace accidents, promote employee

commitment and increase the involvement of its production facilities in local communities by encouraging each site to become involved in at least one societal initiative.” “Well-living” is defined as follows: “A state of mind characterized by balancing employees’ skills, needs and aspirations with the requirements and possibilities of the work environment”. It is therefore about ensuring that employees are able to flourish, and contributing to the “well-living” of the communities around its sites. These ambitions reflect the core values held by the Company since it was established: people-minded, integrity, confidence, excellence, fairness, openness and simplicity.

Human resources challenges	Objectives 2017	Five-year review (base 2011-2012)
<ul style="list-style-type: none"> <li>Adhere to international labor commitments and ensure the health and safety of employees (SDG 8)</li> <li>Develop potential</li> <li>Promote diversity</li> <li>Respect ethics</li> </ul>	<p><b>Ensure safety at work</b></p> <ul style="list-style-type: none"> <li>Aim for a workplace accident frequency rate of 0 by 2025</li> <li>Promote personnel training and development</li> <li>Target individual career evaluation and development interviews for all personnel (100%)</li> <li>Give priority to internal promotion and encourage a policy of local recruitment</li> <li>Pursue initiatives aimed at ensuring equality, diversity and the inclusion of people with disabilities</li> <li>Distribute the ethics charter to all employees</li> <li>Disseminate the Corporate Social Responsibility principles among management and embed them in the group’s corporate culture</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in the work-related accident frequency rate from 18.76 in 2011-2012 to 6.19 in 2016-2017</li> <li>Disseminate the group’s management model, ManageGo! to all Managers, and ensure that they take ownership of it</li> <li>On average, 80% of employees have had a career evaluation and development interview each year</li> <li>Increased motivation of personnel to all become involved in the initiative, thanks to the launch of the “#Demain chez Bonduelle!” (Bonduelle future) program</li> </ul>
Societal challenges	Objectives 2017	5-year review (base 2011-2012)
<ul style="list-style-type: none"> <li>Promote shared and sustainable economic growth (SDG 8) and develop local economic relations and employment</li> <li>Make products accessible</li> </ul>	<p><b>Implement one societal project at every site and in countries where Bonduelle is established</b></p> <ul style="list-style-type: none"> <li>Engage with stakeholders in all countries where Bonduelle is established</li> <li>Undertake a group societal development project</li> </ul>	<ul style="list-style-type: none"> <li>Bonduelle sites are involved in projects with their local communities; 47% of sites began or renewed at least one initiative in 2016-2017</li> <li>Development of the Aponh project in Cameroon</li> </ul>

The results of all indicators, in figures, are provided in Section 2.7.7.



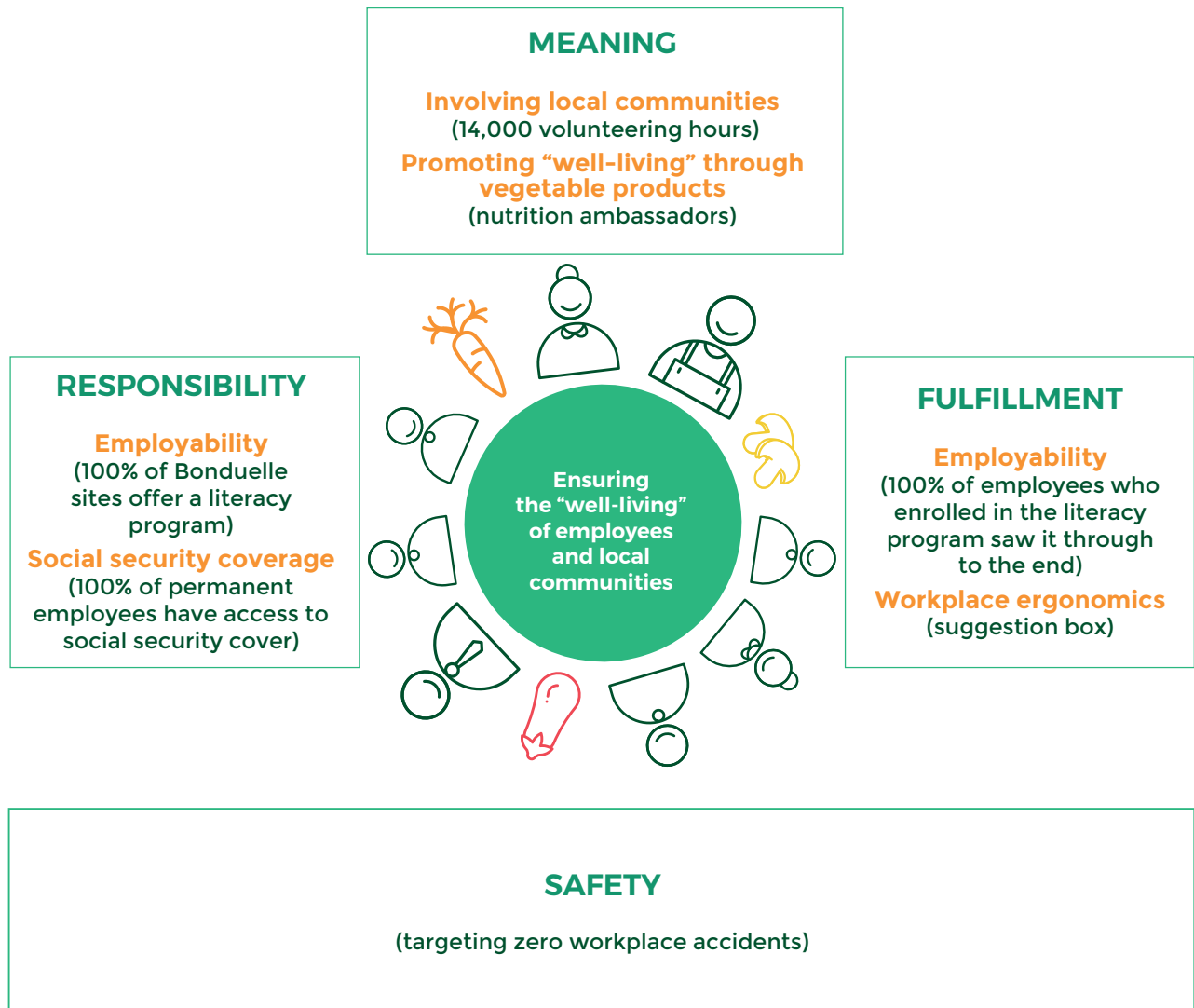


Ensuring the “well-living” of employees and local communities

2016-2017: formulating the new road map

2016-2017 was focused on defining the sub-objectives and targets and action plans which will enable us to attain the macro-objective: “strive for zero workplace accidents, promote employee commitment and increase the involvement of its production facilities in local communities

by encouraging each site to become involved in at least one societal initiative”. Work toward living well by combining corporate responsibility, employees’ motivation to reach their full potential and the collective pursuit of meaning in the initiatives we enter into. These sub-objectives are set out in the diagram below.



### 2.6.2 Human resources policies and actions implemented – GRI Standard 103-2

Employee development covers safety, working conditions, social dialog and skills development. These four concerns are central to the Bonduelle Group’s human resources policy, which is based on the Company’s values. The policy revolves around three strategic priorities:

- **the creation of economic value**, through hiring high-potential employees, knowledge and skills transfer and the management of value-creation with quantified targets;
- **the international growth model**, integrating skills development, increasing the internationalization of management and anticipating needs;
- **the development of human capital**, including talent development, cohesion and a shared corporate culture, and embracing Bonduelle’s corporate goals. Through innovation in all its forms (managerial, product etc.).

### Organization

To implement its human resources policy successfully, Bonduelle has a group Human Resources Director. The HR Director participates in and contributes to all of the group’s strategic decisions. They have a team of three people, with responsibility for:

- defining group-wide policies and processes for personnel development;
- developing and steering programs to enhance key competencies and management;
- designing and implementing international communication initiatives, in response to the challenges facing the group and which are designed to promote sharing and networking;
- managing the group’s compensation and benefits policy.

Monthly coordination meetings between the Human Resources Directors of the business units and the group so that priorities, current projects and the rollout of the various programs can be discussed. The policy is then approved by the Executive Committee and applied in each business unit, where the human resources contact leads a network of dedicated human resources correspondents.

The human resources teams from the five business units and the group meet at an annual international seminar. Bonduelle’s global human resources strategy is presented at each seminar and the action priorities are identified for and within the scope of each business unit. The human resources function is organized by positioning itself as a true Business Partner.



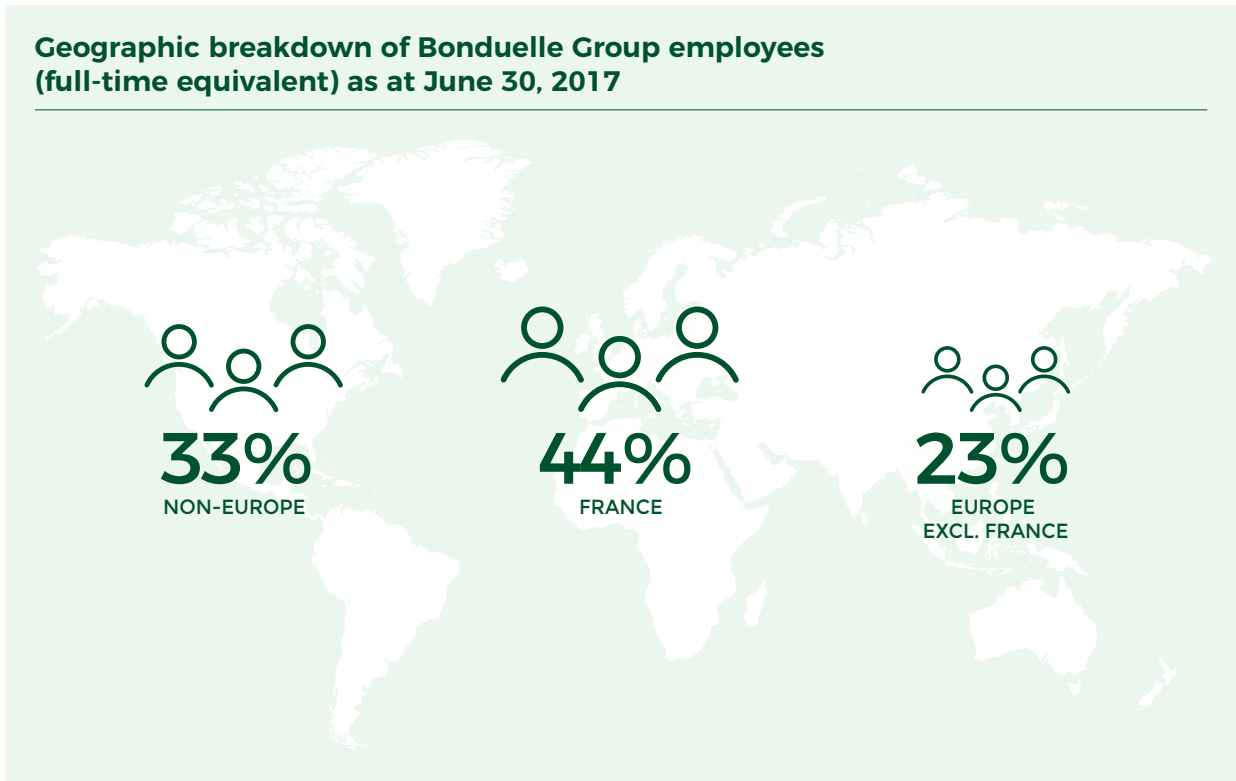
Ensuring the "well-living" of employees and local communities

## Personnel profile and employment policies

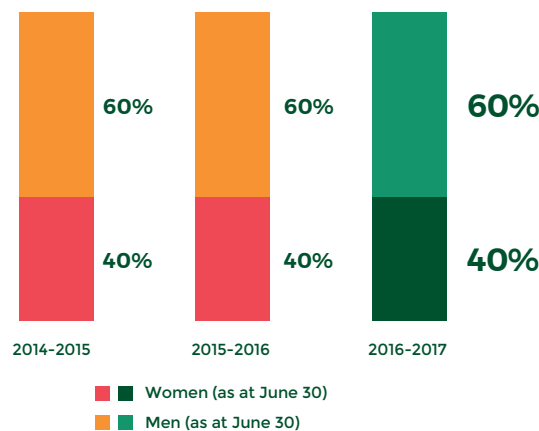
### Personnel profile of the Bonduelle Group\*

The Bonduelle Group has 7,330 permanent employees (in the group at June 30, 2017). This amounts to 10,220 full time equivalent employees (permanent contracts, non-permanent contracts, seasonal contracts and other types of contract).

### Geographic breakdown of Bonduelle Group employees (full-time equivalent) as at June 30, 2017



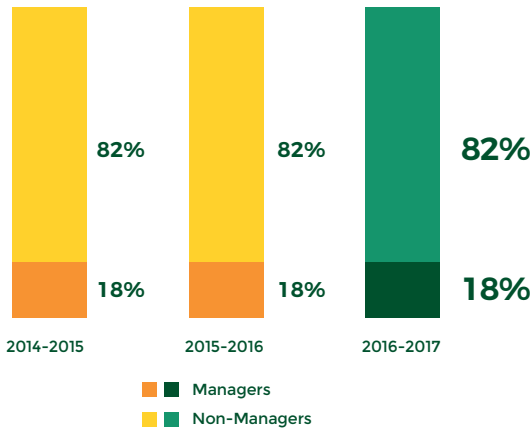
### Women as a proportion of permanent employees - as at June 30, 2017



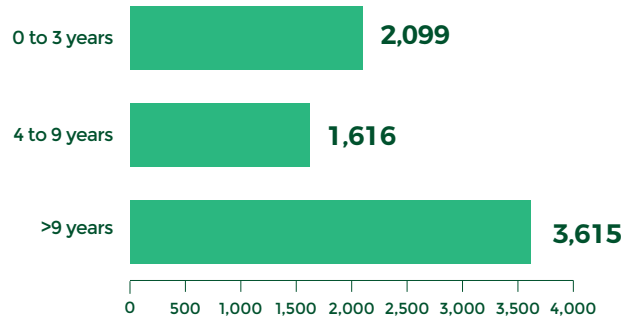
\* The reporting scope, specified in Section 2.7.3, excludes employees of the Bonduelle Fresh Americas (BFA) business unit.

Ensuring the “well-living” of employees and local communities

**Breakdown of permanent employees by status at June 30, 2017**

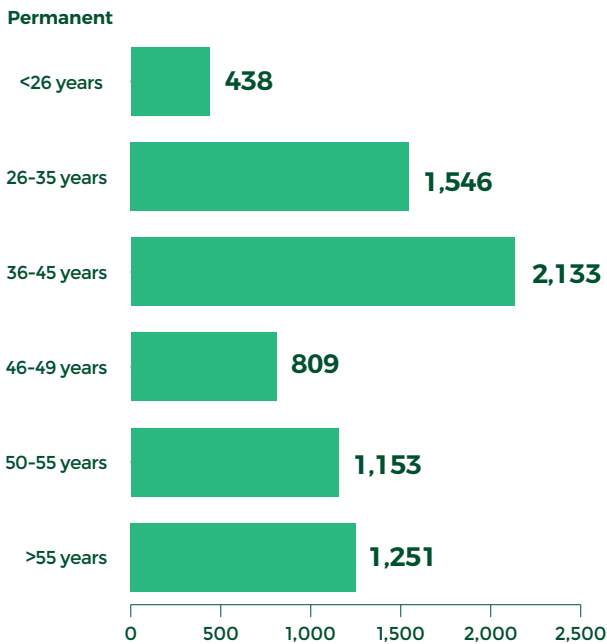


**Pyramid by years of service for permanent employees as at June 30, 2017**



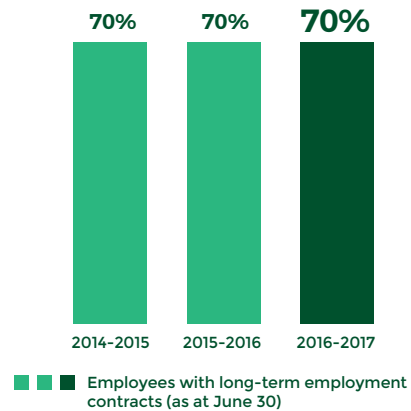
Average years of service among permanent employees is 12.27.

**Age pyramid for permanent employees as at June 30, 2017**



**Employment policy, local employment, seasonal employment**

**Change in the number of permanent employees as a proportion of the group’s total workforce (FTE)\* at June 30, 2017**



The stability of the number of permanent employees reflects the group’s consistent approach to organizing its operations.

\* The group’s total workforce includes permanent, non-permanent and seasonal employees and personnel on other types of contract, in full time equivalents.



Ensuring the "well-living" of employees and local communities

The very nature of its business and the rhythm dictated by the harvests mean that the Bonduelle Group employs a large number of seasonal workers. Seasonal employment accounts for 17% of all Bonduelle Group's contracts (full-time equivalents). The Bonduelle Group is committed to all of its workers, and as such is developing responsible initiatives to provide them all with a quality working environment (see 2.6.3 Safety and working conditions).

The Bonduelle Group utilizes a range of strategies to secure the loyalty of its seasonal employees. In the United States, the group provides specific English language training sessions (via video) to seasonal workers whose first language is not English. In Italy, special programs are also in place for temporary workers without a good grasp of the local language. Loyalty is also earned by compensation policies (competitive overtime pay, bonuses paid at the start and end of the season in Hungary, etc.) and employment contracts which make working for Bonduelle compatible with other seasonal jobs. As an example, these measures resulted in an 80% loyalty rate in France across the whole country.

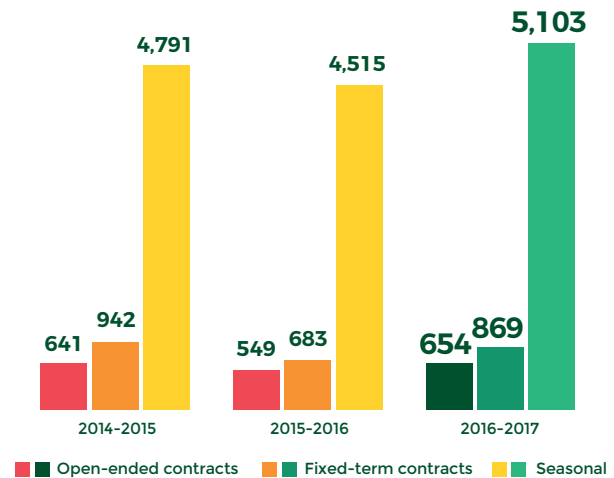
At some sites, Bonduelle works with employer groupings to pool skills and provide regular seasonal work.

The group also strives to transform its recruitment needs into opportunities for local jobseekers. The Bonduelle site at Estrées-Mons (France), for example, recruits 150 to 200 people every year at harvest time. It is a partner, with the Hauts-de-France regional authority and job center, of the "Pass Emploi" scheme, which helps motivated candidates prepare for a position by gaining a training certificate. The job center pre-selects the candidates, then training is provided by an approved body. The certificate demonstrates basic knowledge and skills, which are valuable in all sectors.

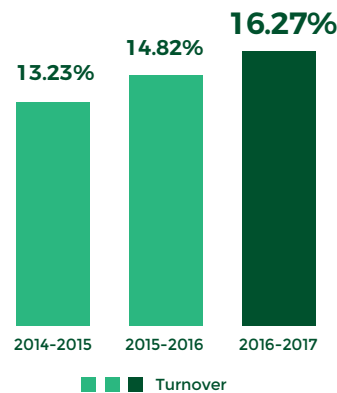
Depending on the employment areas in which its sites are located, Bonduelle focuses on local recruitment or opportunities for people from areas with few economic prospects.

Hiring procedures everywhere focus on recruiting local employees and Managers for the group's activities, following the example of Hungary, where the majority of employees and management staff are Hungarian nationals.

### Changes in the number of new hires, and breakdown by number of contracts at June 30, 2017



### Total Bonduelle turnover\*



### Organization of work

At all of its locations, the Bonduelle Group complies with local regulations on working hours.

Work time is organized according to operational requirements. For example, in the BELL business units the work is organized as follows: several types of organization and pace are used depending on whether it is harvest time or not and depending on the department. At BELL France, a 2x8, 3x8 or 4x8 organization may be used during the vegetable harvest.

\* Scope: departures at the request of the employee, due to death, retirement or agreed departure.





Ensuring the “well-living” of employees and local communities

### 2.6.3 Safety and working conditions – GRI Standard 103-2

Each and every person working for or with Bonduelle has the right to a healthy and safe working environment, ensuring their physical and mental well-being, notably through actions to prevent occupational diseases. Bonduelle is committed to maintaining excellent working conditions by developing prevention policies to ensure the highest standards of health and the best working conditions. This is one of the VegeGo! initiatives targeting zero accidents with lost time by 2025.

The Bonduelle Group’s safety policy was laid down in 2012 and revised in 2015. It highlights three fundamental principles that guide the group’s approach:

- all accidents are preventable, the achievement of “zero accidents” is therefore a choice;
- accountability, notably through training, is the basis of a safety approach;
- Bonduelle guarantees safe working conditions. Productivity must not come at the expense of safety.

In particular, Bonduelle has adopted the STOP method – Safety Training Observation Program – to achieve its objective of zero accident. This method, developed by DuPont de Nemours, is based on preventive observation of behaviors. It enables employees to integrate the safest behaviors into their work culture, to optimize safety performance and to reduce and/or eliminate workplace injuries and illnesses. Participants are trained in methods that give them the knowledge and tools to work safely. Employees trained in this approach can

then pass their knowledge on to their colleagues and staff, so that everyone can play a role in everyday safety.

No plant employees, even seasonal workers, can take up their position until they have been trained in safety on the site and on their specific job. They are issued with all general and job-specific safety instructions, and can also take additional training modules – in ergonomics for instance.

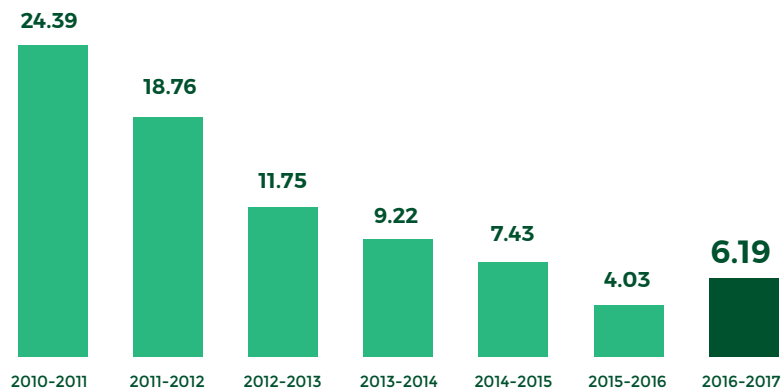
Safety is also a mandatory point on the agenda for Executive Committee meetings, weekly plant Management Committee meetings, monthly meetings between the Industrial Directors of each business unit and Plant Directors, and quarterly meetings between the General Management of business units and Country Managers.

To mobilize employees on this issue, all business units have factored safety into the variable compensation granted to operational staff, in accordance with a recommendation issued by the group. This recommendation changes in line with the increasingly demanding nature of expectations: the calculation of bonuses factors in safety (frequency rate by site) in the proportion of between 10% (minimum) to 20% (recommended), and will also gradually factor in proactive indicators such as the number of STOP observations per thousand hours worked.

The existence of a safety network, with 221 representatives from all sites in 2017, allows the exchange of best practices, priority measures and investments.

Together, these measures enabled the group to make significant progress between 2010 and 2016, with the frequency rate of workplace accidents with lost time easing from 24.39 to 4.03. These results reflect the close care and attention by Bonduelle to safety issues at all sites around the world.

### Changes in the frequency rate of workplace accidents for all employees at June 30





Ensuring the “well-living” of employees and local communities

After a significant and uninterrupted decline over the last six years, the frequency rate of workplace accidents with lost time increased in 2017, with a reading of 6.19 at the end of June.

A diagnosis helped establish areas for improvement aimed at resuming the downtrend and renewing the motivation of all teams on the goal of zero accidents:

- maintain the involvement of management (safety on the agenda of the Executive Committee, the Management Committees and regular meetings of Industrial Directors and Plant Managers on this issue) and strengthen its

role as an example in the promotion of results (public communication, organization of competitions, etc.);

- define and implement proactive indicators allowing closer follow-up of accidents;
- develop new tools to accompany the process such as: a group safety assessment and evaluation chart, the specific deployment of the DuPont STOP method for certain sensitive areas, the training of commercial drivers and the testing of new DuPont techniques;
- increase the number of cross-cutting audits and assessments.



### Good results obtained by sites

Despite the slight increase observed in the consolidated frequency rate, very good results have been achieved in the various business units. In total, 24 headquarters and 21 production facilities reported no workplace accidents with lost time in 2016-2017. Three of the four BALL sites in the USA reported no accidents with lost time, including the Oakfield plant, which has now recorded six consecutive years without an accident with lost time.

Three BEAM sites reporting zero accidents in the past two years have been awarded grants that will be pooled to fund projects aimed at continuing progress in safety and well-being at work. The teams of these three sites are also joining forces to produce a video to share their best practices.

In France, the Estrées-Mons *surgelé* (frozen) plant of the BELL business unit has now completed two consecutive years without lost time accidents, thanks to a systematic approach based on the STOP methodology. The Genas (BFE) plant has been particularly active in the deployment of the STOP method, conducting a monthly meeting with DuPont de Nemours observers to take stock of field observations, to review incidents recorded on other sites and look at the risk of occurrence at Genas. These efforts allowed the Genas plant to register a 13.25-percentage-point reduction in its workplace accident rate in 2016-2017.

In Germany, STOP good practices have been circulated on the Straelen and Reutlingen sites:

**Bonduelle**  
HUMAN RESOURCES | FRESH & BELL - Germany - Reutlingen, Straelen

**STOP - SAFETY AT WORK**

To ensure the safety at work in our plants and administration center, we established the **people's awareness to identify potential risks at the daily workplace**. The STOP program of DuPont (Safty Training Observations Program).

<p>On May 2016, 0 accidents in Reutlingen plant since 611 days</p>	<p>On May 2016, 0 accidents in Straelen plant: 368 days</p>	<p>On May 2016, 0 accidents in Reutlingen headquarter: 1 060 days</p>	<p>0 work-related accident "every accident is avoidable"</p>
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### 2.6.4 Wage and benefits policy – GRI Standard 203-2

#### Wage policy

In all countries where Bonduelle has a presence, the group's wage policy goes above and beyond the current minimum wage. The group offers wages in line with those in its sector. The rules applicable in each country reflect local realities, in compliance with the principle of fairness.

#### Individual pay and benefits passport

In 2016, the group continued the distribution of the individual pay and benefits passport, begun on 16 sites in France. In France, a total of 2,971 permanent employees have received this document. The scope of distribution was expanded to include a Spanish site in 2016, and two other countries are considering the initiative. The individual pay and benefits passport gives permanent employees a clear and tangible view of their overall compensation. Its distribution offers an important opportunity to discuss compensation and benefits with Managers. It promotes understanding of the items comprising individual and collective performance at Bonduelle.

#### Benefits

The Bonduelle Group has set the goal of giving all permanent employees access to a social welfare system by 2025. An audit in pilot format was undertaken in early 2017 in four countries (in and outside Europe) in order to deepen knowledge of market practices and develop recommendations for the Bonduelle Group. A minimum core and the principles guiding the deployment of the group's social welfare program should be formalized by the end of 2017.

### 2.6.5 Social dialog – GRI Standard 103-2, 203-2, 407-1

In accordance with its ethics charter, which has been rolled out in every country where the group operates (the charter, presented in 2.8.2, and the composition of the Ethics Committee presented in 2.8.1); Bonduelle encourages openness and dialog in internal relations. The group respects the right of its employees to form or join the representative

organization of their choice, including trade unions and workers' organizations, and to be able to participate in collective bargaining negotiations. Bonduelle respects the role and responsibilities of the social partners and is committed to negotiating issues of collective interest with them.

At June 30, 2017, 87% of the group's employees were covered by collective agreements. – *GRI Standard 102-41*

The European Works Council (EWC) meets at least once a year for a presentation on the group's strategic direction and a report on the fiscal year just ended in Europe.

The French group Works Council is the representative body for Bonduelle's activities in France (canned, frozen and fresh products and prepared foods). This Committee provides French employee representative bodies with additional information, above and beyond its legal obligations, on Bonduelle's activities in Europe and outside of Europe.

In March 2017, the agreement establishing the EWC was renewed unanimously. This agreement provides for a commitment to place CSR-related challenges on the agenda of every annual Ordinary Shareholders' Meeting. This commitment also applies to the French group Works Council, to which the group's CSR policy and its developments will be presented each year.

In 2016-2017, at the request of EWC members, human resource planning practices were reviewed for each country.

Lastly, safety performances and the progress of VegeGo! initiatives were presented to both bodies, as with the APONH program (see Section 2.6.9). *GRI Standard 403-4*

In 2016-2017, Bonduelle signed 51 collective agreements with employee representative bodies in the countries where the group operates. Four major agreements illustrate the social dialog that took place in 2016-2017:

- agreement relating to the European Works Council reviewed in March 2017 enabling improvements to the way in which the body operates and shares information, as well as ensuring the body's continuity;
- profit-sharing agreement France: in December 2016, the group renewed the Bonduelle Frais Traiteur SAS profit-sharing agreements that were due to expire, with the aim of giving employees a stake in the group's economic performance;
- profit-sharing agreement France: entered into in December 2016, it applies to Bonduelle Frais France SAS employees. So as to take the VegeGo! initiative further, the group wanted to take financial and safety indicators into consideration when calculating this profit-sharing;
- the Ingersoll plant (Canada) renewed its agreement on wages and working conditions for seasonal workers.



Ensuring the “well-living” of employees and local communities

Bonduelle signed an agreement with all the labor unions at the Russy-Bémont site in France so as to manage, in a respectful manner, social measures to support the discontinuation of operations at this site, with production actually ceasing at the end of June 2016. The agreement, which was signed unanimously, gives priority to internal redeployment within the Nord-Picardie region and the implementation of age-related measures giving employees greater insight into retirement possibilities and keeping forced redundancies to a minimum in a challenging European market, marked by a significant drop in production volumes.



### Climate survey

In order to support the ongoing momentum of the VegeGo! program, in 2014-2015, the group introduced a “Climate” survey for all employees. Its aim is to establish their motivations and level of commitment and to implement the measures needed to meet their expectations. The second of these surveys was carried out between September 27 and October 23, 2016. 89% of the 8,752 employees invited to respond did so, using the online (63%) or paper form (37%). Offered in 13 different languages, the form enabled employees in more than 20 different countries to respond to the questionnaire. The data was analyzed by an external organization, guaranteeing the confidentiality of the responses. The results for each entity were compared internally with those belonging to the same controlling area, and with the results of the previous survey. The group’s results were also compared with those of other companies. Managers from each entity were informed of their own results and were assisted in sharing these results within their teams, as well as in devising and implementing improvement plans.

its mode of governance and its values. This model, called ManageGo!, is central to the group’s success. It is also one of the keys to building its future and long-term survival.

ManageGo! rallies and encourages Managers to find the right balance between setting high standards and compassion, in line with our values and ambitions.

It establishes Bonduelle’s three core management policies:

- **nurturing performance:** Managers are ambitious and exacting, they are performance-driven and create sustainable value;
- **developing people:** Managers are committed to supporting, developing and helping all their staff to progress, starting with their own personal development;
- **being nimble:** Managers are open-minded, have good listening skills and can plan ahead.

This management model must further the group’s ambition: “to be the world reference in ‘well-living’ through vegetable products”.

Designed jointly by Bonduelle Managers, ManageGo! serves as a common benchmark for all group Managers. Since 2014, employees and Managers have been able to learn to use the Company’s managerial model by means of an innovative training program consisting of training sessions led by two facilitators, one Human Resources Manager and one Manager. The aim of this innovative training is to bring out knowledge during co-creation workshops attended by some 20 employees so that they can learn about the Company’s managerial model.

ManageGo! also seeks to offer people support and opportunities to develop their talents. These two elements are central to the group’s HR policy. For the group to continue its international expansion and seize opportunities for growth, it must be able to rely on the best skills in each country in which it operates. This international outlook drives the group’s whole human resources policy.

The group’s training policy gives priority to providing support and development for safety (see Section 2.6.3 Safety and working conditions) in all our activities, skills management, discovery of and developing new talents.

## 2.6.6 Development and training for women and men – GRI Standard 103-2

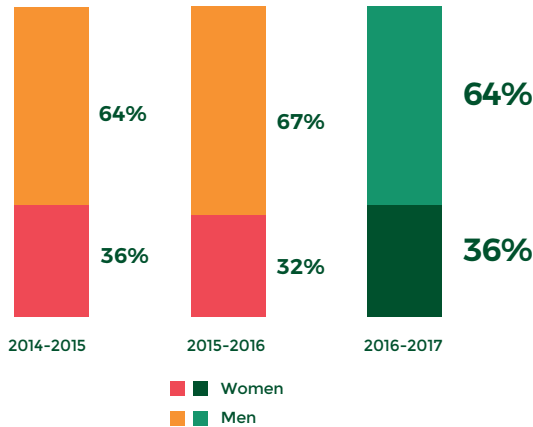
Throughout its history, Bonduelle has developed its own specific management model, influenced by its business,

	2014-2015	2015-2016	2016-2017
Training as a percentage of payroll	1.44%	1.44%	1.40%
Number of training hours	172,776	177,979	174,102
Average training duration per individual ( <i>in hours</i> )	28	29	31

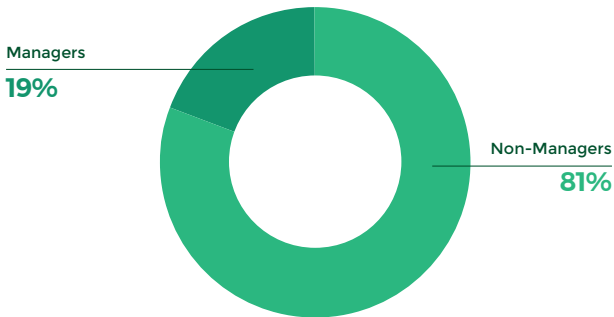


Ensuring the “well-living” of employees and local communities

**Change in, and breakdown of, training hours by gender at June 30, 2017 - GRI Standard 404-3**



**Breakdown of training hours by status at June 30, 2017 - GRI Standard 404-3:**



**Finance for Growth: training for growth**

The VegeGo! initiative number 21 resulted in an ambitious “Finance For Growth” project, enabling individuals to incorporate the notion of creating financial value in their operational choices, in order to collectively contribute to sustainable, non-capital intensive growth, with the aim of achieving the ambition of the VegeGo! project.

A Bonduelle-specific program was designed to promote diversified learning. Participants learn about financial mechanisms via an e-learning session and an industry-specific case study. In the spirit of ManageGo! this training prioritizes a collaborative approach to constructing solutions by encouraging the emergence of new ideas. Since the launch of this Finance For Growth training course in 2015, a total of 508 Managers had been trained at the end of June 2017. Five new training sessions are planned for September 2017 as well as the rollout of training to local Plant Managers in the fourth quarter of 2017.

**Talent pool**

In 2015, the Bonduelle Fresh Europe business unit launched the *Jeunes Pousses* program. In partnership with engineering schools:

- *Hautes études d'ingénieur* (School of Advanced Engineering or HEI);
- *Institut supérieur d'agriculture* (Higher Institute for Agriculture or ISA);
- *Institut supérieur d'électronique et du numérique* (Higher Institute for Electronics and Digital Technologies or ISEN).

This program is aimed at enabling Bonduelle Fresh Europe to avail itself of a talent pool that is vital for its growth and economic balance. *Jeunes Pousses* is also an opportunity for students to learn about the group's various businesses through internships in France, Germany and Italy, leveraging their experiences in the challenging roles assigned to them.



## 2.6.7 Diversity – GRI standards 103-2

The Bonduelle Group firmly believes that diversity in the workplace is a form of wealth to be explored and shared.

It is committed to eliminating all forms of discrimination in the workplace and in employee relations, both direct and indirect. This principle of non-discrimination applies not only to hiring, but also throughout all stages of employment. It is underpinned by programs to promote diversity.

Employing people with disabilities is another pillar of the group’s diversity policy. In France, numerous disability initiatives already exist:

- creation of the disability mission with a disability coordinator in the HR Department in France, as well as a pilot unit in each facility and a group-wide Joint Monitoring Committee;
- organization of information and awareness-building campaigns for all employees in France with a disability rating of 10% or more;
- regular communication on initiatives *via* internal “Bonduelle Channel” display screens, European Disability Employment Week (EDEW) and soon *via* the Intranet;
- opening of all accessible positions to people with disabilities;
- integration (mentoring) and support for disabled employees;
- “recognition of disabled worker status” kit to train or raise awareness amongst those directly involved in the Company’s disability policy on the specific needs relating to employing people with disabilities. It was compiled in 2016 and will be available in August 2017. A special disability communication on the Company Intranet is planned for September. Lastly, the management training module *Manager au quotidien* (day-to-day management) also includes a section on disability.

In addition, the Handipol 4 agreement, approved in October 2015 by the regional office of fair trading, consumption and employment, is taking shape. By end-June 2017, it had resulted in 21 adapted workstations, including one in Rosporden (France) consisting of the renovation of the celery trimming waste storage area, a measure that will benefit all employees, some of whom are subject to medical restrictions. This agreement has also enabled the development of partnerships with structures specialized in hiring, and the development of purchases from the protected sector, resulting in a 20% increase in the use of protected and adapted companies.



## European employment week for disabled people

As every year during disability week, initiatives for the employment of people with disabilities were conducted at the headquarters in Villeneuve d’Ascq (France): a stand on workplace ergonomics, a play to promote awareness of disability and a “touch to see” demonstration to increase understanding about people with impaired vision.

2

## 2.6.8 Human rights – GRI Standards 412-3, 103-2, 407-1, 408-1, 409-1

Bonduelle complies with international labor laws. It is committed to respecting the European charter of fundamental rights in its organization. The group has also undertaken to comply with and promote the fundamental conventions of the International Labour Organization (ILO) and Convention No. 135 concerning workers’ representatives. Most of the countries in which Bonduelle operates as an employer are signatories to these conventions, meaning that 73.6% of employees are covered. Bonduelle’s internal commitments ensure compliance with these conventions, over and above countries’ commitments. The countries that are not signatories are:

- fundamental convention No. 29 on forced labor: United States;
- fundamental convention No. 87 on freedom of association and protection of the right to organize: Brazil, United States;
- fundamental convention No. 98 on the right to organize and collective bargaining: United States;
- fundamental convention No. 100 on equal remuneration: United States;
- fundamental convention No. 111 on discrimination in employment and occupation: United States;
- convention No 135 on workers’ representatives: Belgium, Canada, United States;
- fundamental convention No. 138 on minimum age: United States.

All countries in which Bonduelle employs people have ratified the following conventions:

- fundamental convention No. 105 on the abolition of forced labor;
- fundamental convention No. 182 on the worst forms of child labor.



Ensuring the “well-living” of employees and local communities

The Bonduelle Group has been a member of the United Nations Global Compact since 2003. Launched in 2000, the Global Compact aims to encourage companies to adopt fundamental values according to ten universal principles derived from the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on the Environment and Development, and the United Nations Convention Against Corruption.

### 2.6.9 Participation in the life of local communities and mobilization of employees – GRI standards 103-2, 203-2

Bonduelle prioritized participation in local communities where its plants operate. The VegeGo! project aims to galvanize employees and help make local communities a better place to live, in line with the group’s values. Depending on its specific characteristics, each production facility plans to develop at least one project in partnership with local stakeholders. In 2016-2017, 33 Bonduelle sites started, or resumed, projects. These included:

- **The Eindhoven headquarters (Netherlands):** on April 13, 2017, in partnership with the Nationaal Ouderenfonds & Zonnebloem, it invited 35 isolated older women to share a friendly lunch held in the building’s canteen. Many of the site’s employees took an active part in decorating the area to make it a cozy place on the theme of Easter, sending invitations, then sharing the lunch with their guests for the day;
- **The Montreal headquarters (Canada):** in collaboration with GRAME (Research Group in Applied Macro-ecology), it participated in the planting of 195 trees on the grounds of the LaSalle Elementary Junior and Laurendeau-Dunton

elementary schools in Montreal. Conducted in tandem with pupils, this activity helped to enhance the living environment of children and residents by creating a small urban wood and introducing some biodiversity around the school. The planting will help to combat air pollution and urban heat islands, which are harmful to air quality and human health;

- **The plant in Saint-Denis-sur-Richelieu (Canada):** is very committed to the health and well-being of its community. In June 2016, more than ten employees helped restore the municipal playground, thereby giving residents an enjoyable place to exercise and maintain social ties;
- **The plant in Genas (France):** for the second consecutive year, it partnered “Rugby Music Live” in Lyon, an event organized in support of the MBM Association (which runs charity events for sick children), which allowed 200 sick children to spend a great day and evening at a fabulous concert at the Palais des Sports in Lyon. The plant’s employees took part in the partners’ rugby tournament, as players or as visitors;
- **The plant in Saint-Césaire (Canada):** employees took part in the creation of a vegetable garden for the city’s volunteer center. The center will harvest the vegetables to prepare meals for the disadvantaged;
- **The Reutlingen plant (Germany):** conducted an initiative for sick children staying in Ronald McDonald houses, with which it maintains close and long-standing ties. Four plant employees and their spouses went to cook in these houses, which offer families the chance to reunite in a warm setting. It was an opportunity for the parents of 30 children to spend a relaxed and convivial evening while being close to their sick child;
- **The Moscow, Timashevsk and Novotitarovskaya sites (Russia)** joined forces to organize a craft show and charity sale to raise funds for sick children in urgent need of a rehabilitation program. 400 people (Bonduelle employees and local community members) took part in the exhibition and sale held across four days, online and in a bricks and mortar outlet.

GRI Standard 413-1	2013-2014	2014-2015	2015-2016	2016-2017
Number of headquarters or agro-industrial sites to have initiated or renewed a joint project with their local communities during the year	9	12	27	33 or 47% of sites





## The “All actors” approach

The “All actors” approach is based on co-construction with employees and is supplemented as trials take place. Its aim is to enable all employees to be involved in Bonduelle’s transformation into a more responsible company (see 2.1.2). This transformation is illustrated in 2016-2017 with the launch of the “#Demain chez Bonduelle!” (#Bonduelle future) program. Open to all employees without restriction, it is a support and training program for people with an idea or a project in the field of sustainable development. With six video modules that combine theory and practical examples, participants are given step-by-step help to take initiatives in-house, and in that way to help transform Bonduelle. The first 21 participants in this innovative program advocated a wide range of projects: plant flowers on fallow land on a site located in a nature reserve in order to contribute to the preservation of biodiversity while beautifying the environment; promote alternative modes of transportation (cycling, carpooling, training in eco-driving, etc.) for employee commutes; run an anti-waste program in the canteen; and drastically reduce paper consumption.

Russia has deployed several communication programs to enhance and promote CSR initiatives and solidarity: formatting and renovation of computers for schools, funding charity initiatives, fundraising for the elderly, blood donations, etc. In late 2016, employees were given a voice on the sort of solidarity activities they wanted to implement.

## APONH, a flagship project reflecting Bonduelle’s commitment to communities

In Cameroon, where the agricultural and agri-food sectors are loosely structured, the Bonduelle Group’s vision, VegeGo! business plan and CSR approach helped give birth to a development aid project in 2012. Dubbed APONH, meaning “It’s good” in bamileke, the dialect of the ethnic group at the heart of the project, it was co-constructed with group employees and their relatives, in connection with their business and their expertise, and with the support of the Bonduelle family.

Specifically, APONH today provides support to roughly 30 farmers, helping them structure the chain of more than 50 varieties of vegetables: training in seedling care treatments, establishment of an experimental crop plot and shelter, equipment donations, etc. Designed with the IECD, the European Institute of Cooperation and Development, a project partner, individual plot tracking notebooks are used to optimize crop management. Reliable opportunities have been identified for local productions of this nature: delicatessens, restaurants, individuals and entrepreneurs such as Julie & Victor, two entrepreneurs who themselves received support as part of the project.

APONH is also involved with a school of 250 students, notably by providing food aid and by arranging classes.

The commitment is growing in respect of this project, which now has 747 members, including 60 Bonduelle employees.

## 2.7 Note on the CSR reporting methodology

### 2.7.1 Context and objectives – *GRI Standards 102-50, 102-48, 102-54*

The analysis of Bonduelle's CSR performance is reported annually in this registration document.

Bonduelle increased its commitment to progress in sustainable development and CSR in 2002-2003, using a traditional phase-based project management methodology:

- phase 1: set and validate objectives and communicate these throughout the organization;
- phase 2: implement progress plans to achieve these objectives;
- phase 3: measure and monitor the results.

Relevant Managers have drawn up lists of indicators for Bonduelle's CSR priority areas, in association with their exchange networks and approved by the operational teams. The indicators were chosen based on a combination of Bonduelle's CSR commitments and Global Reporting Initiative (GRI) Standards Core option guidelines, as well as the expectations of stakeholders and the regulations set by the Grenelle environment act (France), culminating in the drafting of Bonduelle's own reporting guidelines.

This report was prepared in accordance with Article 225 of the French Grenelle II Act of July 12, 2010 and the Core compliance option of the GRI Standards (see Section 8.4.4 - Cross-reference table between the Corporate Social Responsibility report, the GRI Standards Content Index and Article 225 of the Grenelle II Act). The indicators were reviewed in 2016-2017 according to the requirements of the GRI Standards Core compliance option and the priorities defined by the materiality initiative, which is being circulated throughout the group.

Reporting has taken place every year since 2002-2003. This year the fiscal reporting period is from July 1, 2016 to June 30, 2017. The indicators published in the registration document include the results of the past year and those from the 2015-2016 reporting to allow changes in indicators to be monitored. The reporting period may be adjusted or delayed by a few days depending on data availability.

The primary aim of reporting is to enable the group to enhance its sustainability management. The findings are analyzed by the CSR Steering Committee and the Bonduelle Group Executive Committee to determine the objectives for the following year. The production facilities also have direct access to their indicators so that they can monitor and analyze their performance.

Pursuant to Article L. 225-102-1 of the French Commercial Code, Deloitte, Co-Statutory Auditors, carried out work to verify the social, environmental and societal information published in this report and reviewed the reporting guidelines and the application of these guidelines at the level of several entities.

This report contains neither modifications nor removals of material aspects of information provided in previous reports.

### 2.7.2 Procedure – *GRI Standard 102-48*

The group's CSR and External Communications Director is responsible for overseeing reporting, in addition to the Managers of the areas concerned: human resources, agronomy, natural resources, quality and nutrition, transportation and purchasing, and societal commitment.

The data is collected annually by the correspondents on the sites and in the business units. The group's Management Consolidation Department checks and consolidates this data.

Covering the entire Bonduelle Group and all aspects of CSR, the Metrio® tool is used to input the data needed to calculate the indicators. Each user has their own personal access, depending on the plant and his or her area of responsibility in the report. To ensure that everyone fully understands the indicators, definitions (scope, data requested, units and examples) can be accessed in the data entry interface. The results of the indicators are directly accessible to the report's contributors using tables and graphs. The group's production facilities can also compare their results with each other to encourage the exchange of best practice. The contributors to the reporting are trained in Metrio® and given assistance throughout the reporting process.

Human resources reporting (uses the COGNOS RH database tool) and calculations of CO<sub>2</sub> emissions from transport are not yet calculated using the Metrio® reporting tool. The results are imported into Metrio® to consolidate the CSR indicators within the same tool.

### Control and validation

An automatic consistency check is carried out in all areas: if the value entered deviates significantly from the previous year, this triggers an alert. The member of staff concerned can then modify or confirm the value by adding a note.



Approval is required for each value entered. Plant Managers are responsible for validating their site's Natural Resources and Quality data. Agricultural Managers validate the upstream agriculture data sheets, while country Purchasing Managers validate the purchasing sheets.

For human resources, the data are reported and validated by the Human Resources Officers in each country. They are then consolidated by the Human Resources Manager. Internal audits were conducted by HR teams for data control purposes and to improve the reliability of the process.

Supply chain services are responsible for reporting data on transport and CO<sub>2</sub> emissions. Each business unit checks its indicators prior to group consolidation.

## Data consolidation

Consolidation of indicators takes place at business unit and group level using data from the Metrio® tool. A group consistency review is carried out by specialist experts and management control. All indicators are validated at a CSR Steering Committee meeting in September.

## Human resources reporting tools

The group has set up a computer system that allows it to gather human resources data, mainly using automatic configuration, with some manual entry in COGNOS. This setup applies to the group scope, excluding Canada and the United States, which have their own system.

## Coordination of reporting

CSR reporting involves approximately 200 correspondents in various roles across the Bonduelle Group's production facilities. The B!GREEN digital community encourages continued discussion about CSR among employees.

## 2.7.3 Scope – GRI Standards 103-1, 103-2, 102-49, 102-45

CSR reporting extends to all Bonduelle Group sites and business units (Group organization – Section 1.6). The reporting scope is determined based on the scope of consolidation (5.5 Note 10.4 to the consolidated financial statements, List of group companies) and in accordance with the following rules:

- new sites and business units acquired by the Bonduelle Group during the fiscal year ended will be included within the scope for the following year. The four plants and headquarters of the American company Ready Pac Foods will be included in 2017-2018;
- sites and business units either disposed of or no longer in operation during the year ended are excluded from the scope for the entire period, to enable comparability of results;
- equity affiliates are excluded from the scope. Their activities are considered as external purchases. Exceptions are made for transportation and purchasing. OP OASI (Italy), an equity affiliate supplying solely to Bonduelle, is included in the purchasing scope;
- logistic centers are also excluded from the reporting scope, with the exception of transport, and human resources. The Brockport (BALL) (USA) platform is included in the natural resources reporting perimeter;
- the headquarters of fully consolidated companies are excluded from the scope, with the exception of human resources;
- SAS Euromycel, a fully consolidated company, is excluded from the scope for all areas, with the exception of human resources. The numbers reported are not significant;
- the San Paolo d'Argon site (Italy) is included in the scope of the quality indicators.

## Change in scope during fiscal 2016-2017 – GRI Standard 102-49

Russy-Bémont (France), a plant closed the previous year (in June 2016), has been removed from the natural resources scope.

## Upstream agricultural activities

Reporting is based on production and activity areas: France Nord-Picardie; France South-West; Fresh Europe; Hungary; Poland; Russia; Portugal; Quebec (Canada); Ontario (Canada); United States.

Note on the CSR reporting methodology

## Transportation

Transport has been included in Bonduelle's CSR strategy since 2007-2008. The operational scope of reporting for transport in 2016-2017 is defined as:

	Frozen vegetables	Canned vegetables	Mushroom	Fresh	Prepared
Upstream agricultural activities	France Nord-Picardie France South-West Poland Portugal	Hungary France Nord-Picardie France South-West Africa Poland Kazakhstan	Mushroom picking Saumur (France) region	France Italy Germany	France
Inter-sites	France Poland Portugal Spain	Hungary France Nord-Picardie France South-West Poland Russia Kazakhstan	France Poland	France Italy	France
Distribution	France Spain Italy Benelux Germany/Austria Export Andorra Poland Portugal Czech Republic Slovakia Russia Kazakhstan	France Europe Russia Export Kazakhstan	Poland France Belgium Spain Italy Germany	France Italy* Germany	France

\* Distribution flows of fresh food in Italy covers emissions in 2015-2016 rather than 2016-2017, in the absence of reliable data. CO2 emissions related to such flows represent roughly 5% of total reported transportation-related CO2 emissions; volumes distributed in Italy in 2016-2017 are comparable to those in 2015-2016.

## Purchases

The responsible purchasing reporting scope is defined as: purchases made by Bonduelle, including metal cans, cardboard boxes and packing wrap, vegetables and ingredients used in its recipes and not grown or produced by the group, energy and animal products.

This scope varies by country:

- France: including seeds Europe;
- Italy: only packaging and indirect plant;
- Russia: only cardboard, packaging wrap, vegetables and ingredients;
- Canada: only packaging, pulses and frozen;
- Portugal: only energy, indirect plant, packaging and ingredients.

## 2.7.4 Indicators – GRI Standard 102-48

All quantitative reporting indicators can be found in Section 8, in a cross-reference table that also lists the GRI indicators and their correlation to the Grenelle initiatives. Section 2.7.6 of the Deloitte reports lists the indicators selected for verification work.

### Specific information on an agronomy indicator

Surveillance network: FRESH Europe data are published separately from data from the group's other production and activity areas and cannot be consolidated because they represent two different units:

- a number of farmers benefiting from the surveillance networks operating across the FRESH Europe scope;
- a number of surveillance networks operated by farmers in the rest of the group.





## Specific information on a quality-purchasing indicator

Supplier evaluations and audits: data from the BALL business unit are published separately from data from other regions (Europe) and cannot be consolidated as a result of different methodological approaches.

## Methods and tools for transport indicators

The methods for calculating CO<sub>2</sub> emissions for Bonduelle's freight transport were devised by supply chain teams working closely with the ADEME (French Environment and Energy Management Agency) in 2009.

Following the enactment of Decree No. 2011-1336 on October 24, 2011, which establishes the calculation principles common to all modes of transport, and following the publication of the new European standard for the calculation and declaration of energy and greenhouse gas emissions from transport services (NF EN 16 258), Bonduelle has sought to comply with these principles and has revised the methods used for calculating emissions.

The calculation covers the carriage of goods (fuel consumption, which is higher in temperature-controlled vehicles due to the refrigeration unit) by road (trucks), rail or maritime freight. Truck manufacture and depreciation is not taken into account. Used only marginally by the group, air transport is not taken into consideration.

The assumptions used are:

- road transportation: the maximum truck payload is taken to be 25 tonnes for a 40-tonne road tractor and for a 44-tonne tractor, with the following two exceptions:
  - upstream agricultural activities, the maximum payload was considered equal to the maximum vegetable tonnage that can be transported, according to the density and crush resistance of the produce,
  - for temperature controlled trucks (+4°), the maximum payload was considered equal to 24 tonnes;
- emissions generated by road transportation for the Fresh and Prepared food businesses are calculated according to the messaging model recommended in the ADEME guidelines, in three segments: collection, traction and distribution, taking into account the unladen distance in each of the collection and distribution segments. This model may be adjusted according to the actual logistics flows to optimize data monitoring. For fiscal year 2015-2016, the second segment includes the unladen distance for two-segment journeys in France and Italy, unlike for Germany. The supply chain teams work closely with the ADEME to devise a method common to each entity;
- for distribution, unladen return journeys were taken to be equal to 21%, in accordance with ADEME guidelines.

Unladen return journeys were also taken to be 21% for picking when the actual distance was not known;

- for the Canned and Frozen businesses, the gross weight transported (including the weight of additional packaging) is included in the emissions calculation, whereas the net product weight is used for the Fresh and Prepared businesses, since there is no method for obtaining reliable data on the gross weight;
- for maritime transport to Cameroon, an average container vessel of 1,900-3,849 TEU was considered, unless otherwise specified. For transport to Kenya and intercontinental transport, a container vessel of over 7,500 TEU is used;
- rail transportation: for countries in Europe (France, Germany, Belgium, Spain, Italy, Luxembourg, the Netherlands, Portugal, the United Kingdom), it was assumed that rail transportation is powered by electricity. For other countries, it is assumed that trains mainly run on diesel.

Some marginal flows are not taken into account:

- returns and sample orders;
- customer orders dispatched by external suppliers;
- purchases of ingredients and raw materials and/or packaging;
- credits due to returned goods;
- intra-site orders that are not transported;
- sales to brokers, donations, sales to employees, sales to colleagues;
- other sales: disposal of end-of-line products or products that have reached the end of their minimum storage life.

The transportation of fresh products is handled in a specific way. When occasional troubleshooting is required (for example, due to a strike at the storage depot), the standard logistics model is used.

## Specific information on a human resources indicator

Strike hours: strike hours taken into account relate to internal Bonduelle Group reasons and do not include national calls to strike from outside the Company.

## Additional information for natural resources indicators

- The scope of the special industrial waste (SIW) production indicator is limited: 10 sites (Ruchocice [Poland], Genas [France], Reutlingen, Straelen [Germany], Cristalina [Brazil], Ingersoll, Saint Césaire, St Denis, Sainte-Martine, Strathroy [Canada]) do not report the quantities of SIW generated or SIW for which recovery has been negotiated with suppliers. These sites account for 23% of the group's annual production.



### Note on the CSR reporting methodology

- NO<sub>x</sub>, SO<sub>x</sub> and particle emissions, mainly resulting from the operation of boilers, are monitored internally.
- T COD treated in an external treatment plant and T COD released into the natural environment in accordance with regulations: the quantities released and following treatment in lagoons in Canada are accounted for in full under “quantities discharged into the natural environment in accordance with regulations”.
- tCO<sub>2</sub>e from direct and indirect greenhouse gas emissions: greenhouse gas emissions related to the consumption of biogas on site are taken to be zero; emissions related to the combustion of biomass were, on the other hand, reported in 2016-2017.
- Indicator of the type of material: tracking of wooden pallets is not included in the packaging consumption indicator.

### 2.7.5 2017 Reporting schedule – GRI Standards 102-50, 102-51, 102-52, 102-53

Date	Action	Department
January	Update of the reporting matrix incorporating the requirements of GRI and Article 225 of the Grenelle law	Area Managers and reporting coordinator
February	Update of definition guidelines	Area Managers and reporting coordinator
April	Translation of reference frameworks	Reporting coordinator
June	Training of representatives in the reporting tools and methods	Reporting coordinator and representatives
July	Gathering of information	Subsidiary sites/areas to the subsidiary coordinator
August	Data validation	Persons responsible for approval in the reporting tool
August	Consolidation at group level by area and validation of consolidation	Group management control and Area Managers
September	Reporting audits at the production facilities	Production facilities audited and Deloitte
September	Audit of the group consolidation	Group management control and Deloitte
September	Audit of the CSR policy	Area Managers and Deloitte
September	Review of the registration document for regulatory compliance with the Grenelle law	Deloitte
September	Validation of the registration document and detailed management charts	Area Managers, group communications and group management control

The most recent published CSR report is included in the Bonduelle Group’s registration document, available on [www.bonduelle.com](http://www.bonduelle.com) as of October 2016.

Any questions about the content of this report may also be sent using the contact form at [www.bonduelle.com](http://www.bonduelle.com).



## 2.7.6 Assurance report – GRI Standard 102-56

**Report by one of the Statutory Auditors, appointed as independent third party, on the consolidated human resources, environmental and social information included in the management report**

*This is a free English translation of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

**For the year ended June 30, 2017**

### To the Shareholders,

In our capacity as Statutory Auditors of Bonduelle SCA (the "Company"), appointed as independent third party and certified by COFRAC under number(s) 3-1048 <sup>(1)</sup>, we hereby report to you on the consolidated human resources, environmental and social information for the year ended June 30<sup>th</sup>, included in the management report (hereinafter named "CSR Information"), pursuant to article L.225-102-1 of the French Commercial Code (*Code de commerce*).

### Company's responsibility

The General Management of Bonduelle SCA is responsible for preparing a company's management report including the CSR Information required by article R.225-105-1 of the French Commercial Code in accordance with the reporting guidelines and used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the company's head office.

### Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics (*Code de déontologie*) of our profession and the requirements of article L.822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

### Statutory Auditor's responsibility

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);

- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

Our work involved six persons and was conducted between May and October during a five-week period. We were assisted in our work by our sustainability experts.

We performed our work in accordance with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and the professional guidance issued by the French Institute of statutory auditors (Compagnie nationale des Commissaires aux Comptes) relating to this engagement and with ISAE 3000 <sup>(2)</sup> concerning our conclusion on the fairness of CSR Information.

### 1. Attestation regarding the completeness of CSR Information

#### Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in article R.225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L.233-1 and the controlled entities as defined by article L.233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in 2.7 section of the management report.

#### Conclusion

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management.

### 2. Conclusion on the fairness of CSR Information

#### Nature and scope of our work

We conducted around ten interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk

(1) Whose scope is available at [www.cofrac.fr](http://www.cofrac.fr).

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

### Note on the CSR reporting methodology

management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important <sup>(1)</sup> :

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of entities/sites selected by us <sup>(2)</sup> on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we

conducted interviews to verify that procedures are properly applied, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents between 19% and 35% of quantitative data disclosed on human resources and between 22% and 42% of quantitative data disclosed on natural resources, transportation, quality and purchasing.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

### Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Lille, October 6<sup>th</sup> 2017

French original signed by one of the Statutory Auditors  
**Deloitte & Associés**  
Pierre-Marie MARTIN  
Partner

(1) *Quantitative human resources information: Number of permanent employees at June 30, Seasonal full-time equivalent employees, Seasonal employee new hires, Departures due to layoff, Total number of training hours, Average training duration per individual, Frequency rate of work-related accidents, Severity rate of work-related accidents, Number of hours worked.*

*Quantitative natural resources and transportation information: Water consumption, Energy consumption, Production of green waste and breakdown by use, Breakdown of pollution discharge by treatment channel, Pollution produced (COD), proportion treated and percentage discharged into the natural environment in compliance with regulation, Packaging, Direct and indirect greenhouse gas emissions (scope 1 and scope 2), CO<sub>2</sub> emissions from transportation.*

*Quantitative agronomy information: Security network.*

*Quantitative quality purchasing information: Number and percentage of suppliers audited, Number and percentage of suppliers assessed.*

*Qualitative information: Dialog with stakeholders, Agro-ecological transformation, Greenhouse gas emissions assessment, Sustainable water management, Circular economy, Nutritional quality and Innovation for society, Engaging suppliers.*

(2) *Entities and sites selected: Bordères and Labenne (Human resources, Natural resources), BELL Sud-Ouest (Agronomy), Fairwater (Human resources, Natural resources, Agronomy), Brockport (Total workforce), Bergen (Total energy consumption), Estrées (Human resources, Natural resources), Santarem (Occupational accidents), Timashevsk (Training), Ruchocice (Packaging), FRESH Frais Europe (Agronomy), BELL surgelés (Transportation), FRESH (Transportation), BALL (Quality Purchasing).*





## 2.7.7 Results of all indicators – GRI Standard 102-48

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
<b>Revenue of the Bonduelle Group</b> <i>(in millions of euros)</i> GRI Standard 102-7	1,896	1,921	1,982	1,968	2,288

### A. Agronomy

Indicator	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
<b>Varietal diversity</b> Number of different varieties being tested (2014-2015 and 2015-2016 data are not comparable due to a change in methodology). GRI Standard 304.2			3,835	1,330	500
<b>Agricultural headcount</b> Number of people (full-time equivalent Agronomy Department employees, including administrative staff, seasonal employees, trainees and those on permanent and non-permanent contracts).	239	246	252	258	261
<b>Sourcing charter</b> Percentage of farmers having signed it (either directly or included in contracts). GRI Standard 308-1	91%	93%	99%	95%	96%
<b>Farmer assessed</b> Percentage of farmers assessed by an initiative with the aim of compiling an annual budget.	54%	74%	87%	84%	88%
<b>Fertilization of land</b> Percentage of farmers having adopted a method of fertilization recommended by Bonduelle.			92%	99.5%	88%
<b>Security network</b> Number of Bonduelle Group trapping networks - excluding Fresh Europe*					59*
<b>Security network</b> Number of farmers benefitting from trapping networks in the Fresh Europe BU*					130
<b>Farmer loyalty</b> Percentage of farmers who renewed their contracts versus the previous year					91%

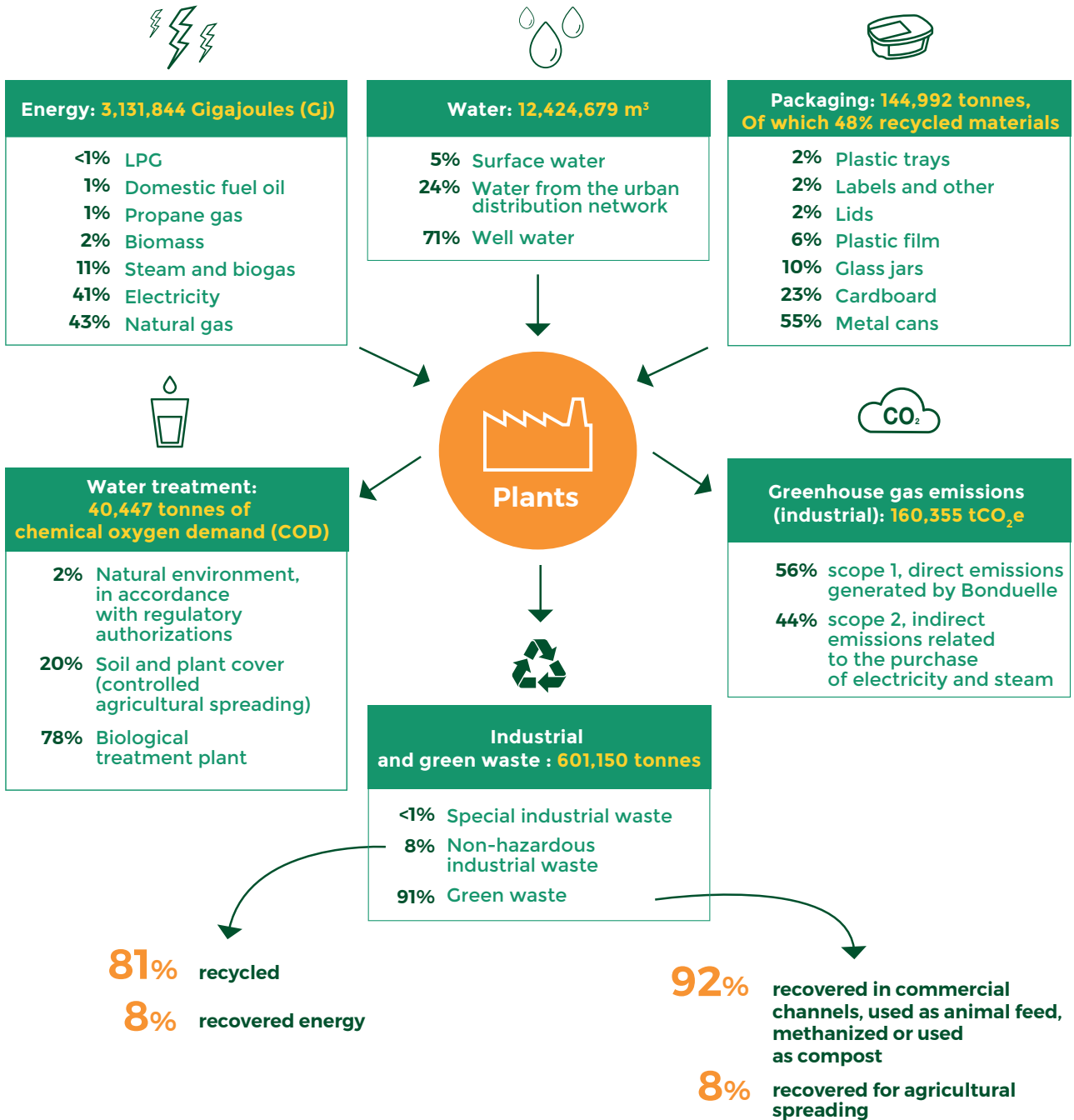
\* Different calculation method.

Note on the CSR reporting methodology

**B. Natural resources**

**Consumption, discharges and recovery at Bonduelle's production facilities**

The following diagram presents consumption of natural resources and discharges into the natural environment generated by all Bonduelle Group production facilities.





Note on the CSR reporting methodology

Indicators	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
<b>Tonnes of manufactured product (TMP)</b>					
<i>GRI Standard 102-7</i>	1,055,837 TMP	1,137,305 TMP	1,094,504 TMP	1,060,882 TMP	1,054,278 TMP
<b>Water consumption</b>					
Number of m <sup>3</sup> consumed	12,434,274 m <sup>3</sup>	12,032,822 m <sup>3</sup>	11,475,372 m <sup>3</sup>	11,660,490 m <sup>3</sup>	12,424,679 m <sup>3</sup>
Number of m <sup>3</sup> consumed per tonne of manufactured product (TMP)	11.8 m <sup>3</sup> / TMP	10.6 m <sup>3</sup> / TMP	10.5 m <sup>3</sup> / TMP	11.0 m <sup>3</sup> / TMP	11.8 m <sup>3</sup> / TMP
<b>Water sourcing - GRI Standard 303-1</b>					
Borehole water	9,281,434 m <sup>3</sup>	9,275,455 m <sup>3</sup>	8,544,956 m <sup>3</sup>	8,291,365 m <sup>3</sup>	8,876,085 m <sup>3</sup>
Urban water	2,802,329 m <sup>3</sup>	2,391,002 m <sup>3</sup>	2,566,504 m <sup>3</sup>	2,979,323 m <sup>3</sup>	3,055,151 m <sup>3</sup>
Surface water	350,510 m <sup>3</sup>	366,365 m <sup>3</sup>	363,912 m <sup>3</sup>	389,803 m <sup>3</sup>	493,443 m <sup>3</sup>
<b>Energy consumption - GRI Standard 302-1</b>					
Total consumption in GJ (gigajoules)	3,247,707 GJ	3,187,816 GJ	3,153,521 GJ	3,069,997 GJ	3,131,844 GJ
of which Electricity:	1,350,776 GJ	1,294,188 GJ	1,253,145 GJ	1,268,663 GJ	1,290,175 GJ
of which Natural gas:	1,663,950 GJ	1,626,199 GJ	1,567,567 GJ	1,291,732 GJ	1,343,891 GJ
of which Fuel oil (very low sulfur content):	2,082 GJ	0 GJ	0 GJ	0 GJ	0 GJ
of which Propane:	48,744 GJ	60,863 GJ	64,437 GJ	64,535 GJ	40,928 GJ
of which LPG:	6,275 GJ	3,351 GJ	3,349 GJ	2,648 GJ	1,975 GJ
of which Domestic fuel oil:	39,749 GJ	34,036 GJ	33,683 GJ	39,165 GJ	27,965 GJ
of which Biomass:	29,943 GJ	54,953 GJ	62,484 GJ	81,322 GJ	68,783 GJ
of which Purchase of Steam:	95,213 GJ	98,447 GJ	141,037 GJ	316,662 GJ	352,694 GJ
of which Biogas:	10,975 GJ	15,779 GJ	27,819 GJ	5,271 GJ	5,434 GJ
<b>Electricity consumption by country:</b>					
France	50%	51%	49%	47%	46.1%
Canada	24%	22%	23%	26%	25.7%
United States	13%	13%	13%	13%	13.6%
Portugal	4%	4%	4%	4%	4.5%
Poland	3%	4%	4%	3%	3.4%
Hungary	2%	3%	3%	3%	2.9%
Germany	2%	2%	1%	2%	1.5%
Russia	1%	2%	2%	2%	1.5%
Brazil	0.5%	0.6%	1%	0.6%	0.7%
<b>Production of ordinary waste - GRI Standard 306-2</b>					
Tonnes			76,402 tonnes (including 33,892 tonnes generated by the Tecumseh (Canada) plant, where there was a fire in July 2014)		
	43,802 T	45,001 T		43,077 T	48,876 T
kg per tonne of manufactured product	41.5 kg /TMP	39.6 kg/TMP	69.8 kg/TMP	40.6 kg/TMP	46.4 kg/TMP





### Note on the CSR reporting methodology

Indicators	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
<b>Treatment:</b>					
Industrial landfill:	24%	22%	18%	17%	11.6%
Energy recovery:	4%	6%	3%	3%	7.6%
Recycling:	72%	72%	79%	80%	80.9%
<b>Production of special waste - GRI Standard 306-2</b>					
Tonnes	262 T	182 T	284 T	167 T	206 T
kg per tonne of manufactured product	0.25 kg/TMP	0.16 kg/TMP	0.26 kg/TMP	0.16 kg/TMP	0.20 kg/TMP
<b>Production of green waste - GRI Standard 306-2</b>					
Tonnes	576,361 T	487,318 T	550,643 T	592,689 T	552,068 T
kg per tonne of manufactured product	546 kg/TMP	428kg/TMP	503 kg/TMP	559 kg/TMP	524 kg/TMP
<b>Use:</b>					
Agricultural spreading:	3%	2.7%	8%	8%	8%
Animal feed:	77%	88%	72%	63%	59.8%
Energy recovery:	1%	0.7%	2%	2%	2.8%
Marketable product:	19%	8%	17%	19%	19.8%
Other (compost) :	1%	0.6%	1%	8%	9.6%
<b>Pollution discharge</b>					
<b>Breakdown by treatment channel, in m<sup>3</sup> :</b>					
Percentage (by m <sup>3</sup> ) discharged to treatment plant	85%	86%	84%	84%	84%
Percentage (by m <sup>3</sup> ) discharged for spreading after pretreatment	10%	11%	11%	10%	11%
Percentage (by m <sup>3</sup> ) discharged directly for spreading on crops	2%	3%	5%	6%	5%
Percentage (by m <sup>3</sup> ) discharged as cleaneffluent	3%	0%	0%	0%	0%
<b>Discharge of pollutants and proportion treated - GRI Standard 306-1:</b>					
Number of tonnes of COD (Chemical Oxygen Demand) produced at production facilities Change of unit of measurement in 2013-2014. Biological oxygen demand (BOD) used until 2012-2013	24,591 TBOD	44,392 TCOD	44,206 TCOD	41,090 TCOD	40,447 TCOD
Percentage of COD treated at Bonduelle treatment plants	84%	69%	78%	73%	75%
Percentage of COD treated by the soil and plant cover (controlled agricultural spreading)	13%	27%	17.5%	21%	19.8%
Percentage of COD treated at external treatment plants	2%	2%	2%	3%	2.6%
Percentage of COD discharged into the natural environment in compliance with regulations	0.6%	2%	2.5%	3%	2.6%
<b>Biosolids</b>					
Tonnes of dry biological sludge	1,936 T	2,180 T	1,899 T	2,358 T	3,065 T
Nm <sup>3</sup> of biogas	1,591,006 Nm <sup>3</sup>	1,576,263 Nm <sup>3</sup>	1,677,528 Nm <sup>3</sup>	1,318,384 Nm <sup>3</sup>	1,201,007 Nm <sup>3</sup>
<b>Packaging</b>					
Number of tonnes	146,140 T	150,845 T	160,549 T	149,196 T	144,992 T





Note on the CSR reporting methodology

Indicators	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
<b>Breakdown by type of material:</b>					
Metal cans:	57.6%	55.7%	56.3%	55.6%	55.1%
Cardboard:	20.3%	19.9%	20.7%	23.1%	23.6%
Glass jars:	9.8%	12.3%	11.2%	10.5%	9.9%
Plastic film:	5.1%	4.9%	4.8%	5.7%	6%
Lids:	3.6%	2.8%	2.6%	1.8%	1.6%
Plastic trays:	1.6%	1.6%	1.6%	1.5%	1.6%
Labels and other:	2.1%	2.8%	2.8%	1.7%	2.1%
<b>Recycled materials</b>					
Percentage of recycled materials in packaging <i>GRI Standard 301-2</i>					48%
<b>Biodiversity</b>					
Number of production facilities an area of outstanding fauna or flora					6
<b>Expenditure, in euros, for minimizing the impact of activities on the environment</b>					
Water and sludge from treatment station:	€3,777,825	€1,816,014	€1,692,572	€1,181,274	€1,111,173
Industrial and green waste:	€241,403	€181,172	€49,949	€131,716	€360,437
Air and energy:	€3,253,175	€5,242,105	€2,915,092	€1,355,453	€1,441,496
<b>Greenhouse gas emissions</b>					
*Scope 1: Tonnes of CO <sub>2</sub> equivalent direct emissions (fossil fuels purchased for agro- industrial sites, excluding registered offices and tertiary sites) - <i>GRI Standard 305-1</i>	121,205 tCO <sub>2e</sub>	110,180 tCO <sub>2e</sub>	109,514 tCO <sub>2e</sub>	95,558 tCO <sub>2e</sub>	89,823 tCO <sub>2e</sub>
*Scope 2: Tonnes of CO <sub>2</sub> equivalent indirect emissions (electricity and steam purchased for agro-industrial sites, excluding registered offices and tertiary sites) - <i>GRI Standard 305-2</i>	68,383 tCO <sub>2e</sub>	77,734 tCO <sub>2e</sub>	76,384 tCO <sub>2e</sub>	74,637 tCO <sub>2e</sub>	70,533 tCO <sub>2e</sub>
Scope 3 upstream: Tonnes of CO <sub>2</sub> equivalent indirect emissions (Products and services purchased, capitalized assets, emissions related to contributions and energy, transport of goods upstream and distribution, waste generated, business travel, commuting, upstream leased assets). The following non-material sub-items were excluded from the analysis since they represent less than 1% of the results of the carbon assessment carried out in 2012: volume of pesticides purchased, total volume of potassium fertilizer purchased)					804,098 tCO <sub>2e</sub>
Scope 3 downstream: Tonnes of CO <sub>2</sub> equivalent indirect emissions (Transport of goods downstream and distribution, transformation of products sold, use of products sold, end-of-life of products sold, downstream leased assets, franchises, capital expenditure. The following sub- items were excluded from the analysis since they do not concern Bonduelle or were considered non- material: upstream leased assets, downstream leased assets, franchises, investments.)					1,234,290 tCO <sub>2e</sub>
<b>Emissions of ozone depleting gas</b> Tonnes of CO <sub>2</sub> equivalent for R22, R134A, R404A, R422A	2,446 tCO <sub>2e</sub>	475 tCO <sub>2e</sub>	3,484 tCO <sub>2e</sub>	2,600 tCO <sub>2e</sub>	2,009 tCO <sub>2e</sub>

\* Emissions related to energy consumption at headquarters and tertiary sites were estimated and recognized under scopes 1 and 2 as presented in the overall assessment of GHG emissions in Section 2.4.3.

### Note on the CSR reporting methodology

Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the European Community applies to the Bonduelle Group for its European sites equipped with a boiler with a capacity of more than 20 MW. The Emission trading scheme (ETS) for the period 2013-2020 involves two Bonduelle sites: Estrées-Mons, Reinsured (France), excluding the Vaulx-Vraucourt (France) site in 2015 following technical modifications.

For 2016, the allocation of free quotas equates to 19,352 tCO<sub>2</sub>e. Certified and transferred emissions totaled 16,207 tCO<sub>2</sub>e. The use of biomass steam in 2015 at the Estrées-Mons (France) site made it possible to halve the group's greenhouse gas emissions that are subject to the Emission trading scheme (ETS). Through energy savings made at its sites since 2008, Bonduelle has surplus allowances available in its account; as such it did not have to make purchases on the carbon allowance market in 2016.

### C. Transportation (excl. Brazil, Canada and the USA)

Indicators	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
<b>CO<sub>2</sub> emissions (tonnes of CO<sub>2</sub>)</b>					
Upstream agricultural activities	15,657 tCO <sub>2</sub>	15,698 tCO <sub>2</sub>	18,085 tCO <sub>2</sub>	18,620 tCO <sub>2</sub>	22,485 tCO <sub>2</sub>
Inter-site	16,716 tCO <sub>2</sub>	14,645 tCO <sub>2</sub>	13,510 tCO <sub>2</sub>	14,499 tCO <sub>2</sub>	14,498 tCO <sub>2</sub>
Distribution	72,941 tCO <sub>2</sub>	76,568 tCO <sub>2</sub>	73,854 tCO <sub>2</sub>	69,994 tCO <sub>2</sub>	67,111 tCO <sub>2</sub>
<b>TOTAL (EXCLUDING BU BALL, I.E. BRAZIL, CANADA AND THE UNITED STATES)</b>	<b>105,314 TCO<sub>2</sub></b>	<b>106,911 TCO<sub>2</sub></b>	<b>105,449 TCO<sub>2</sub></b>	<b>103,113 TCO<sub>2</sub></b>	<b>104,094 TCO<sub>2</sub></b>
<b>Ratio of kg CO<sub>2</sub> emitted per tonne transported</b>					
Upstream agricultural activities	18 kg CO <sub>2</sub> /T	19 kg CO <sub>2</sub> /T	19 kg CO <sub>2</sub> /T	21 kg CO <sub>2</sub> /T	26 kg CO <sub>2</sub> /T
Inter-site	20 kg CO <sub>2</sub> /T	19 kg CO <sub>2</sub> /T	17 kg CO <sub>2</sub> /T	19 kg CO <sub>2</sub> /T	19 kg CO <sub>2</sub> /T
Distribution	75 kg CO <sub>2</sub> /T	74 kg CO <sub>2</sub> /T	71 kg CO <sub>2</sub> /T	70 kg CO <sub>2</sub> /T	68 kg CO <sub>2</sub> /T

### D. Quality

Indicators	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
<b>Safety testing - GRI Standard 416-1</b>					
Number of tests conducted on fresh, prepared and frozen product categories			19,000	20,537	19,985
Number of tests conducted on the canned products category			44,600	43,788	43,900
<b>Certified facilities</b>					
Number of ISO 9001 certified facilities	17	16	13	12	11
Number of ISO 22000 certified facilities	1	2	3	3	3
Number of IFS certified facilities	23	22	20	20	19
Number of FSSC 22000 certified facilities	4	5	4	4	4
Number of BRC certified facilities	17	15	15	16	15
Number of SQF certified facilities	4	3	3	3	3
Number of facilities certified "organic"	9	11	17	17	14
Number of days of system or product audits carried out by certification bodies, authorities or customers					291
Number of hours raising employees' awareness of food quality, food safety, or food defense, etc.					16,409





Note on the CSR reporting methodology

Indicators	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
<b>Customer services</b>	1 Customer Services Department operates in each country				
<b>Purchases of processed fruit and vegetables</b>					
Number of suppliers (excluding partner vegetable producers) who have signed the Simplified agronomic charter	78	92	106	105	96
Percentage of suppliers (excluding partner vegetable producers) who have signed the Simplified agronomic charter	32%	32%	35%	42%	38%
Number of tests conducted on phytosanitary waste and trace metal elements (TME)	277	439	411	465	564
Percentage of compliant results obtained from tests on phytosanitary waste and trace metal elements (TME)	96%	94%	97%	95%	98%
Number of suppliers audited - (Excluding Canada and the United States)	44	59	47	41	32
Percentage of suppliers audited - (Excluding Canada and the United States)	18%	21%	15%	16%	19%
Number of suppliers assessed - (Excluding Canada and the United States)	126	93	171	199	141
Percentage of suppliers assessed - (Excluding Canada and the United States)	51%	32%	56%	79%	82%
Number of suppliers audited - Canada and the United States*					15
Percentage of suppliers audited - Canada and the United States*					18%
Number of suppliers assessed - Canada and the United States*					79
Percentage of suppliers assessed - Canada and the United States*					96%

\* Different calculation method from the rest of the Bonduelle Group.

## E. Human resources

GRI Standard 102-8

Indicator	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Number of permanent employees at June 30 of the reporting year	6,736	6,983	6,974	7,100	7,330
Number of full-time equivalent permanent, non-permanent and seasonal employees and employees on other contracts over the reporting period	9,758	9,569	9,755	9,961	10,220



Note on the CSR reporting methodology

### Total employees by type of employment contract and geographical area (full-time equivalents in 2016-2017)

	France	Europe excl. France	Non-Europe	Total
Permanent	3,225	1,499	2,394	7,119
Non-Permanent	231	192	71	494
Seasonal	598	481	704	1,784
Other	434	201	188	824
<b>TOTAL</b>	<b>4,489</b>	<b>2,374</b>	<b>3,357</b>	<b>10,220</b>

### Total workforce by gender, status, age and geographical area (permanent employees as at June 30, 2017)

<i>GRI Standard 405-1</i>	France	Europe excl. France	Non-Europe	Total
Women	1,339	655	941	2,935
Men	1,935	925	1,535	4,395
Managers	750	324	265	1,339
Non-Managers	2,524	1,256	2,211	5,991
Permanent employees aged under 26	117	47	274	438
Permanent employees aged 26-35	675	322	549	1,546
Permanent employees aged 36-45	973	539	621	2,133
Permanent employees aged 46-49	397	196	216	809
Permanent employees aged 50-55	568	238	347	1,153
Permanent employees aged over 55	544	238	469	1,251

Indicator	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
<b>Seniority (permanent staff)</b>					
0 to 3 years	1,530	1,910	1,892	1,988	2,099
4 to 9 years	1,571	1,476	1,519	1,545	1,616
+ 9 years	3,635	3,597	3,563	3,567	3,615
Average Seniority	13.29	12.81	12.82	13	12.27
<b>New hires, in number of contracts - GRI Standard 401-1</b>					
Permanent	589	784	641	549	654
Non-Permanent	1,095	1,187	942	683	896
Seasonal	4,986	6,473	4,791	4,515	5,103
<b>Workers with a disability (full-time equivalents (FTE)) - GRI Standard 401-1</b>	232 FTE	268 FTE	264 FTE	281 FTE	281 FTE
<b>Total group turnover - GRI Standard 401-1</b> (Scope: departures at the request of the employee, due to death, retirement or agreed departure).	11.64%	12.84%	13.23%	14.82%	16.27%



**Departures by status in 2016-2017**

	France	Europe excl. France	Non-Europe	Total
<b>Managers</b>				
Due to layoff	4	4	2	10
Due to a death, retirement or agreed departure	32	9	6	47
Due to the employee (resignation, end of probationary period)	27	16	13	56
Due to transfer	18	1	3	22
<b>Non-Managers</b>				
Due to layoff	71	33	153	257
Due to a death, retirement or agreed departure	114	127	56	297
Due to the employee (resignation, end of probationary period)	205	188	870	1,263
Due to transfer	14	1	11	26

**Turnover by gender\* in 2016-2017**

	France	Europe excl. France	Non-Europe	Total
Turnover - Women	8.2%	14.8%	29.1%	16.25%
Turnover - Men	8.6%	13.9%	27.5%	16.29%
Departures - Women	155	151	374	680
Departures - Men	223	189	571	983

\* Scope: departures at the request of the employee, due to death, retirement or agreed departure.

**Turnover by age\* in 2016-2017**

	France	Europe excl. France	Non-Europe	Total
Turnover of employees aged under 26	1.4%	4.4%	9.9%	4.93%
Turnover of employees aged 26-35	2.2%	3.7%	7.0%	4.14%
Turnover of employees aged 36-45	1.1%	2.2%	4.4%	2.42%
Turnover of employees aged 46-49	0.4%	0.8%	1.4%	0.83%
Turnover of employees aged 50-55	0.4%	1.4%	2.2%	1.22%
Turnover of employees aged 55+	2.9%	1.7%	3.3%	2.74%
Departures of employees aged under 26	64	105	334	503
Departures of employees aged 26-35	99	89	235	423
Departures of employees aged 36-45	48	52	147	247
Departures of employees aged 46-49	19	20	46	85
Departures of employees aged 50-55	19	33	73	125
Departures of employees aged 55+	129	41	110	280

\* Scope: departures at the request of the employee, due to death, retirement or agreed departure.



Note on the CSR reporting methodology

Indicator	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Training as a percentage of payroll	1.57%	1.6%	1.44%	1.44%	1.4%
Total number of training hours:	123,795	168,293	172,776	177,979	174,102
Average training duration per individual - <i>GRI Standard 404-1</i>	23 hours	27 hours	28 hours	29 hours	31 hours
Breakdown of training hours by gender - <i>GRI Standard 404-1</i>	39.08% women 60.92% men	29.48% women 70.52% men	36.15% women 63.85% men	32.82% women 67.18% men	35.62% women 64.38% men
Breakdown of training hours by status - <i>GRI Standard 404-1</i>					18.66% Managers 81.34% non-Managers
Frequency of work-related accidents	11.75	9.22	7.43	4.03	6.19
Work-related accident severity rate	0.61	0.42	0.42	0.23	0.29
Severity rate of occupational diseases for France	1.39	1	0.96	1.08	0.96

### Breakdown of work-related accidents, frequency rate, severity rate and occupational diseases in 2016-2017 - *GRI Standard 403-2*

	France	Europe excl. France	Non-Europe	Total
Women - Frequency rate	10.36	1.86	2.68	5.71
Men - Frequency rate	10.53	5.33	3.14	6.49
Frequency rate	10.46	3.88	2.98	6.19
Women - Number of work-related accidents with lost time	29	3	6	38
Men - Number of work-related accidents with lost time	43	12	13	68
Number of work-related accidents with lost time	72	15	19	106
Women - Severity rate	0.38	0.09	0.08	0.21
Men - Severity rate	0.49	0.54	0.08	0.34
Severity rate	0.45	0.35	0.08	0.29
Women - Number of lost days due to work-related accidents	1,074	140	173	1,387
Men - Number of lost days due to work-related accidents	2,006	1,226	322	3,554
Lost days due to work-related accidents	3,080	1,366	495	4,941

	France	Europe excl. France	Non-Europe	Total
Women - Occupational disease severity rate	2.15	N/A	N/A	2.15
Men - Occupational disease severity rate	0.15	N/A	N/A	0.15
Occupational disease severity rate	0.96	N/A	N/A	0.96
Women - Number of lost days for work- related accidents and occupational disease	6,010	N/A	N/A	6,010
Men - Number of lost days for work- related accidents and occupational disease	599	N/A	N/A	599
Number of lost days for work-related accidents and occupational disease	6,609	N/A	N/A	6,609

N/A: Data not available.



## Note on the CSR reporting methodology

Indicator	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Staff affected by industrial restructuring plans who have received outplacement support	454	0	4	62	0
Number of hours worked	15,914,984	16,058,864	16,556,775	16,889,400	17,125,082
Absenteeism rate	4.46%	3.42%	3.53%	3.72%	4.06%
Amount of compensation (permanent, non-permanent and seasonal employees)	€241,900,106	€246,789,278	€252,912,461	€259,398,219	€266,972,624
Percentage of employees receiving regular performance and career development reviews - <i>GRI Standard 404-3</i>	80.45%	78.05%	78.16%	79.42%	80.61%
Breakdown by gender of employees receiving regular performance and career development reviews - <i>GRI Standard 404-3</i>	87.13% women 78.70% men	77.71% women 78.28% men	79.44% women 77.28% men	80.94% women 78.45% men	81.88% women 79.76% men
Breakdown by status of employees receiving regular performance and career development reviews - <i>GRI Standard 404-3</i>					92.52% Managers 78.62% non-Managers

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## Breakdown of absenteeism rate and hours worked in 2016-2017

	France	Europe excl. France	Non-Europe	Total
Women - Absenteeism rate	5.6%	4.9%	4.5%	5.06%
Men - Absenteeism rate	3.5%	3.3%	3.4%	3.39%
Absenteeism rate	4.3%	4.0%	3.8%	4.06%
Women - Hours worked	2,798,447	1,617,176	2,236,500	6,652,123
Men - Hours worked	4,083,588	2,251,365	4,138,007	10,472,960
Hours worked	6,882,035	3,868,541	6,374,506	17,125,082

## 2.8 Appendices

### 2.8.1 Ethics Committee – GRI Standard 103-2

**An Ethics Committee was officially created** to support the group's efforts in this area and to act in an advisory capacity. It has four members:

**Philippe Vasseur (Chairman)**

*He is currently Chairman of Réseau Alliances and the World Forum Lille and former Minister for Agriculture, Fisheries and Food and a former Member of the French Parliament. Today Philippe Vasseur is Special Commissioner for the revitalization and reindustrialization of the Hauts-de-France region. He is also a member of the Bonduelle SAS Board of Directors.*

**Jean-Bernard Bonduelle**

*Member of the Bonduelle SAS Board of Directors as well as Chairman of the Union pour la promotion des industries de l'appertisé (Uppia, Union for the promotion of the canning industries), Vice Chairman of the Association nationale*

*interprofessionnelle des fruits et légumes transformés (Anifelt, National Joint Trade Association of Fruit and Vegetable Processors – France) and Vice Chairman of the European Association of Fruit and Vegetable Processing Industries (Profel).*

**Arno Van Dongen**

*Director of Sales for Benelux of the canning subsidiary then Sales and Marketing Director for the Benelux area, he is currently Director for Northern Europe for the Bonduelle Europe Long Life business unit.*

**Marie-France Tisseau**

*Member of the Supervisory Board of Bonduelle SCA, from 1970 to 2008, she worked as a Legal Advisor and then Legal Counsel, specializing in company and tax law for family-owned companies and French subsidiaries of foreign groups.*

### 2.8.2 Bonduelle Group ethics charter – GRI Standard 102-16, 103-2

The Bonduelle Group ethics charter embodies the values it has held dear for many years and wishes to promote: people-minded, confidence, openness, simplicity, integrity, fairness and excellence. This charter demonstrates the group's intention to pursue continuous improvement. It supplements the Company's existing rules and regulations for employees, while encouraging individual ethical behavior in accordance with Bonduelle's values.

The ethics charter will reiterate the group's commitment to Corporate Social Responsibility, particularly through its long-standing membership of the UN Global Compact (since 2003). This United Nations initiative requires signatories to apply ten basic principles in the areas of human rights, anti-corruption, environment and labor standards. The group's ethics charter defines the core principles of Bonduelle's stance as a corporate citizen, responsible, equitable and integrated company.

**Why have an ethics charter?**

In 2012 Bonduelle decided to write a charter, drawing inspiration from our history, epitomizing our values and committing us to a process of continuous improvement. We are fully aware that while ethics cannot be regarded as absolute, they must inspire each and every one of us as stakeholders, both inside and outside the Company. Our ethics charter must lead us to do more in the Bonduelle spirit of corporate responsibility.

**Bonduelle's spirit and values**

In this ethics charter, Bonduelle sets out to expand on the core values it intends to defend and promote: people-minded, confidence, openness, simplicity, integrity,

fairness and excellence. Bonduelle is convinced that its success stems from its corporate culture and is intent on continuing to grow, underpinned by these values. The group is committed to living the "Bonduelle spirit" through ethical behavior that promotes sound practices. By acting with integrity, our Company engages with its stakeholders in a relationship built on trust. The challenge we face is to consolidate this connection, sharing and nurturing it in the long term.

**Ethics, how does it work?**

This ethics charter supplements our existing rules and regulations for all employees. It defines the framework for the group's policies and helps to explain their rationale and





intentions. The ethics charter is a tool. It can be used to challenge existing practices and aid in decision-making. The charter is inclusive, promoting individual ethical behavior in line with our corporate values. Ethical dilemmas can be complex and rarely have clear solutions. For this reason, and in the spirit of openness and trust synonymous with our Company, the group encourages dialog and discussion on ethical issues.

### **Ethics Committee**

An Ethics Committee has been formed and may be consulted on issues of general interest when no solution is proposed by General Management, or the group's experts in Human Resources, Health and Safety or Purchasing. The role of the Committee is to support the Company on ethical issues, and to issue opinions in an advisory capacity. The Committee has four members; two appointed from within the Company and two external members, selected based on their experience, profiles and expertise. The Ethics Committee reserves the right to invite outside experts or submissions from employees on specific subjects. The Committee will meet at least twice a year, and a secretary will be appointed.

### **1 - Responsible corporate citizenship**

Backed by a strong history and a commitment to the long term, the Bonduelle Group's undertakings in respect of Corporate Social Responsibility are clearly shown by our membership of the UN Global Compact.

#### **PEOPLE FIRST**

Bonduelle complies with the regulations of a number of international organizations. The group complies with the conventions of the International Labour Organization and is particularly stringent about ensuring respect for basic human rights in the workplace, namely freedom of association, the right to collective bargaining, the elimination of all forms of forced and compulsory labor, and the effective abolition of child labor.

#### **BUILDING THE COMMUNITY**

Bonduelle's international reach means that it respects communities and local cultures and seeks to add value and develop local areas wherever it operates. Reflecting this commitment, the Louis Bonduelle Foundation works with local authorities in areas where the Company operates, developing communities and supporting local associations. Bonduelle encourages its employees to play an active role in this type of project.

#### **RESPECT FOR THE ENVIRONMENT**

Bonduelle respects the environment and endeavors to reduce the carbon footprint of its activities. The group is a major and committed sustainable development player. It

takes responsibility for the impact of its activities, products and services on the rural and urban environment, as well as their broader environmental impact. We encourage all our employees to embody this commitment in their day-to-day lives. Bonduelle emphasizes this environmental responsibility to all its stakeholders and in particular, to agricultural producers and suppliers.

#### **COMPLIANCE WITH REGULATIONS, CONVENTIONS AND INTERNATIONAL TREATIES**

Bonduelle complies with all laws and regulations in its relationships with partners. In addition to its commitment to comply with International Labour Organization (ILO) conventions, the Company is committed to respecting the European charter of fundamental rights in the organization. Bonduelle is meticulous in its attention to compliance with health regulations, quality control, food legislation and food packaging legislation. The group also respects communities and seeks to add value and develop local areas wherever it operates.

### **2 - A fair company**

#### **DIALOG WITHIN THE BUSINESS**

Dialog and openness in internal Company relations are important for Bonduelle. The group respects the right of its employees to form or join the representative organization of their choice, including trade unions and workers' organizations, and to be able to participate in collective bargaining negotiations. Bonduelle respects the role and responsibilities of the social partners and is committed to negotiating issues of collective interest with them. Bonduelle listens to its employees and engages an independent body to conduct international surveys to assess personnel satisfaction with working conditions.

#### **HEALTH AND SAFETY**

Each and every person working for or with Bonduelle has the right to a healthy and safe working environment, ensuring their physical, mental and social "well-living". Bonduelle is committed to maintaining working conditions at the highest standards by developing policies to prevent negative impacts on health and working conditions. All employees must comply with Bonduelle's rules on health, safety and security in the workplace.

#### **WORK-LIFE BALANCE**

Bonduelle strives to offer conditions that ensure a healthy work-life balance. It promotes dialog between employees and management to optimize work organization in order to take individual obligations and requirements into account. The group aims to create a working environment where individual "well-living" is valued and nurtured.

### DISCRIMINATION

Employee diversity is important for Bonduelle. We are committed to eliminating all forms of discrimination, either direct or indirect, in the workplace and in employee relations, including that based on age, color, civil status, disability, nationality, sexual orientation, ethnic or social origin, race, religion or gender. This antidiscrimination policy applies to all stages of employment, from hiring through an entire career. All employees are free to take part, in a personal capacity, in activities or organizations of a political or religious nature.

### HARASSMENT

Placing People first is a key value for Bonduelle. Its policies protect employees from all forms of harassment, intimidation or victimization, be it physical, psychological or sexual. Any form of moral or sexual harassment is resolutely condemned. All employees have the right to be respected, and to a positive, pleasant and professional working environment in which each person's ideas and contributions are valued. All employees must foster and respect this commitment by being open and clear in their relations with their fellow workers. This helps us to maintain a culture founded on loyalty, trust and solidarity.

### TRAINING

Excellence is the cornerstone of the group's success and competitiveness. Bonduelle aims to develop employees' skills at all stages of their career through a voluntary training and coaching policy. The *Institut Pierre et Benoît Bonduelle* was created to deliver training to all group personnel, validated by recognized professional qualifications.

### SUPPLIERS AND SUBCONTRACTORS

Suppliers and subcontractors are key to ensuring the value of Bonduelle's products and play an important role in customer satisfaction. They are required to adopt behavior in keeping with Bonduelle's values, especially when making purchasing decisions. Bonduelle's suppliers and subcontractors must adhere strictly to all legislation regarding their activities and working environment. Moreover, the group encourages its suppliers and subcontractors to engage in ethical conduct and requests that they sign this charter. Purchasing decisions must be made based on all the values advocated by Bonduelle, and primarily, the values of excellence, open-mindedness and fairness. Relations with suppliers must take place

in a climate of mutual trust, placing People first and simplicity. Purchasing decisions are based on an objective assessment of the reliability and integrity of the supplier or subcontractor, as well as the overall value of their offer relative to both short- and long-term considerations and objectives. Purchasers must also take into account their important role in the local ecosystem.

### 3 - A trustworthy company

#### QUALITY OF PRODUCTS AND SERVICES

For Bonduelle, providing high-quality and efficient products and services bears testimony to its commitment to and respect for consumers. The group is meticulous in its attention to compliance with health regulations, quality control, food legislation and food packaging legislation. The trust thus created is essential for the Company's reputation and long-term presence. The highest levels of food safety are guaranteed through advanced technologies and constant adaptation to new regulatory requirements.

#### CONFIDENTIALITY

Respect for confidentiality is a measure of Bonduelle's integrity and safeguards the relations of trust built up with our partners. Therefore, it is vital that each employee pays the strictest attention to safeguarding the confidentiality of Bonduelle's information. Information obtained by employees of the Bonduelle Group may not be used, either directly or indirectly, for the purposes of personal investment. The confidentiality of all information relating to the activities of the Company or its partners must be guaranteed in all roles and areas in which employees work. In particular, the level of information available to different employees is restricted and data is secured.

#### SAFEGUARDING THE COMPANY'S ASSETS

The purpose of Bonduelle's funds or assets is to ensure the group achieves its targeted results and safeguard its financial independence. Misuse or waste of these resources is potentially damaging; personnel must guard against any illicit use or use unrelated to the group's business. We each have a responsibility to safeguard Bonduelle's tangible and intangible resources, to protect against diversion of assets or their use other than for their original purpose by providing them to a third party. For example, information systems provided may not be used inappropriately. All Company assets remain the property of Bonduelle.



## TRANSPARENCY

Bonduelle ensures that it treats its customers honestly, notably by providing all the necessary information on its products and services and by demonstrating openness on all related issues. The quality of the information we provide to the different parties is an integral part of the relationship of trust and transparency that Bonduelle wishes to establish and maintain. It is our responsibility to ensure that Shareholders receive reliable, transparent, honest and timely information, with regard to the Stock Market Code of Conduct.

## CONFLICTS OF INTEREST

We each have a responsibility to avoid situations where personal interests conflict or may conflict with those of Bonduelle or harm the group. Objectivity must be our guide in relations with the group's partners. Relations with partners may not involve or be influenced by personal factors. It is up to each one of us to ensure such objectivity is maintained at all times and in all long-term relations. All potential conflicts of interests must be disclosed so that the appropriate action can be taken to prevent or resolve the situation. Moreover, Bonduelle does all in its power to prevent corruption, reflected in its responsibility policy, defined in accordance with the rule of law.

## GIFTS AND INVITATIONS

Bonduelle's marketing activities do not exclude the possibility of exchanging gifts and invitations, provided that these do not result in a conflict between personal gain and professional obligations. It is therefore our policy to ensure transparency when accepting gifts or invitations, which must not exceed a nominal or insignificant value. For example, such gifts may be accepted in line with the normal rules of courtesy or hospitality, but under no circumstances may they appear, be considered or interpreted to be complaisance or favoritism.

## POLITICAL SPHERE

All employees are entitled to engage in political activities in a personal capacity, provided that they take place outside of working hours and do not involve any of Bonduelle's assets, and provided that it is clear that such activities are in no way representative of the Company. Bonduelle and its employees comply with all applicable laws and regulations governing contributions to political parties, regardless of the location of the Company's activities.

## REPRESENTING THE COMPANY

Each and every employee is an ambassador for Bonduelle. It is therefore important to exercise good judgment in accordance with Bonduelle's values and interests and to ensure an explicit distinction between personal opinions and interests and those of the Company. All of our conduct

may have an impact on the group's reputation and we must therefore ensure never to say or do anything that could damage Bonduelle's image.

## RULES OF PROCEDURE FOR THE BONDUELLE GROUP ETHICS COMMITTEE

### *Article I. Purpose*

The purpose of these rules of procedure is to define the composition, competence and operating rules of the Bonduelle Group Ethics Committee (hereafter the Ethics Committee).

### *Article II. Composition*

The Ethics Committee has four members: two who are employed within the group and two from outside, who are not employees (one a member of Bonduelle SAS's Board of Directors and one a member of Bonduelle SCA's Supervisory Board).

### *Article III. Appointment of Ethics Committee members*

Ethics Committee members are appointed by the Chairman of the Bonduelle Group.

### *Article IV. Terms of office and attendance at meetings*

Each member is appointed for a 3-year period, renewable by a decision of the group's Chairman. Members may not be represented during Ethics Committee meetings.

### *Article V. Operation*

The Chairman is appointed by the group Chairman for a 3-year renewable term of office.

The Chairman of the Ethics Committee sets the agenda. It must be sent to members called to the meeting, together with any preparatory documents and the minutes of the previous meeting, at least three days before the date of the meeting. The Ethics Committee makes decisions on a majority vote of the members present.

Working groups: the Ethics Committee may decide to form working groups on particular topics to carry out research in preparation for plenary sessions.

The Ethics Committee meets as often as required to ensure the performance of its duties and at least twice a year. Its Chairman may decide to call meetings without notice.

The Ethics Committee may request the Bonduelle Group's Chairman to provide it with the assistance of any Executive Manager in the group, or any external person (who would then be bound by confidentiality) whose expertise might facilitate discussion of an item on the agenda. It may also have access to all documents deemed useful for its deliberations and may hear submissions from any group employee.

The members of the Ethics Committee may validly deliberate by video conference, telephone conference or in writing, including by mail or fax, provided that all the members agree to this expedient.



The Ethics Committee Chairman has the casting vote in the event of a tie.

Should a member of the Ethics Committee (including its Chairman) find themselves in a situation of conflict of interest regarding an issue handled by the Committee, they must abstain from participating in the discussion and be available to provide any information deemed necessary.

### **Article VI. Missions and competence**

The Ethics Committee is a multidisciplinary, pluralist, advisory and independent body, with a mandate from the group Chairman. It is a forum for discussion and is bound by confidentiality rules. It is tasked with dealing with all issues arising regarding compliance with the Bonduelle Group's ethics charter.

Its mission includes:

1. presenting recommendations on the ethics charter, issues taken up by the Committee independently, or issues submitted to it;
2. promoting discussion of ethical questions related to the group's business;
3. promoting compliance with the charter across the Bonduelle Group;
4. ensuring the dissemination and understanding of the ethics charter by all employees, according to the local context;
5. proposing modifications to the ethics charter, where required;
6. issuing recommendations or guidelines based on case studies, specific questions or general topics;
7. distributing its opinions and recommendations inside the Company;
8. participating in preparing communications on the ethics charter with outside entities, as required;
9. the Ethics Committee reports to the group Chairman on its work and agenda.

The Ethics Committee may not be substituted for other Bonduelle decision-making and dialog structures, or for specific regulations. It is not competent to decide or examine disputes between individuals. It is bound by the rules of professional secrecy and confidentiality.

### **Article VII. Submission of matters**

The Ethics Committee may initiate debate on the issues of its choice within the scope of its mission and competence, by a majority decision of the members. Matters may also be submitted to the Committee, either in writing to: the Chairman of the Ethics Committee, rue Nicolas Appert, BP 30 173, 59653 Villeneuve d'Ascq Cedex, France, or by:

1. the various decision-making bodies in the Bonduelle Group;
2. any Bonduelle Group employee who encounters difficulties related to application of the ethics charter, when no resolution is proposed by hierarchical management and acting in good faith;
3. any employee receiving correspondence from a third party or from an employee that calls the business unit or the group into question;
4. any stakeholder concerned by the ethics charter who becomes aware of a breach of the charter.

### **Article VIII. Recipients and scope of the Ethics Committee's opinions and work**

The Ethics Committee answers all questions while respecting the principle of hierarchical organization, with a focus on dialog with the employee and investigating the issue.

The Committee's opinions are purely advisory and for information. Opinions must respect the principle of anonymity and must comply with the rules of professional secrecy. The Ethics Committee guarantees that an opinion will be issued to the applicant.

An annual report on the Ethics Committee presents the issues referred to it, their nature and a summary of its non-confidential work and general opinions, based on an analysis of actual case studies. The report is included in the group's CSR report.

The Committee's opinions are collective opinions based on consensus.

### **Article IX. Changes and amendments to the Ethics Committee's rules of procedure**

The Ethics Committee may change its operating methods, composition and missions, according to the terms and conditions specified by the Committee in its rules of procedure. All such changes are presented to the Bonduelle Group Chairman for approval.



### 2.8.3 Materiality matrix – GRI Standard 102-46

The Corporate Social Responsibility (CSR) challenges cover many areas. Not all of them have the same impact depending on the organizations and their stakeholders. The materiality analysis enables us to identify the economic, environmental, social and societal repercussions specific to an organization, and those that have a major influence on their stakeholders.

In 2014-2015, Bonduelle initiated a materiality analysis approach in partnership with its stakeholders. In the first instance, a materiality matrix was created for the entire Bonduelle Group. Its methodology is used in all the countries where Bonduelle operates. In 2015-2016, the matrix was completed in Canada and started in Italy. Russia devised its materiality matrix in 2016-2017.

The lessons learned from various dialogs with stakeholders in 2016-2017 supported the results of the matrix (see 2.2.1).

### Identifying Bonduelle’s CSR challenges

A complete list of Bonduelle’s CSR challenges across its whole value chain was drawn up based on various existing guidelines (UN Global Compact, segment GRI, ISO 26000, Article 225 of the French Grenelle law), themes identified by other operators in the sector, topics dealt with during dialog with stakeholders in France and the materiality matrix produced in North America. This list of 51 challenges covers the different links in Bonduelle’s value chain, from the agricultural upstream to consumers and civil society. The value chain is represented in the challenges and targets tables outlined in 2.3.1, 2.4.1, 2.5.1 and 2.6.1.

### Consultation with stakeholders

External contacts involved in drawing up the “Importance for external stakeholders” item in Bonduelle’s materiality matrix were identified so as to represent Bonduelle’s various direct and indirect stakeholder categories. Among these categories, the most representative and relevant organizations, as well as renowned experts on matters relating to the Bonduelle Group’s operations, were selected.

## 64 organizations or independent experts responded to the questionnaire



Bonduelle’s internal stakeholders involved in producing the “Current or potential impact for Bonduelle” item were selected to reflect the group’s overall strategic vision and its

CSR vision. All members of the Executive Committee and the CSR Steering Committee answered the online questionnaire.

### Prioritizing challenges

An online questionnaire enabled stakeholders to rate the 51 challenges on six different levels, give their opinions and indicate any other issues they considered relevant. None of the stakeholders added any challenges to the list, and all the challenges were considered important as they appear on the matrix between levels 4 and 6.

The final score for each challenge corresponds to an average calculated based on one vote allocated to each stakeholder category, without any weighting. This first score was complemented by:

- cross-referencing with the Bonduelle Group's risk mapping, to ensure consistency of the results with the Company's key risks. (Risk management procedure outlined in Section 3.5);
- inclusion of the results of surveys conducted on Bonduelle's suppliers and consumers. For example, the participation of Bonduelle's farmer suppliers was completed based on an IPSOS survey in 2014 of all of the group's partner producers;
- the annual dialog session organized in France by Bonduelle. A group of some 30 key stakeholders was asked for their responses to the initial results of the matrix. The discussions dealt with the subjects already identified by Bonduelle, such as food waste and climate change. Additional points also came out of this dialog, such as crop diversity and promoting balanced food choices at work.

For each challenge, the Bonduelle CSR Steering Committee analyzes the results for each year *via* materiality matrices produced in the countries where Bonduelle operates.

### Materiality matrix – GRI Standard 102-47, 103-1, 102-42, 102-14

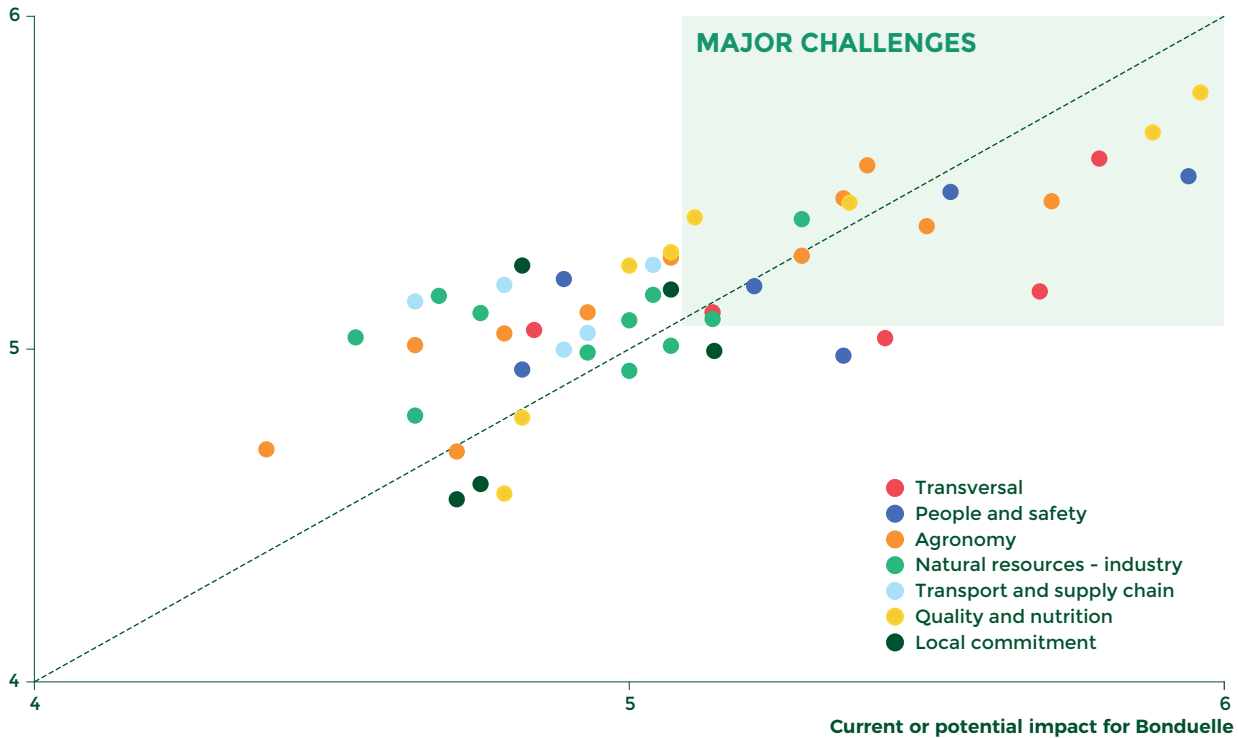
The materiality analysis identified, from among Bonduelle's 51 CSR challenges, 17 major challenges shared by the group and its stakeholders. They include the commitments of the Company's CSR strategy and will help to enrich it. They are also in line with the sustainable development goals presented in 2.1.1. Material challenges apply to the entire Bonduelle Group, which collaborates with its eco-system to address these challenges, and particularly with its farmer partners:

- product quality and safety (outlined in Sections 2.5.3 and 2.5.4);
- food traceability (outlined in Section 2.5.3);
- health and safety in the workplace (outlined in Section 2.6.3);
- business ethics practices (outlined in Section 2.1.4);
- food safety (outlined in Sections 2.6.1 and 2.3.1);
- compliance with the international labor commitment (outlined in Section 2.6.8, 2.6.4 and 2.6.5);
- relations with producers (outlined in Sections 2.3 and 2.2);
- soil preservation (outlined in Section 2.3);
- water conservation (outlined in Section 2.4.5);
- packaging quality and safety (outlined in Sections 2.4.8 and 2.5.3);
- water pollution (outlined in Section 2.4.5);
- use of agricultural inputs (outlined in Section 2.3);
- legal compliance (outlined in Section 2.1.4);
- compliance of teams with the group's CSR commitments (outlined in Sections 2.1.2 and 2.6.9);
- integration of CSR challenges in relations with customers (outlined in Sections 2.2 and 2.8.3);
- nutritional composition of products (outlined in Section 2.5.4);
- energy savings (outlined in Sections 2.4.4 and 2.4.3).



## Materiality matrix

Importance for external stakeholders



### 2.8.4 Professional bodies – GRI standard 102-13

- **ADEPALE:** Association des entreprises de produits alimentaires élaborés (Association of Food Processing Industries – France).
- **AETMD:** Association européenne des transformateurs de maïs doux (European Association of Sweet Corn Producers).
- **Agro-Transfert ressources et territoires:** this organization was created by the *Conseil Régional de Picardie*, the *Institut national de la recherche agronomique (INRA)* and the agricultural chambers of Picardie. It is both an application platform and a network for the transfer of agronomic research.
- **ANIA:** Association nationale des industries alimentaires (National Food Industry Association – France).
- **ANICC:** Association nationale interprofessionnelle du champignon de couche (National Joint Trade Association of Cultivated Mushroom Producers – France).
- **ANIFELT:** Association nationale interprofessionnelle des fruits et légumes transformés (National Joint Trade Association of Fruit and Vegetable Processors – France).
- **CTCPA:** Centre technique agro-alimentaire (Agri-foods Technical Center – France).
- **ECOPAR:** Compagnie pour la participation éco-emballages (Eco packaging company – France).
- **FIAC:** Fédération française des industries d'aliments conservés (French Preserved Food Industry Federation).
- **ILEC:** Institut de liaisons et d'études des industries de consommation (Institute for Consumption Industry Liaison and Research – France).
- **ORSE:** Observatoire de la Responsabilité sociétale des entreprises (Corporate Social Responsibility Observatory – France).
- **PROFEL:** Organisation européenne des industries transformatrices de fruits et légumes (European Association of Fruit and Vegetable Processing Industries).
- **SFPAE:** Syndicat des fabricants de fruits et légumes prêts à l'emploi (Union of Prepared Fruit and Vegetables Producers – France).
- **SYNAFAP:** Syndicat des fabricants de produits traiteurs frais (Union of Freshly Prepared Product Producers – France).
- **UNILET:** Union nationale interprofessionnelle des légumes transformés (National Processed Vegetable Trade Association).
- **UPPIA:** Union pour la promotion des industries de l'appertisé (Union for the Promotion of the Canning Industries – France).





# Corporate governance



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Items of the Annual Financial Report are identified in the contents using the AFR symbol 



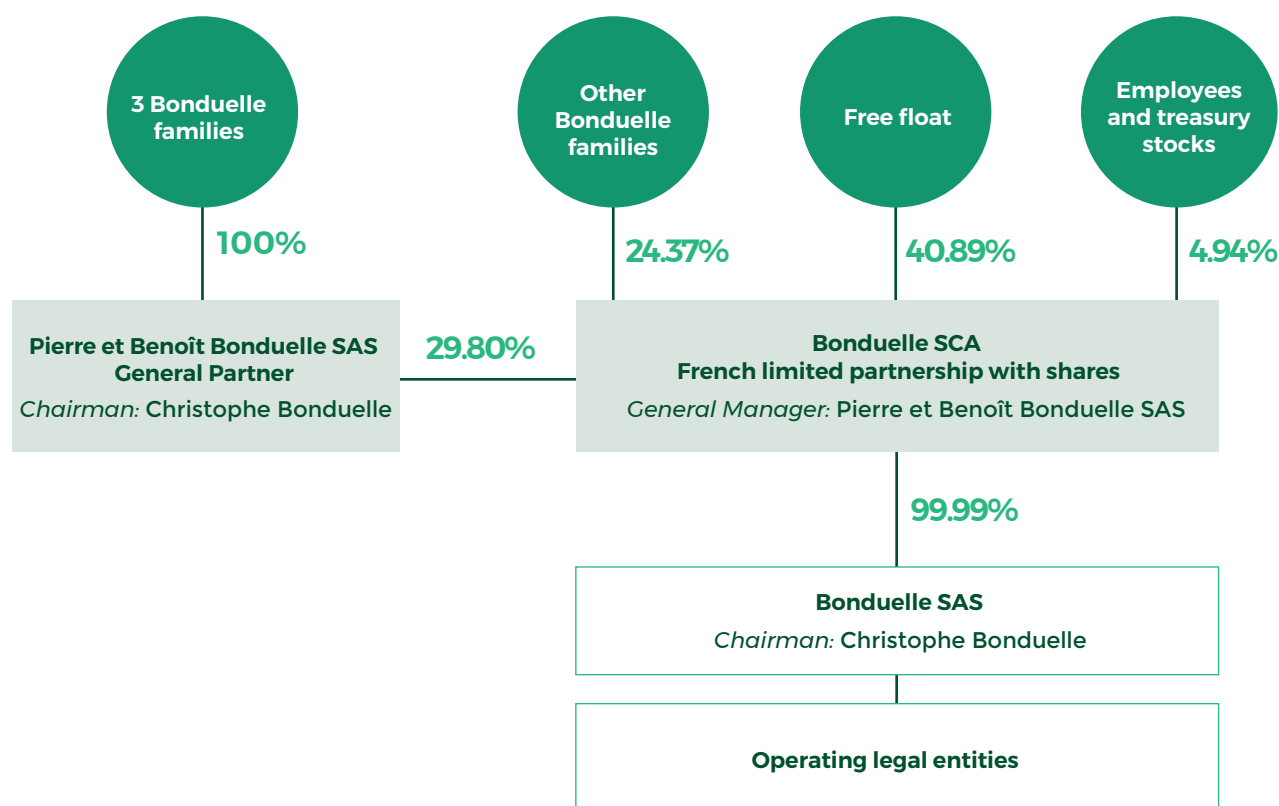
FOR MORE INFORMATION,  
PLEASE VISIT:  
[BONDUELLE.COM](http://BONDUELLE.COM)



## 3.1 Administrative, management and supervisory bodies – GRI Standard 102-18

### 3.1.1 Group organization, legal structures and Shareholder structure (at June 30, 2017)

Bonduelle's predominantly family-based shareholding structure provides the group with stability and continuity.



The way in which operating legal entities are organized does not reflect the Company's production, sales and marketing structures. Operations are organized around Europe and Non-Europe Zones through business units.

### 3.1.2 Bonduelle SCA – GRI Standard 405-1

#### The limited partnership with shares comprises two types of partners:

– The company Pierre et Benoît Bonduelle SAS, owned by three families, is the General Partner and has joint and several unlimited liability for the Company's obligations. Elected from among the Company's members, the Board of Directors has eight members who decide the General Partner's position on the strategic proposals submitted to the Board of Directors of Bonduelle SAS. Its decisions influence the positions of the latter through the members

of the Board of Directors of Pierre et Benoît Bonduelle SAS who are also members of the Board of Directors of Bonduelle SAS.

– The limited partners (other family members, free float and employees) are in a similar position to the Shareholders of a public limited company, their liability is limited to their investment.

#### The Supervisory Board

It is responsible for monitoring the management of the Company on an ongoing basis (reviewing the financial statements, assessing the conduct of Company business) on behalf of the limited partners. The composition of the

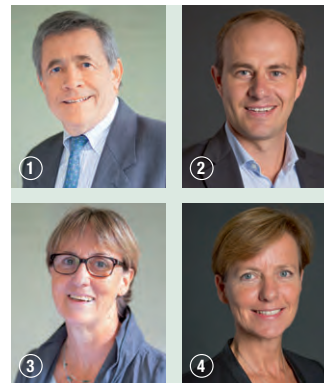
Supervisory Board (whose eight members are independent) ensures that it has the expertise, independence and availability to accomplish its duties and represent the interests of limited partners.



- ① Martin Ducroquet  
*Chairman*
- ② Isabelle Danjou  
*Vice-Chairman*
- ③ Marie-France Tisseau
- ④ Marie-Ange Verdickt
- ⑤ Laurent Bonduelle
- ⑥ Élisabeth Minard
- ⑦ Yves Tack
- ⑧ Matthieu Duriez

#### The Audit Committee

Set up by the Supervisory Board, this Committee is, in particular, responsible for examining the financial statements closely, evaluating internal control and risk management programs and assessing the annual audit programs of the Statutory Auditors.



- ① Yves Tack  
*Chairman*
- ② Martin Ducroquet
- ③ Isabelle Danjou
- ④ Marie-Ange Verdickt

## 3.1.3 Bonduelle SAS – GRI Standard 405-1

### The Executive committee (at July 1, 2017)

The Executive Committee comprises the Chairman of Bonduelle SAS, Chief Executive Officers of Bonduelle’s business units located within and outside Europe, together with the Chief Financial and Human Resources Officers and the Director of “*Prospective et Développement*” Division. For the implementation of policies relating to European businesses, this Committee is supported by the European Operating Committee (EOC), which comprises the Directors of the region’s business units and the heads of the Corporate Departments who are members of the Executive Committee.

			<p>① <b>Christophe Bonduelle</b> Chairman</p> <p><i>Business units in Europe</i></p> <p>② <b>Pascal Bredeloux</b> Chief Executive Officer Bonduelle Fresh Europe</p> <p>③ <b>Philippe Carreau</b> Chief Executive Officer Bonduelle Europe Long Life</p> <p><i>Business units outside Europe</i></p> <p>④ <b>Guillaume Debrosse</b> Chief Executive Officer Bonduelle EurAsia Markets</p> <p>⑤ <b>Tony Sarsam</b> Chief Executive Officer Bonduelle Fresh Americas</p> <p>⑥ <b>Daniel Vielfaure</b> Chief Executive Officer Bonduelle Americas Long Life</p>	<p><i>Corporate Departments</i></p> <p>⑦ <b>Benoît Bonduelle</b> “Prospective et Développement” Division Director</p> <p>⑧ <b>Bruno Rauwel</b> Human Resources Officer</p> <p>⑨ <b>Grégory Sanson</b> Chief Financial Officer</p>
				
				

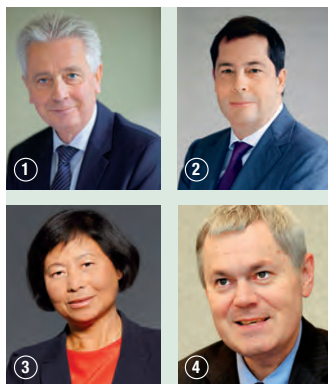


### The Board of Directors

The Board of Directors comprises members of the Bonduelle family and independent directors. It is responsible for defining the Company's strategy and investment policy, within the framework set by the General Partner.



- ① Christophe Bonduelle  
*Chairman*
- ② Benoît Bonduelle
- ③ François Bonduelle
- ④ Jean-Bernard Bonduelle
- ⑤ Jérôme Bonduelle
- ⑥ Marc Bonduelle
- ⑦ Guillaume Debrosse
- ⑧ Pierre Deloffre
- ⑨ Miriam Fedida
- ⑩ Antoine Fiévet
- ⑪ Pierre Pâris
- ⑫ Philippe Vasseur



- ① Pierre Deloffre  
*Chairman of the Committee, former Chief Executive Officer of Bonduelle Group*
- ② Antoine Fiévet  
*Chairman of the Executive Board of Unibel*
- ③ Tea Kalya  
*Senior Customer Partner of Korn Ferry International*
- ④ Harry Touret  
*Senior Executive Vice-President, Human Resources of Groupe SEB*

### The Compensation Committee

This Committee, which is entirely independent, recommends compensation for Bonduelle SAS' Executive Management and employees who are members of the Bonduelle family. It also offers an opinion on the compensation policy for certain other Senior Managers.

### The Ethics Committee

The Ethics Committee advises on the application of Bonduelle's ethics charter (shown on page 100). It meets twice a year and reports on its activities to the Chairman of the Bonduelle Group.



- ① Philippe Vasseur  
*Chairman Chairman of Réseau Alliances and the World Forum Lille*
- ② Jean-Bernard Bonduelle  
*In charge of External Relations for the Bonduelle Group*
- ③ Arno Van Dongen  
*Director of the Northern Europe Zone - BELL*
- ④ Marie-France Tisseau  
*Member of the Supervisory Board of Bonduelle*

## 3.2 Information regarding Corporate Officers

**Christophe BONDUELLE**  
 Legal representative of Pierre et Benoît Bonduelle SAS,  
 itself the General Manager of Bonduelle SCA  
 First appointed: 1995/06/17  
 Open-ended appointment  
 Based in "La Woestyne" 59173 Renescure (France)  
 95,609 shares held <sup>(1)</sup>  
 Nationality: French

**Consolidated companies:**  
 Chairman of Bonduelle SAS  
 Chairman of Bonduelle Canada  
 Chairman of the Supervisory Board of Bonduelle Central Europe  
 Chairman of the Board of Directors of Bonduelle Iberica  
 Chairman of the Board of Directors of Bonduelle Italia  
 Director of Bonduelle Nederland BV  
 Director of Bonduelle Nordic  
 Chairman of the Board of Directors of Bonduelle Northern Europe  
 Chairman of the Supervisory Board of Bonduelle Polska  
 Chairman of the Board of Directors of Bonduelle Portugal  
 Chairman of Bonduelle US Holding  
 Chairman of Bonduelle USA  
 Chairman of the Board of Directors of Bonduelle SA de CV  
 Director of Bonduelle Kuban  
 Chairman of Ready Pac Foods Inc.  
**Other companies:**  
 Chairman of Pierre et Benoît Bonduelle SAS  
 Director of La Plaine SA  
 General Manager of Chanvoleau SCI  
 General Manager of L'Amirauté SC  
 General Manager of the Groupement Forestier de Bellebrune  
 General Manager of Etienfort SC  
 General Manager of the Groupement Foncier Agricole des Calinques

**Martin DUCROQUET**  
 Chairman of the Supervisory Board of Bonduelle SCA since  
 2015/12/03  
 Member of the Audit Committee since 2015/12/03  
 Independent member  
 First appointed: 2012/12/06  
 Term of office expires: Shareholders' Meeting 2018  
 Based in "La Woestyne" 59173 Renescure (France)  
 2,000 shares held <sup>(1)</sup>  
 Nationality: French  
 Board attendance rate: 100%

**Other companies:**  
 General Manager of Tactus SARL  
 Chief Executive Officer of Sencrop SAS  
 Has performed roles at Siparex Private Equity for almost ten  
 years, notably acting as Director of Investment. In this respect,  
 was permanent representative on various Boards of Directors  
 and Supervisory Boards of unlisted companies. Currently  
 General Manager of Tactus.

**Isabelle DANJOU**  
 Chairman of the Supervisory Board of Bonduelle SCA  
 until 2015/12/03  
 Vice Chairman of the Supervisory Board of Bonduelle SCA  
 since 2015/12/03  
 Member of the Audit Committee  
 Independent member  
 First appointed: 2006/12/07  
 Term of office expires: Shareholders' Meeting 2018  
 Based in "La Woestyne" 59173 Renescure (France)  
 69,020 shares held <sup>(1)</sup>  
 Nationality: French  
 Board attendance rate: 100%

Holds a doctorate in management science, was Project Manager  
 at the Regional Development Agency from 1986 to 1997, Research  
 Director at SKEMA Lille business school from 1998 to 2006 and  
 had a book published by L'Harmattan entitled: "Entreprendre, la  
 passion d'accomplir ensemble". Having worked as a consultant  
 and trainer in human relations until 2017, she is now retired.

(1) Shares held personally at August 31, 2017, not including holdings through companies, in accordance with the provisions of the Afep-Medef Code.



**Laurent BONDUELLE****Member of the Supervisory Board of Bonduelle SCA****Independent member**

First appointed: 2013/12/05

Term of office expires: Shareholders' Meeting 2019

Based in "La Woestyne" 59173 Renescure (France)

14,924 shares held <sup>(1)</sup>

Nationality: French

Board attendance rate: 100%

**Other companies:**

General Manager of Résolution SARL

General Manager of Aubepure SARL

Graduate of the Institut Supérieur de Gestion and holding an Executive MBA from HEC; spent 18 years in the Export Department at Papeteries Dalle&Lecomte/Sibille and then in R&D at Ahlstrom: external growth (sourcing international partnerships) and internal growth (evaluating new technologies); in 2004 founded an innovative company, now a leader in its sector, that has been designing, manufacturing and selling treatment systems for plant protection product effluent since 2007. Is Founding General Manager of Résolution SARL and Aubepure SARL.

**Matthieu DURIEZ****Member of the Supervisory Board of Bonduelle SCA****Independent member**

First appointed: 2011/12/08

Term of office expires: Shareholders' Meeting 2017

Based in "La Woestyne" 59173 Renescure (France)

4,179 shares held <sup>(1)</sup>

Nationality: French

Board attendance rate: 80%

**Other companies:**

General Manager of Duriez Amo SARL

Chairman of Duriez Invest SAS

Chairman of Amo Développement SAS

Member of the Supervisory Board of Modul SAS

Trained as an architect and worked in this capacity for 15 years. Property developer and project management assistant since 2002. Formed Amo Développement in 2009. In 2012 founded Les Serenies SAS serviced retirement homes and in 2013 founded the Dklic Immo real estate agency serving first-time home buyers (ça y est j'achète).

**Elisabeth MINARD****Member of the Supervisory Board of Bonduelle SCA****Independent member**

First appointed: 2010/12/02

Term of office expires: Shareholders' Meeting 2019

Based in "La Woestyne" 59173 Renescure (France)

52,083 shares held <sup>(1)</sup>

Nationality: French

Board attendance rate: 100%

Head of a textile company from 1975 to 2008. Has devoted herself to painting since 2008. Member of the Maison des Artistes and exhibits her work in a number of galleries.

**Yves TACK****Member of the Supervisory Board of Bonduelle SCA****Chairman of the Audit Committee****Independent member**

First appointed: 2004/12/01

Term of office expires: Shareholders' Meeting 2019

Based in "La Woestyne" 59173 Renescure (France)

4,400 shares held <sup>(1)</sup>

Nationality: Belgian

Board attendance rate: 100%

**Other companies:**

Director of Sedev SA (directorship expired during the fiscal year)

Chairman of Massai SAS

General Manager of Dumaco SCI

General Manager of Le Moulin Blanc SCI

Partner-General Manager of Girls SC

Partner-General Manager of Team TT SC (term of office expired during the fiscal year)

General Manager of Totem SARL

Spent the first ten years of his career in the United States, working in financial analysis and portfolio management. Formed Dessauer & Tack Asset Management in Boston, before founding Global Equities in Paris and becoming Equity Department Director at BNP Paribas Capital Markets in London. Returning to his native Nord Region of France, directed Participex, a listed expansion and buyout capital company, until it was sold to Crédit Agricole. Currently a consultant to various family-owned companies advising on their strategic direction, in terms of both operations and capital structure.

Also Chairman of the Business Angels club in the Nord-Pas-de-Calais region, Chairman of the French Institute of Directors and Member of the Financial Committee of the French Muscular Dystrophy Association.

(1) Shares held personally at August 31, 2017, not including holdings through companies, in accordance with the provisions of the Afep-Medef Code.



## Information regarding Corporate Officers

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<p><b>Marie-France TISSEAU</b> Member of the Supervisory Board of Bonduelle SCA Member of the Audit Committee until 2015/12/03 and member of the Ethics Committee Independent member First appointed: 2011/12/08 Term of office expires: Shareholders' Meeting 2017 Based in "La Woestyne" 59173 Renescure (France) 30,726 shares held <sup>(1)</sup> Nationality: French Board attendance rate: 100%</p>	<p>Holds a law degree with a specialization in Business Law. From 1970 to 2008: worked in Paris as Legal Advisor, then Legal Counsel, specializing in Corporate Law and Tax Law for family-owned companies and French subsidiaries of foreign companies. Retired on April 1, 2008.</p>
<p><b>Marie-Ange VERDICKT</b> Member of the Supervisory Board of Bonduelle SCA since 2015/12/03 Member of the Audit Committee since 2015/12/03 Independent member First appointed: 2015/12/03 Term of office expires: Shareholders' Meeting 2018 Based in "La Woestyne" 59173 Renescure (France) 3,500 shares held <sup>(1)</sup> Nationality: French Board attendance rate: 100%</p>	<p><b>Other companies:</b> Member of the Supervisory Board of Wavestone (formerly Solucom) (listed company) Director of ABC Arbitrage (listed company) Member of the Supervisory Board of CapHorn Invest Director of Interparfums (listed company) A graduate of the Bordeaux École Supérieure de Commerce (1984) and a member of the French Association of Financial Analysts (SFAF), started her working life as an Auditor at Deloitte and a management controller for Wang, then moved to Euronext as a financial analyst, later heading the financial analysis office. From 1998 to 2012, she was equity fund Manager at Financière de l'Échiquier, an independent management company. She also developed socially-responsible investment practices.</p>

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(1) Shares held personally at August 31, 2017, not including holdings through companies, in accordance with the provisions of the Afep-Medef Code.



## 3.2.1 Changes in the composition of the Board

Date of Shareholders' Meeting	Appointed	Reappointed	Left	Criteria to diversify the composition of the Board
NONE				

## 3.2.2 Independence of members of the Board with regard to the criteria defined in the Afep-Medef Code

Independent members of the Board	Martin Ducroquet	Isabelle Danjou	Laurent Bonduelle	Matthieu Duriez	Élisabeth Minard	Yves Tack	Marie-France Tisseau	Marie-Ange Verdickt
Description	Independent	Independent	Independent	Independent	Independent	Independent	Independent	Independent
Not be an employee of the Company or of a consolidated company and not have been one in the last five years	X	X	X	X	X	X	X	X
Not be an executive Corporate Officer of the Company or a Corporate Officer of a group company and not have been one in the last five years	X	X	X	X	X	X	X	X
Not be a Corporate Officer of a company in which the Company has a direct or indirect corporate function or in which a Corporate Officer of the Company (currently or who has held such an office in the last five years) has a corporate function	X	X	X	X	X	X	X	X
Not be a customer, supplier or major banker of the Company or one for which the Company represents a significant portion of its business <sup>(1)</sup>	X	X	X	X	X	X	X	X
Not have close family ties with a Corporate Officer <sup>(2)</sup>	X	X	X	X	X	X	X	X
Not be or have been an Auditor of the Company in the last five years	X	X	X	X	X	X	X	X
Not be a member of the Board of the Company for more than 12 years <sup>(3)</sup>	X	X	X	X	X	X	X	X
Not be a Shareholder with a measure of control over the Company or its parent company (threshold of 10% of equity or voting rights) <sup>(2)</sup>	X	X	X	X	X	X	X	X

The specific independence criteria defined by the Company can be found in the rules of procedure of the Supervisory Board available on [www.bonduelle.com](http://www.bonduelle.com).

(1) The independent members have no business relationship with the group.

(2) There are no family ties among Corporate Officers within two degrees of lineal kinship or three degrees of collateral kinship.

(3) The Company has not formally adopted the independence criteria from the Afep-Medef Code limiting the term of office of members of the Supervisory Board to 12 years, but intends to use this criteria as a guideline. As regard to the specific case of Yves Tack, appointed for the first time on February 1, 2004, the Company, following review of his status by the Supervisory Board in accordance with its rules of procedure, deemed Yves Tack to be independent.

(4) In accordance with the Company's legal structure as a limited partnership with shares, control is exercised by the General Partner.

## 3.3 Additional information regarding the management and supervisory bodies

### 3.3.1 Positions held by Corporate Officers in other companies outside the group during the last five years

#### General Partner: Christophe BONDUELLE

Legal representative of Pierre et Benoît Bonduelle SAS

General Manager of Bonduelle SCA

#### 2011-2012

Chairman of Pierre et Benoît Bonduelle SAS

Director of Crédit du Nord Bank

General Manager of Chanvoleau SCI

General Manager of L'Amirauté SC

General Manager of the Groupement Forestier de Bellebrune

General Manager of Etienfort SC

General Manager of the Groupement Foncier Agricole des Calinques

#### 2012-2013

Chairman of Pierre et Benoît Bonduelle SAS

Director of Crédit du Nord Bank

General Manager of Chanvoleau SCI

General Manager of L'Amirauté SC

General Manager of the Groupement Forestier de Bellebrune

General Manager of Etienfort SC

General Manager of the Groupement Foncier Agricole des Calinques

#### 2013-2014

Chairman of Pierre et Benoît Bonduelle SAS

Director of Crédit du Nord Bank

General Manager of Chanvoleau SCI

General Manager of L'Amirauté SC

General Manager of the Groupement Forestier de Bellebrune

General Manager of Etienfort SC

General Manager of the Groupement Foncier Agricole des Calinques

#### 2014-2015

Chairman of Pierre et Benoît Bonduelle SAS

General Manager of Chanvoleau SCI

General Manager of L'Amirauté SC

General Manager of the Groupement Forestier de Bellebrune

General Manager of Etienfort SC

General Manager of the Groupement Foncier Agricole des Calinques

#### 2015-2016

Chairman of Pierre et Benoît Bonduelle SAS

Director of La Plaine SA

General Manager of Chanvoleau SCI

General Manager of L'Amirauté SC

General Manager of the Groupement Forestier de Bellebrune

General Manager of Etienfort SC

General Manager of the Groupement Foncier Agricole des Calinques

#### Martin DUCROQUET

#### 2011-2012 to 2015-2016

General Manager of Tactus SARL

#### Isabelle DANJOU

#### 2011-2012 to 2015-2016

No positions held in other companies

#### Laurent BONDUELLE

#### 2011-2012 to 2015-2016

Founding General Manager of Résolution SARL

Founding General Manager of Aubepure SARL

#### Matthieu DURIEZ

#### 2011-2012 to 2014-2015

General Manager of Duriez Amo SARL

Chairman of Duriez Invest SAS

Chairman of Amo Développement SAS

#### 2015-2016

General Manager of Duriez Amo SARL

Chairman of Duriez Invest SAS

Chairman of Amo Développement SAS

Member of the Supervisory Board of Modul SAS

#### Élisabeth MINARD

#### 2011-2012 to 2015-2016

No positions held in other companies



## Yves TACK

### 2011-2012

Director of Sedev SA  
Chairman of Massai SAS  
General Manager of Dumaco SCI  
General Manager of Le Moulin Blanc SCI  
Director of Ekkyo SA  
Director of Verywear SA  
Partner-General Manager of Girls SC  
Partner-General Manager of Team TT SC  
General Manager of Totem SARL

### 2012-2013

Chairman of Massai SAS  
General Manager of Dumaco SCI  
General Manager of Le Moulin Blanc SCI  
Director of Verywear SA  
Partner-General Manager of Girls SC  
Partner-General Manager of Team TT SC  
General Manager of Totem SARL

### 2013-2014

Director of Sedev SA  
Chairman of Massai SAS  
General Manager of Dumaco SCI  
General Manager of Le Moulin Blanc SCI  
Director of Verywear SA  
Partner-General Manager of Girls SC  
Partner-General Manager of Team TT SC  
General Manager of Totem SARL

### 2014-2015

Director of Sedev SA  
Chairman of Massai SAS  
General Manager of Dumaco SCI  
General Manager of Le Moulin Blanc SCI  
Director of Verywear SA  
Partner-General Manager of Girls SC  
Partner-General Manager of Team TT SC  
General Manager of Totem SARL

### 2015-2016

Director of Sedev SA  
Chairman of Massai SAS  
General Manager of Dumaco SCI  
General Manager of Le Moulin Blanc SCI  
Partner-General Manager of Girls SC  
Partner-General Manager of Team TT SC  
General Manager of Totem SARL

## Marie-France TISSEAU

### 2011-2012 to 2015-2016

No positions held in other companies

## Marie-Ange VERDICKT

### 2011-2012

Director of Financière de l'Échiquier

### 2012-2013

Member of the Supervisory Board of Solucom (listed company)  
Director of ABC Arbitrage (listed company)

### 2013-2014

Member of the Supervisory Board of Solucom (listed company)  
Director of ABC Arbitrage (listed company)  
Member of the Supervisory Board of CapHorn Invest

### 2014-2015

Member of the Supervisory Board of Solucom (listed company)  
Director of ABC Arbitrage (listed company)  
Member of the Supervisory Board of CapHorn Invest  
Director of Interparfums (listed company)

### 2015-2016

Member of the Supervisory Board of Wavestone (formerly Solucom) (listed company)  
Director of ABC Arbitrage (listed company)  
Member of the Supervisory Board of CapHorn Invest  
Director of Interparfums (listed company)

## 3.3.2 Special information regarding the directors and officers of the Company

To the best of the Company's knowledge and on the date this document was drawn up, in the past five years none of the directors or officers:

- have been convicted of fraud;
- have been involved in a bankruptcy, receivership or liquidation;
- have been subject to incrimination or to an official public sanction handed down by a statutory or regulatory authority;
- have been prevented by a court from acting as a member of an administrative, management or supervisory body, or from being involved in the management or oversight of an issuer's business dealings.

## 3.3.3 Conflicts of interest involving the General Management and the Supervisory Board

To the best of the Company's knowledge and on the date this document was drawn up:

- no conflict of interest has been identified between the corporate duties of the members of the General Management and the Supervisory Board as directors and officers of the Company and their private interests or other duties;

- there were no agreements concluded with major Shareholders, customers or suppliers resulting in the General Management or a member of the Supervisory Board being appointed in that capacity;
- the members of the General Management and the Supervisory Board have not agreed to any restrictions regarding the sale of their holdings in the share capital of the Company other than those described in Section 7.2.3.

## 3.3.4 Related party transactions

- Corporate Officers' compensation. See Note 16 of the notes to the annual parent company financial statements.
- Directors' compensation. See Note 10.2 of the notes to the annual consolidated financial statements.

## 3.3.5 Service agreements

On the date this document was drawn up, there are no significant service agreements linking the members of the Company's administrative, management or supervisory bodies to the issuer or any one of its subsidiaries and providing for the granting of benefits upon fulfillment of any such agreement.

## 3.4 Supervisory Board report

We are pleased to report on the control tasks you requested us.

Your Board, consisting of eight members, was regularly informed by the General Management about the activities of the Bonduelle Group during its Board meetings.

The General Management provided us with all the documents required to evaluate the performance of its obligations and to review the parent company and consolidated financial statements. It also provided us with all the information regarding the financial statements, financial commitments and risks associated with the group's activities.

The report of the General Management presents the group's activity report and results for the 2016-2017 fiscal year. The consolidated financial statements show revenue of 2,288.1 million euros, compared with 1,967.7 million euros the previous year, current operating profit of 108.3 million euros, compared with 103.5 million euros, and net income group share of 59.8 million euros, compared with 53.7 million euros in 2015-2016.

The Board highlights the group's outstanding performance, demonstrated by the resilience of its profitability in an adverse environment, and notes its excellent financial health as reflected in its improved debt and leverage ratios, excluding the acquisition of Ready Pac Foods.

The Supervisory Board supports the General Management's proposal to pay a dividend of 0.45 euros per share.

You are asked to renew the expiring authorizations granted to the General Management by previous Shareholders' Meetings.

As a reminder, at its December 4, 2008 meeting, the Supervisory Board adopted the principles of the Afep-Medef corporate governance code.

You will thus be asked to approve the re-appointment of two members of the Supervisory Board, Ms. Marie-France Tisseau and Mr. Matthieu Duriez, both of whom meet the independence criteria set by the rules of procedure of the Supervisory Board, drawn from the Afep-Medef Code.

Subject to the adoption of the resolutions proposed at the Shareholders' Meeting, the Board will comprise four women and four men, thereby complying with the law of January 27, 2011 on the balanced representation of women and men on Boards of Directors and Supervisory Boards, and on equality at work, as well as with the provisions of the Afep-Medef Code.

A specific report by the Chairman of the Supervisory Board is attached to the report of the General Management to the Shareholders on corporate governance principles, the preparation and organization of the work of the Supervisory Board and its committees during the fiscal year and on the internal control procedures implemented by the Company.

In conclusion, we recommend that you adopt the resolutions that have been submitted to you and have been approved by us.



## 3.5 Chairman of the Supervisory Board's report

On the corporate governance structure, the preparation and organization of the work of the Supervisory Board and on the internal control and risk management procedures implemented by the Company.

To the Shareholders,

Pursuant to the provisions of Article L. 621-18-3 of the French Monetary and Financial Code, as the Chairman of the Supervisory Board, I am pleased to present to you, in this report, the corporate governance structure, the conditions under which the work of the Supervisory Board is prepared and organized and the internal control and risk management procedures implemented by the Company.

The preparation of this report benefited from the input of the members of the Supervisory Board, the Chairman of Bonduelle SAS, the group's Chief Financial Officer, the Internal Audit Director and the Legal Director.

Bonduelle SCA is a limited partnership with shares (*société en commandite par actions*, or SCA). These companies have two categories of Shareholders, known as Partners:

- the Limited Partners, who contribute to equity and are liable for the Company's obligations only in an amount equal to their contributions and who are represented by a Supervisory Board;
- the General Partners, who are indefinitely and severally liable for the Company's obligations to third parties.

Limited partnerships with shares are managed by one or more General Managers, who are natural persons or legal entities selected from amongst the General Partners or independent third parties.

### 3.5.1 Corporate governance code

At its December 4, 2008 meeting, the Supervisory Board of the Bonduelle Group adopted the principles of the Afep-Medef corporate governance code.

It noted that certain provisions were not applicable in the case of a company structured as a limited partnership with shares and with a family-owned controlling Shareholder, since these concern the role of the Supervisory Board in the decision-making process and the role played by the Nomination and Compensation Committee relating to the General Management, which, in the case of Bonduelle SCA, is a legal entity.

Moreover, the Supervisory Board includes eight members considered to be independent with regard to the criteria established by its rules of procedure, which do not provide any restrictions with regard to the renewal of members' terms.

### 3.5.2 Conditions for preparing and organizing the work of the Supervisory Board

#### Composition of the Supervisory Board

In accordance with the law and the provisions of the Articles of association, the Supervisory Board is composed of between 3 and 18 members selected from among the Shareholders who do not qualify as General Partners and are neither the legal representative of the General Partner nor the Manager of Pierre et Benoît Bonduelle SAS. Supervisory Board members are appointed by an Ordinary Shareholders' Meeting for a period of three years.

The Supervisory Board currently has eight members, including its Chairman, Mr. Martin Ducroquet, who holds other appointments outside the group. The eight members of the Supervisory Board are considered to be independent with regard to the criteria established by its internal rules of procedure, which are based on the principle that members of the Supervisory Board are independent and have no relationships with the Company or its management that could compromise the exercise of their freedom of judgment.

At its meeting of September 29, 2017, the Board confirmed that none of its members had any conflicts of interest with regard to the exercise of their functions during the 2016-2017 fiscal year.

#### Representation of women and men on the Supervisory Board

The Supervisory Board currently comprises four women and four men. The Company had adopted in advance the provisions of the law of January 27, 2011 on the balanced representation of women and men on Boards of Directors and Supervisory Boards and equality at work, and the recommendations of the Afep-Medef Code, emphasizing the Company's commitment in this area.



## Duties of the Supervisory Board

The Supervisory Board is responsible for the permanent control of the management of the Company. These duties cover the following areas:

- reviewing the annual and interim financial statements closed by the General Management;
- assessing the conduct of Company business;
- assessing internal control and risk management procedures;
- assessing compliance with Shareholder rights;
- reviewing the Company's financial position, cash position and commitments.

## Functioning of the Supervisory Board

To detail the conditions under which the Supervisory Board prepares and organizes its work, the Board has drafted rules of procedure that also describe the rights and obligations of its members.

The Board decided to create an Audit Committee, comprised of at least three Supervisory Board members, for which the competence criteria are defined by law and are set out in the rules of procedure of the Supervisory Board.

This Committee is charged with preparing the meetings of the Supervisory Board, notably with respect to the following points:

- oversight of the preparation of financial disclosures;
- review of the annual and interim financial statements and monitoring of the legal control by the Statutory Auditors;
- review of the effectiveness of internal control and risk management on both financial and operational levels including the hedging of said risks;
- review of audit work plan and programs of the Statutory Auditors and the Internal Audit Department;
- independence of Statutory Auditors.

When performing its duties, the Audit Committee draws on the recommendations of the Poupart Lafarge report of July 22, 2010, published under the auspices of the *Autorité des marchés financiers* (French financial markets authority - AMF).

The group also has a Compensation Committee made up of a majority of members from outside the Company. This Committee makes recommendations regarding the compensation of Bonduelle SAS' Executive Management and employees who are members of the Bonduelle family. It also offers an opinion on the compensation policy for certain other Senior Managers.

The Articles of association stipulate that the Supervisory Board shall meet as often as required in the interests of the Company, and the rules of procedure set the minimum number of meetings at four.

The Supervisory Board may, at its discretion, request the participation of General Management, the Chief Executive Officers of the business units, the Statutory Auditors, the Chief Financial Officer of the group, the Internal Audit Director, the Legal Director of the group or any other employee in such meetings, to consolidate its reflections and ensure its mission.

It may also call upon outside experts or consultants of its choosing, with the related expense to be borne by the Company.

## Activities of the Supervisory Board during the year

### Work of the Supervisory Board

During the year, the Board held five meetings, each lasting an average of four hours; including a site visit to Gniewkowo in Poland and the related production facilities in June, which provided an opportunity to exchange views with the local teams.

At its September 30, 2016 and February 28, 2017 meetings, the Supervisory Board reviewed the annual and interim financial statements prepared by the General Management, and was informed of items of financial communication, on which it offered an opinion.

At its meeting on June 28, 2017, the Supervisory Board reviewed the related party agreement on a guarantee given to Bonduelle SAS as surety for a bond issue.

At its meeting of September 29, 2017, the Board reviewed the agreement concluded in a prior fiscal year whose implementation continued during the fiscal year. The Board noted that the economic conditions of this agreement had not changed.

The Supervisory Board also benefited from the specific presentations made by the General Management on the conduct of business, monitoring of group activities and group strategic orientations.

One presentation provided an overview on anti-corruption and data protection regulations, one was on the identification and management of high potential individuals and another was on the Bonduelle Group's financial communications and investor relations.

The attendance rate at these meetings was 97.5%.

The Supervisory Board benefited from high-quality information and presentations. It appreciated the comprehensive nature of the information and reports presented to it, and the quality of its discussions with the General Management.

In 2016-2017, the Supervisory Board had its functioning formally reviewed by an external body which considered that it was able to exercise its control functions in a constructive manner and was assured that all members made an effective contribution.

### Work of the Audit Committee

For the 2016-2017 fiscal year the Audit Committee was composed of four members.

Mr. Yves Tack served as Chairman, and the other members were Ms. Isabelle Danjou, Ms. Marie-Ange Verdickt, and Mr. Martin Ducroquet.

The members of the Audit Committee are independent and have accounting, legal and financial expertise characterized by training and/or career experience (see Section 3.2).

It met four times during the fiscal year. The attendance rate was 93.75%.

The Audit Committee performed the following tasks:

- in-depth review of the interim and annual financial statements;
- review of the internal audit reports;
- review of the independence of the Statutory Auditors;
- monitoring of the “risk mapping” procedure, and action plans undertaken concerning principal identified risks;
- review of Services Other than the Certification of Financial Statements.

In addition, the Audit Committee was given an update on audit reform and a detailed presentation on the transaction and financing of the Ready Pac Foods acquisition.

The Committee also defined, in liaison with the group's Executive Management, the assignments and tasks of the Internal Audit Department.

At its meetings, the Audit Committee heard presentations from the group's Chief Financial Officer, the heads of the group's Financial and Internal Audit Departments and the Statutory Auditors.

The Audit Committee is pleased to note that, when providing their report, the Statutory Auditors once again praised the quality of the closing process of the accounts, the information made available and the explanations provided by the local Finance Departments and the Bonduelle Group Finance Department.

The Chairman of the Committee presented a report on the Committee's work to the Supervisory Board at its meeting of June 28, 2017.

### 3.5.3 Internal control and risk management procedures – GRI Standard 102-11

The Bonduelle Group has adopted the Reference Guidelines for internal control published by the *Autorité des marchés financiers* (AMF) in January 2007 and updated in July 2010.

The Company oversees and implements a set of self-defined risk management and internal control measures consisting of various means, behaviors, procedures and initiatives suited to the characteristics of each fully consolidated company, as well as a number of companies accounted for using the equity method which:

- allows directors and officers to keep risk at an acceptable level;
- contributes to the management of its activities, effectiveness of its operations and efficient utilization of its resources;
- must enable it to take appropriate action with regard to all significant operating, financial or compliance-related risks.

The specific goal of the risk management plan is to:

- a) create and preserve the value, assets and reputation of the Company by identifying and analyzing the main potential threats to the Company;
- b) identify the main events and situations likely to affect in a significant way the Company's objectives;
- c) ensure actions concur with the Company's values;
- d) inform and mobilize the Company's employees around a common understanding of the main risks.

Internal control procedures are designed specifically to ensure:

- a) compliance with all laws and regulations in effect;
- b) the application of all procedures and policies established by the General Management;
- c) the smooth operation of the Company's internal procedures, especially as regards the protection of its assets;
- d) the reliability of financial information.

The internal control and risk management procedures apply to all entities falling within the scope of consolidation. As regards acquisitions, an internal control audit is performed within three months of the purchase. A compliance audit is performed in the year following the acquisition in order to ensure that the group's rules and procedures are correctly applied.

These risk management and internal control procedures cannot provide an absolute guarantee as to the achievement of the Company's objectives.

In fact, any internal control system is subject to inherent limits, such as uncertainties regarding external conditions, the use of good judgment and the cost/benefit analysis of implementing new controls, or dysfunctions that can occur due to technical faults, human or simple errors.



## Organizational structure of the bonduelle group

Bonduelle SCA is a holding company whose operating activities are carried out by its Bonduelle SAS subsidiary, which houses the group's five business units, organized into the Europe Zone and the Non-Europe Zone, and which, although operating in different geographical regions, all have similar characteristics in terms of dynamics, profitability, business environment and development strategy.

Bonduelle SAS manages the following tasks:

- development policy, oversight of equity interests, mergers, acquisition and asset sales;
- oversight of the group's overall financial policy, including financing means;
- tax policy and implementation;
- determination of compensation policies, oversight of management, and training and staff development;
- protection of intellectual and industrial property rights;
- management of the group's insurance programs;
- approval of new advertising campaigns prior to their release;
- corporate communications;
- financial communications and investor, analyst and Shareholder relations;
- pooling of resources, such as IT;
- research and development programs.

The business units are broken down by region or business activity. They have their own financial resources, oversee their own product development, and are responsible for most of their production and all of their marketing needs.

The group's objectives are defined by the General Management. They not only involve business performance, but also areas in which the group is striving to achieve excellence, such as human resources management, quality, innovation, working conditions, and environmental protection.

The goals factor in past performance, in-depth analysis and ongoing changes in the business environment.

The risk analysis related to business activities is an integral part of the process of preparing action plans, which involves identifying the key success factors and analyzing the main assumptions used to achieve these objectives.

## Contributors to the internal control risk management

The main risk management and internal control bodies are as follows:

### At group level

Since January 1, 2013, Executive Management of Bonduelle SAS has been exercised exclusively by its Chairman, whose authority is attributed by law and the Company's Articles of association.

The Corporate Departments are responsible for enforcing decisions made by the Executive Management and must in particular ensure that the information presented to the latter is accurate and relevant.

For the 2016-2017 fiscal year, the Executive Committee comprised eight members: the Chairman of Bonduelle SAS, the four Chief Executive Officers of the various business units, the "Prospective et Développement" Division Director and the Chief Financial and Human Resources Officers. With the acquisition of Ready Pac Foods, the Chief Executive Officer of the new business unit, Bonduelle Fresh Americas, joined the Executive Committee, which then has nine members as of July 1, 2017.

This reviews the group's sales and financial performance and discusses all matters of interest to the group and its business units. It met 11 times during the fiscal year.

The group's Internal Audit Department functionally reports to the Group Finance Department and hierarchically reports to the Chairman of Bonduelle SAS. The audit programs and tasks are approved by the Management and the Audit Committee. A report on each audit is sent to the Executive Committee, the Audit Committee, the Operations Managers of the audited entities and the Statutory Auditors. Twenty-eight audits were performed during the 2016-2017 fiscal year in the group's various business units and departments, thus enabling all the group's business activities to be covered over a three-year cycle. Following each audit, an action plan is developed by the relevant operating units to correct deficiencies identified in the audit report, and the implementation of these action plans is monitored by the Internal Audit Department and Operations Managers, and then reviewed by the group's Executive Management.

The Supervisory Board, acting on the recommendation of the Audit Committee, is responsible for selecting the Statutory Auditors to be appointed or reappointed by the Shareholders' Meeting. The group is audited by a college of Statutory Auditor enabling geographic and global coverage of the group's risks.

## At business unit level

The Management Committee is comprised of the Chief Executive Officer and executive officers of the main functions. The Chief Financial Officer is specifically charged with implementing internal control systems to prevent and manage risks arising from the business units activities as well as those caused by errors or fraud.

Once a quarter, the group's Chairman, Chief Financial Officer and Human Resources Officer meet as an Internal Board of Directors together with the Management Committee of each business unit to determine the business unit's objectives, review its performance and set its policies. Specifically, the following topics are covered:

- in February: interim results;
- in June: budget for the next year;
- in July: annual results and investments for the next year;
- in November: three-year plan.

## Internal control procedures

Internal control procedures are included in a Finance and Administrative Handbook, which defines:

- the respective areas of responsibility and authority of the Corporate Departments and the business units;
- the applicable financial rules and processes.

This handbook is available in French and English and is updated at least once a year and in line with changes in the group's rules and procedures.

A formal procedure for delegating authority sets out the responsibilities of Executive Management, the management of the Corporate Departments and the Management Committees of the respective business units.

Budgetary control is based on three principles:

- the budget is prepared on the basis of guidelines and directives established by the Executive Management;
- the monitoring of performance through monthly reporting or meetings of the Internal Board of Directors;
- a three-year strategic plan established each year using the same implementation principles as for the budget.

Procedures and guidelines determine the responsibilities of each party and specify the operating methods and related controls.

Group and business unit Management Control teams are responsible for budget controlling.

The group has, moreover, developed an internal control self-assessment process based on a questionnaire intended to measure the extent to which the rules and procedures are

properly applied within fully consolidated group entities. This questionnaire is completed yearly. It is shared with Executive Management, the group Finance Department, the Chief Executive Officers of the group's business units and the Audit Committee.

## Risk management procedures

As with any company, during the course of its business the Bonduelle Group is exposed to a number of risks. The main methods employed to manage and control these risks are described in Section 4.2 "Risk factors".

In order to best identify these risks, over the years the group has developed a risk mapping process:

- 2008: an overall program was initiated, which aimed to rank the principal risks to which the group may be exposed, in terms of severity, probability and degree of control;
- 2012-2013: the group expanded this analytical process, involving each operating unit in assessing the major risks specific to their activity, using the same identification and assessment methods;
- since 2013: the Bonduelle Group implemented a three-year process of identifying, assessing and reviewing the management of risks, which breaks down as follows:
  - year 1: business unit level and group-wide risk maps were established. The results obtained allowed the group to improve the risk management approach within the group's current organization, and adapt the latter to the growth of its scope and to its development in emerging countries,
  - year 2: action plans aimed at limiting and/or covering risks identified at group and business unit level were defined and put in place,
  - year 3: results of the implementation of action plans aimed at limiting and/or covering risks identified at group and business unit level, and the level of control over the main risks was reviewed.

In 2016-2017, risk mapping at business unit level and at group level was updated to reflect any changes and in accordance with the level of risk control achieved and did not reveal any new major strategic and/or operational risks.

The results of the risk mapping processes are analyzed by the Executive Committee to ensure that all major risks have been identified and assessed, and to develop appropriate action plans and preventive measures.

A report is made to the Supervisory Board of the roll-out of these procedures and action plans associated with the different risks identified.

## Internal control procedures applicable to the preparation of financial and accounting information

The group prepares interim and annual consolidated financial statements. These processes are administered by the Consolidation and Financial Control Department, which forms part of the group Finance Department.

This information is prepared in accordance with an annual agenda provided to the entities. The main steps are as follows:

- monthly reporting of activity;
- quarterly reporting package;
- interim and annual financial closing statements.

The consolidated financial statements are prepared using information provided in the form of reporting packages extracted from the IT systems by each entity and sent to the Consolidation Department using a special software application. All transactions are recorded in accordance with the rules established in the group-wide consolidation procedure manual.

All documents exchanged as part of the consolidation process have been standardized for the entire group, and the related

formats have been defined and disseminated to the entire group and reviewed by the Statutory Auditors.

During the closing of the financial statements, the finance teams review the financial statements and work with the Control Management Department to analyze and explain changes in results from one period to the next and variances with respect to the budget.

This system is complemented by the audit work of the Statutory Auditors for the interim and annual parent company and consolidated financial statements.

## Other disclosures

The rules governing Shareholder participation in Shareholders' Meetings are set out in detail in Article 23 of the Articles of association of Bonduelle SCA. Copies of these Articles of association will be provided upon request by the administrative head office in Villeneuve d'Ascq (France), or are available on the Company's website, [www.bonduelle.com](http://www.bonduelle.com).

This report was presented to, discussed and approved by the Supervisory Board at its September 29, 2017 meeting.



## **3.6 Statutory Auditors' report, prepared in accordance with Article L. 226-10-1 of French company law (Code de commerce) on the report prepared by the Chairman of the Supervisory Board of the Company**

**For year ended June 30<sup>th</sup> 2017**

*This is a free translation into English of the Statutory Auditors' report issued in French prepared in accordance with Article L. 225-235 of French company law on the report prepared by the Chairman of the Supervisory Board on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users.*

*This report should be read in conjunction and construed in accordance with French law and the relevant professional standards applicable in France.*

To the Shareholders,

In our capacity as Statutory Auditors of Bonduelle and in accordance with Article L.226-10-1 of French company law (Code de commerce), we hereby report on the report prepared by the Chairman of the Supervisory Board of your company in accordance with Article L. 226-10-1 of French company law (Code de commerce) for the year ended June 30<sup>th</sup> 2017.

It is the Chairman's of the Supervisory Board responsibility to prepare, and submit to the Supervisory Board for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L.226-10-1 of French company law (Code de commerce), particularly in terms of corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's of the Supervisory Board report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- to attest that this report contains the other disclosures required by Article L. 226-10-1 of French company law (Code de commerce), it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

### **Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information**

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's of the Supervisory Board report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of Supervisory Board in accordance with Article L. 226-10-1 of French company law (Code de commerce).

## Other disclosures

We hereby attest that the Chairman's of the Supervisory Board report includes the other disclosures required by Article L. 226-10-1 of French company law (Code de commerce).

Courbevoie and Lille, September 29<sup>th</sup> 2017

French original signed by the Statutory Auditors

**Deloitte & Associés**  
Pierre-Marie MARTIN

**Mazars**  
Jean-Maurice EL NOUCHI







# Report of the General Management



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PLEASE VISIT:  
[BONDUELLE.COM](http://BONDUELLE.COM)

## Introduction

Fiscal year 2016-2017 reflected, once again, for the Bonduelle Group, in a solid organic growth both in terms of turnover and current operating profitability, despite operating in a challenging environment (sluggishness of the consumption in Europe, economic crisis in emerging countries and difficult harvests for 2016).

This remarkable performance, confirming the group's strong resilience, is coupled, this fiscal year, with the acquisition of Ready Pac Foods. This major acquisition – the largest ever in terms of size in the group's history – has profoundly changed the group's profile, strengthening its international expansion and highlighting, by the development of its ready-to-eat segment, the search for new sources of growth that are capital employed efficient.

The on-going performance increase of the group's historical business scope and the full-year contribution from Ready Pac Foods will result for fiscal year 2017-2018 in strong growth both in terms of turnover and profitability, in line with the VegeGo! 2025 plan's objectives.

## 4.1 Activity and performance

### 4.1.1 Revenue

Over fiscal year 2016-2017 (July 1, 2016 - June 30, 2017), the group's turnover reached 2,288.1 million of euros, an increase of +16.3% on reported figures. This performance reflects a solid organic growth (+2.7%), at the higher range of the announced target (+2 to +3%), a positive effect of currency fluctuations (+1.-%) and the consolidation of Ready Pac Foods as of March 21, 2017.

#### Europe Zone

The Europe Zone, representing 55.8% of this fiscal year turnover, returned to growth: +0.2% both on reported figures and like for like basis <sup>(1)</sup>, driven by a dynamic fourth quarter recording +1.6%.

The lack of products due to the poor harvests observed in summer 2016 (cans and frozen) and early 2017 (fresh-cut bagged salads) was partially offset by a sunny spring promoting the consumption of canned corn and fresh prepared products.

#### Non-Europe zone

The Non-Europe Zone recorded an increase of +45.9% based on reported figures and represents 44.2% of the turnover. This performance was fuelled by a solid organic growth standing at +7.1% coupled with a positive effect of currency fluctuations of +3.1% and a +35.7% contribution from Ready Pac Foods over

a quarter. Ready Pac Foods, now Bonduelle Fresh Americas, also recorded very strong growth over 12 months, hence continuing to improve its American market penetration.

The strong performance of the canned and frozen segments in North America was partially offset by the difficulties observed in emerging countries (namely in Brazil and Russia). In Russia, the slight pickup in the economic recovery has not yet been translated into an increase in food consumption. Thanks to a wide offer of canned vegetables products and strength of its brands (Bonduelle and Globus), the group has successfully managed to maintain its market share and sales prices, hence its profitability.

### 4.1.2 Current operating income

For fiscal year 2016-2017, the Bonduelle Group's current operating profit stood at 108.3 million of euros, an increase of +4.6% based on reported figures.

The current operating profit, excluding changes in scope of consolidation, recorded 106.1 million of euros, an increase of +2.5% higher than the objective announced in October 2016 and revised upwards in March 2017.

The increased caution on the group's cost structure, coupled with continuous marketing-media investments and good performance of the brands of the group, enabled to offset the negative impact of the poor harvests of summer 2016 (canned & frozen) and of early 2017 (salads) and to record, yet again, an increase in profitability.

(1) At constant scope of consolidation and exchange rates.



### 4.1.3 Net income

The net expense of non-recurring items stands at 8.1 million of euros and essentially includes the acquisition costs of Ready Pac Foods.

The net financial debt amounts to 18.2 million of euros against 21.4 million of euros last financial year, the group benefited from its on-going deleveraging, excluding the Ready Pac Foods acquisition, the latter only impacting on the last quarter.

Given the result of the companies consolidated by equity method (+0.1 million of euros), an income tax expense of 22.3 million of euros *i.e.* an effective tax rate of 27.2%, stable over the period considered, the net result for this fiscal year stands at 59.8 million of euros, an increase of +11.4%, representing 2.6% of the turnover and 3.1%, when excluding Ready Pac Foods, the dilutive impact on the fiscal year being linked to the acquisition costs.

### 4.1.4 Capital expenditure and research and development

Research and development expenditures amounted to nearly 1% of total revenue, and continued to focus on new production processes, packaging and energy savings. Total capital expenditure for the fiscal year amounted to 65.6 million euros.

### 4.1.5 Change in capital employed and working capital requirement

Strict management of working capital requirements, and especially as regards customer payment terms as well as investments, resulted in a drop in capital employed, excluding the acquisition of Ready Pac Foods, despite the growth in business.

Total capital employed (total of Shareholders' equity and net financial debt) including Ready Pac Foods stood at 1,268.1 million euros *versus* 1,008.9 million euros in 2015-2016.

Cash generation by group activities and the initial results of the "Finance for Growth" initiative to optimize capital employed resulted in a further increase of 100 bps in the return on capital employed (ROCE), which stood at 11.5%, the percentage including Ready Pac Foods standing at 8.5%.

### 4.1.6 Financial debt and leverage ratios

The group's net financial debt totaled 661.6 million euros at June 30, 2017, while the leverage ratio stood at 109.1%, compared with 77.5% the previous year. Leverage (net debt/recurring EBITDA) came to 3.53 (1.67 excluding the acquisition of Ready Pac Foods and 3.12 on a *pro forma* basis), *versus* 2.47 at June 30, 2016. The average cost of debt amounted to 2.74%, compared with 3.08% in 2015-2016.

The group holds 473,180 treasury shares, giving an equivalent value based on the share price on June 30, 2017, *i.e.* 32.82 euros, of 15.6 million euros, and this amount of treasury shares has therefore been deducted from equity, in accordance with IFRS.

#### Net debt

<i>(in millions of euros)</i>	At 2015/06/30	At 2016/06/30	At 2017/06/30
Net debt	512.4	440.6	661.6
Shareholder's equity	525.3	568.3	606.5
Net debt/equity	97.5%	77.5%	109.1%
Net debt/REBITDA	2.73	2.47	3.53

The Bonduelle Group refinanced the acquisition of Ready Pac Foods under the terms stated in 4.1.7.



## 4.1.7 Highlights

### Acquisition of Ready Pac Foods in the US

On March 21, 2017, the Bonduelle Group announced the acquisition of Ready Pac Foods for an amount of 403 million US dollars, net of debt.

Based in California, Ready Pac Foods is the #1 producer of single-serve salad bowls in the US through its Bistro range. Already well-established in the healthy snacking segment, Ready Pac Foods is currently adding wraps and soup kits to its offer. Ready Pac Foods is also a producer of fresh-cut products, offering packaged salads, fresh-cut fruits, and mixed vegetables to its retail and foodservice customers. With 4 production facilities located in Irwindale (CA - United States), Jackson (GA - United States), Florence (SC - United States) and Swedesboro (NJ - United States), it employs circa 3,500 permanent employees. Ready Pac Foods generates approximately 870 million US dollars<sup>(1)</sup> of revenues and operates nationwide in the US.

This transaction is a key milestone in Bonduelle's strategic ambition VegeGo! 2025 of being "the world reference in 'well-living' through vegetable products". This acquisition will strengthen Bonduelle's international footprint and dramatically change its profile, making the US the largest country of operations, continuing a longstanding track record of successful acquisitions in North America, in particular Aliments Carrière, Canada, in 2007 and Allens, USA in 2012, and making of the fresh category, its first business segment.

This acquisition, which is fully compatible with Bonduelle's strong financial profile, perfectly fits with its strategic plan and will strengthen its leadership positions in its core business lines:

- development of Bonduelle's business in the consumer convenience and healthy food segments;
- increasing presence in the fast growing segment of fresh prepared vegetables;
- reinforcement of footprint in North America, of a size, post transaction, equivalent to the European Union in Bonduelle's geographical portfolio.

Ready Pac Foods has been erected as a business unit, dedicated to the fresh business in North America and is called Bonduelle Fresh Americas (BFA), alongside Bonduelle Long Life Europe (BELL), Bonduelle Fresh Europe (BFE), Bonduelle Americas Long Life (BALL) and Bonduelle EurAsia Markets (BEAM). The role of this business unit, like the others, is to pursue its expansion both in terms of organic growth and acquisitions for the activity and geographical scope given.

Ready Pac Foods' management team attracted by the Bonduelle's ambition, unanimously decided to jump on board.

### Disposal of interest in Gelagri

On June 23, 2017, the Bonduelle Group divested its minority interests in the Gelagri companies of France and Spain to Triskalia, its joint shareholder in these companies. Born from the respective contributions of the shareholders expertise in frozen for private labels, this joint venture enabled, via industrial efficiency gains, a sharp turnaround of the activity in terms of financial performance. Seen as non-strategic, the activity was divested like the UltraCongelados de la Ribera joint venture during last fiscal year.

### Communication

In 2016-2017, the Bonduelle Group continued its policy of investing in the marketing of its brands: Bonduelle, Cassegrain, Arctic Gardens and Globus, in the three segments (canned, frozen, fresh and prepared), through media investment.

The marketing platform, named "Bonduelle: a source of inspiration", continues to inspire marketing teams in the various countries in which the group operates, in order to give the Bonduelle brand an identical image and positioning across the world and tailored to the expectations of local consumers.

Although "traditional" product advertising campaigns (purchase of advertising space/TV slots), were in place in various Regions (Western Europe, Central and Eastern Europe, North America), they are now combined with digital campaigns.

Bonduelle in France appeals to its consumers by awakening their creativity/culinary inspiration via "happenings" on social networks, or quirky short stories to launch the *Touche de range* under the Bonduelle brand name.

Objective: to engage, to arouse the curiosity of the general public with off-beat humor, to create a "word of mouth" phenomenon, prior to the spoiler on social media.

### Corporate social responsibility

Through its business, directly linked with the agriculture sector, through its products, a natural basis for nutrition, and through its ethics, built over generations on a foundation of essential values, the Bonduelle Group has always placed particular importance on what has come to be called sustainable development.

Firmly anchored in the group's strategy and practices, in 2016-2017, Bonduelle's CSR policies underpinned its forward-thinking ethos and its international reach. Supported by the UN's sustainable development goals (SDGs) and the group's expansion, the scope of CSR issues has broadened.

(1) Ready Pac Foods' activity on a twelve-month pro forma basis.



In 2017, Bonduelle defined its participation in SDGs, which aim to eradicate hunger and poverty by 2030, whilst acknowledging the equal importance of human development and saving our planet. Building on the outlook and ambition defined within the framework of its VegeGo! project, these global objectives offer Bonduelle's CSR initiative a new perspective: more than half of the group's material issues are included in these global objectives (see Section 2.1.1).

### Transparency and recognition

As part of our commitment to progress in terms of Corporate Social Responsibility (CSR), in 2012, the group obtained Global Reporting Initiative (GRI) application level B+ for its CSR report. Since 2015, the GRI has confirmed that this report meets GRI G4 Core compliance requirements. In accordance with the Grenelle II regulations in France, which include the certification of CSR data, the group submitted its data for verification by an independent third party (Deloitte).

Bonduelle has been part of the Gaïa index, a listing of the best midcaps in terms of sustainable development, since 2009, with an overall rating of 90% and ranked in 12<sup>th</sup> place out of the 85 companies with revenue in excess of 500 million euros (results published in October 2016).

The Bonduelle Group is also listed on the Euronext IAS index (employee share ownership index).

### Co-construction with stakeholders

Bonduelle has been committed to a proactive policy of reducing its environmental footprint caused by its production sites, packaging and transport of its products since 2003. Proper water management, as well as saving energy and reducing greenhouse gas emissions are priorities for the Company. These historical strategic focus areas were confirmed in a materiality matrix drawn up with its stakeholders (see Section 2.8.3). The matrix is a tool that identifies the group's Corporate Social Responsibility (CSR) priority areas for improvement.

The group's desire is to encourage high-quality dialog with all stakeholders. This human dimension has always motivated Bonduelle, a family company that respects communication and honesty, values upon which the Company's reputation was built (see Section 2.2).

### Dialog with the general public

Since its creation, Bonduelle has been a partner of the World Forum for a responsible economy. The event is held every October in France. The theme of the 2017 World Forum is "Responsible revolution". This is Bonduelle's opportunity to showcase its commitments and encourage its employees to follow all the Forum events.

In addition, for its third participation in France's largest agriculture trade show, the *Salon international de l'agriculture* (International Agricultural Show) in Paris, Bonduelle's goal was to enhance the image of the vegetable sector and promote

its sustainable development best practices, from upstream agricultural activities to the product we see on our tables. The trade show was an important opportunity for Bonduelle, farmers, partners and consumers to share views. Each day, representatives from Bonduelle's farmers were there to talk to the general public about their profession, and to explain the production process used for vegetables, open field lettuce or mushrooms.

### Corporate commitment to local communities

Bonduelle prioritized participation in local communities where its plants operate. The objective is to galvanize employees and help make local communities a better place to live. Depending on its specific characteristics, each production facility plans to develop at least one project in partnership with local stakeholders (see 2.6.9).

As for the Louis Bonduelle Foundation, this was established in 2004 as a result of the group's desire to contribute to public health challenges relating to nutrition. Its aim is to foster a permanent change in eating habits in all the countries where Bonduelle operates. Through its Company foundation, the group launches a call for projects to support local initiatives whose aim is to improve eating habits (see 2.5.7).

### Promotion of diversity

Employee diversity is important for Bonduelle. It is committed to eliminating all forms of discrimination in the workplace and in employee relations, both direct and indirect. This antidiscrimination policy applies to all stages of employment, from hiring through an entire career. It is underpinned by programs to promote diversity (see 2.6.7)

### Sustainable use of resources

In 2014-2015, the Bonduelle Group conducted large-scale mapping of its water use at all stages of its agro-industrial process and across its entire scope of consolidation. The aim was to define a sustainable, integrated water management policy in line with a long-term vision of water availability, covering both quantitative and qualitative factors.

For production facilities, water is an energy in the same way as steam, electricity or compressed air. Its management is included in international standard ISO 50001 on energy management. Developments in industrial supervision also involve water management. Bonduelle also controls the amount of effluent produced by its industrial operations, where necessary, by purifying all the wastewater discharged from its waste treatment plants or from agricultural spreading (see 2.4.5).

Bonduelle has a proactive carbon footprint reduction policy for its use of other types of energy (see 2.4.3). The first initiative involves replacing the most polluting forms of energy in terms of greenhouse gas emissions. Heavy fuel oil has not, therefore, been used in the Company since 2013-2014. The second priority involves the use of local alternative energies

such as biomass and biogas. The group's objective is to support innovative projects so as to promote the use of local alternative energy by 2018. For example, 74% of green waste from the Bonduelle Renescure site (France) is methanized in a neighboring agricultural plant, in line with a circular economy model: the agricultural plant mainly produces heat, which is sold to another agri-food enterprise that is also nearby.

### Waste prevention and management

Details of the reduction in the amount of waste discharged by Bonduelle's industrial activities are given in Section 2.4.6.

Raising consumer awareness is another lever for tackling the waste of resources. Product packaging includes information on the sorting and recycling systems of the country of sale. As regards food waste, the group offers different kinds of packaging (shelf life, size) so that consumers can make choices depending on their type of household and consumption. Products also specify portion size. Lastly, Bonduelle's websites and social networks provide practical information such as help understanding use-by dates.

## Events after reporting date

### Refinancing of Ready Pac Foods acquisition

Bonduelle finalized, under particularly attractive conditions, the refinancing operations associated with the acquisition of Ready Pac Foods.

This operation was financed through a bridge loan of 279 million of US dollars with an initial term of one year and a 130 million of US dollars amortizing bank loan with a five years maturity.

This operation was carried out jointly with Crédit Agricole Nord de France and Crédit Agricole CIB.

The successful syndication process with the pool of existing banks as well as with 3 new foreign banks, together with the particularly attractive margin conditions have led Bonduelle to increase the total amount of the bank loan from 130 million of US dollars to 200 million of US dollars.

At the same time, looking for additional maturity, Bonduelle issued on July 6, 2017, a new Private Placement in the US market (USPP) split into 2 installments of respectively 150 million euros and 50 million US dollars. These two installments both have a final maturity of 10 years and bring the group's total debt average maturity to almost 5 years.

Bonduelle, being a repeat issuer on the USPP market since 2000, has been able to deal this private placement under particularly competitive conditions both in euros and US dollars, from a pool of historical investors who have renewed its confidence in the group as well as a new investor.

Through this operation, Bonduelle pursues its policy of partial disintermediation and diversification of its financing sources (banks, USPP, EuroPP...) by further expanding its platform of both banking and non-bank financial partners, guaranteeing independence and competitiveness of its indebtedness' cost, and thus reflects its post Ready Pac Foods acquisition investment grade profile.

## Outlooks

Fiscal year 2017-2018 will be characterized by the integration of Ready Pac Foods and its consolidation over 12 months. The group is expected a revenue growth, at constant exchange rates, of circa 3% and a current operating profitability growth of 7 to 8% of its historical business activities. Given revenue and current operating profitability growth of Ready Pac Foods and its consolidation over the entire fiscal year, the group is expecting consolidated revenue and current operating profitability growth of circa 25% at constant exchange rates for fiscal year 2017-2018, the debt ratio<sup>(1)</sup> dropping back to a ratio lower than 3x excluding new acquisitions.

## Parent company financial statements of Bonduelle SCA

### Income statement

The Bonduelle SCA holding company reported net income of 32.4 million euros.

This includes primarily:

1. net financial income of 23.8 million euros, based on:
  - interest and similar expenses of 0.7 million euros,
  - interest expenses on the EUROPP of 5.6 million euros,
  - dividends received from Bonduelle SAS of 30 million euros;
2. operating expense of - 2,- million euros, primarily relating to compensation for General Management;
3. non-recurring income of 0.1 million euros;
4. tax income of 10.5 million euros related to tax consolidation.

### Balance sheet

Analysis of the main balance sheet headings:

1. non-current assets, mainly financial, total 590.9 million euros;
2. equity accounts for 392.1 million euros.

(1) Net financial liability/recurring EBITDA.



## Dividends

See Section 7.3.2 of chapter 7. Information on the Company and the share capital.

## Information on the share capital

At June 30, 2017, the Company's share capital comprised 32,000,000 shares with a par value of 1.75 euros per share, representing a total of 49,528,050 voting rights in 2016-2017.

As far as the Company is aware, the following hold at least 5% of the share capital:

- La Plaine SAS, with 22.36% of the share capital and 28.90% of the exercisable voting rights;
- Pierre et Benoît Bonduelle SAS with 7.44% of the share capital and 8.21% of the exercisable voting rights.

Group employees hold 3.46% of the capital, primarily through mutual funds.

During the course of the fiscal year, the General Management, making use of the authorization granted by the Extraordinary Shareholders' Meeting of December 3, 2015, awarded 79,216 free shares to employees via two plans with vesting periods set to end, respectively, in October 2018 and September 2019.

A list of transactions on the Company's securities carried out by senior management and persons connected with them can be consulted on the website [www.amf-france.org](http://www.amf-france.org).

## Non-current financial assets and marketable securities

See Note 3 and Note 5 of the notes to the parent company financial statements.

## Analysis of the share repurchase program - fiscal year 2016-2017

Under the terms of a share repurchase program, Bonduelle SCA made the following purchases and sales of treasury shares during the 2016-2017 fiscal year:

<i>(in euros)</i>	Number	Average unit price	Valuation
<b>Opening balance of treasury shares recorded for the 2016-2017 fiscal year:</b>	521,756	17.57	9,165,184
Treasury shares purchased during the 2016-2017 fiscal year	191,951	26.06	5,002,804
Treasury shares sold during the 2016-2017 fiscal year	(240,527)	24.39	(5,867,522)
Reclassification of the net carrying amount of treasury shares allocated to share programs			
Revaluation at end of fiscal year of shares held under the terms of a liquidity contract			113,062
<b>NUMBER OF SHARES RECORDED AT THE CLOSE OF THE 2016-2017 FISCAL YEAR:</b>	<b>473,180</b>	<b>17.78</b>	<b>8,413,528</b>
Par value of treasury shares held			1.75

The cost of the market-making contract with EXANE was 48,144 euros VAT included for the fiscal year 2016-2017.

Reasons for acquisitions of treasury shares	% of capital
Share price support (liquidity contract)	0.55%
Employee share ownership program	None
Securities giving rights to allocations of shares ( <i>stock options</i> )	None
Acquisitions	0.05%
Cancellation	None

	Shareholder structure	Coverage of securities	Acquisitions	Cancellation
Volume of shares used ( <i>in number of shares</i> )	53,099	-	-	-

79,216 shares held by the Company were reallocated from "Acquisitions" to "Coverage of share purchase options".

## Five-year financial summary

See Section 6.6 of the parent company financial statements.

## 4.2 Risk factors

In line with the objectives defined by the group's General Partner, including sustainability, independence and the individual development of our employees, Bonduelle takes a conservative and responsible approach to its risks.

The Company has reviewed the risks which could result in a significant negative effect on its business, financial position or results and considers that there are no other significant risks, apart from those described below. It has also carried out a risk mapping project.

The risk mapping procedure consists of:

- identifying and analyzing risks;
- prioritizing risks;
- defining priorities aimed at minimizing risks through the implementation of action plans.

The action plans are reviewed and validated by the Executive Management and submitted to the Supervisory Board.

Moreover, the Company has implemented a crisis management process involving its various departments, along with dedicated communication tools.

### 4.2.1 Financial risks

The group has established an organization that provides for centralized management of all of its liquidity, currency, interest rate and counterparty credit risks. The Finance Department has assigned the group Finance and Treasury Department responsibility for risk management, and provided it with all of the expertise and tools needed to participate in the various financial markets as effectively and safely as possible. The organization and procedures utilized are regularly reviewed by the Internal Audit Department and the Statutory Auditors. At meetings held regularly with the Chief Financial Officer and Finance and Treasury Direction, the group's Executive Management validates, on the basis of a report published monthly, the implementation of previously authorized management strategies.

In a rapidly changing global economic environment, characterized by market volatility and changes in financial techniques, the role of the group Finance and Treasury Department is to:

- ensure optimum and sufficient funding to finance the development and growth of the group's activities;
- identify, evaluate and hedge all financial risks in close collaboration with the operations teams.

The objective is to minimize, at the lowest possible cost, the impact of financial market fluctuations on the group's income statement, in order to reduce the capital allocation required to manage these financial risks.

The group prohibits the taking of speculative positions.

### A. Liquidity risk

The group Finance Department is responsible for maintaining sufficient liquidity at all times. It accomplishes this by efficiently managing the group's cash balances and ensuring that the maturity and conditions of the financing obtained are appropriate. In particular, it arranges confirmed lines of credit to maximize the flexibility of the group's financing (see Note 5.6 to the notes to the consolidated financial statements at June 30, 2017).

The Company specifically reviewed its liquidity risk and considers that it is able to meet its future payments.

### B. Market risks

#### 1. Currency risk

##### Risks related to changes in foreign exchange rates

The group publishes its consolidated financial statements in euros, and in 2016-2017, 63% of revenue and 39% of current operating income were denominated in euros.

The share of assets, liabilities, sales and earnings denominated in other currencies - essentially the Polish zloty, Hungarian forint, Russian ruble, Brazilian real and US and Canadian dollars - fluctuates continuously. This means that the group is affected by fluctuations in the value of these currencies relative to the euro when they are translated into euros in the consolidated financial statements. For example, when the euro appreciates against these currencies it reduces the earnings contribution from those subsidiaries whose financial statements are denominated in these currencies.

All sales and expenses of group subsidiaries are generally expressed in their local currency, with the exception of imports, exports and financial transactions covered by centralized and systematic foreign currency hedges, where the type of exposure means that it can be hedged: Bonduelle therefore believes that its local exposure to currency fluctuations, after hedging, is limited.

The group's international growth strategy contributes to increasing the weight of non euro-denominated activities in revenue, operating profit and consolidated net income.





### Hedging policies for currency risk

The group seeks to hedge, on a budgeted annual basis, all risks relating to the activities of its subsidiaries denominated in a currency other than their functional currency and risks relating to the financing of some subsidiaries operating in countries whose functional currency is not the euro.

The group uses over-the-counter financial instruments only to hedge the financial risks generated by its production and sales activities. All hedges entered into must comply with the objectives and procedures established by the Bonduelle Group's Executive Management. These transactions are centralized within the group Finance and Treasury Department.

The group's policy regarding fluctuations in foreign exchange rates consists of periodically calculating its net exposure to foreign currencies and using financial derivatives to reduce this risk.

The group makes use above all of forward foreign exchange contracts, foreign currency swaps and options entered into with highly-rated bank counterparties. Details of the portfolio as well as an analysis of foreign exchange rate sensitivity appear in Notes 5.2 and 5.5 to the consolidated financial statements at June 30, 2017.

As part of the acquisition of Ready Pac Foods in US dollars, the Bonduelle Group managed the various risks to which it was exposed:

- between February 23, 2017 and March 21, 2017, a transaction risk relating to a firm offer in US dollars subject to approval from the US competition authority. This risk was managed using the derivatives usually used by the group (options, forward transactions);
- as of March 21, 2017, a currency risk associated with the financing of the transaction. Said risk was managed by financing the acquisition entirely in US dollars by means of a bridge loan and a five-year term loan as described in Note 5.6 on net debt;
- lastly, in relation to the group's management of assets and liabilities in foreign currencies, the choice was made to include a euro-denominated tranche in the USPP bond issue on July 6, 2017. The currency risk associated with the act of repaying the bridge loan issued in US dollars with a euro-denominated USPP was managed at inception by a series of forward foreign exchange transactions making it possible to set the exchange rate for this transaction.

### 2. Interest rate risk

The interest rate management policy is coordinated, controlled and handled centrally, with the aim of protecting future cash flows and reducing the volatility of finance costs. The group uses various instruments available on the market, especially interest rate options and swaps. Details of the portfolio as well as an analysis of interest rate sensitivity appear in Notes 5.2 and 5.5 to the consolidated financial statements at June 30, 2017.

### 3. Credit risk

In light of the high credit quality of the group's principal counterparties and the wide dispersion of its customers throughout the world, especially in the mass-market retailing sector, the group considers that it does not have a significant exposure to credit risk. However, most of this risk is covered by a prominent insurer.

Given the high liquidity of the group's trade and related receivables, the fair value of these assets is considered to be equal to their carrying amount.

### 4. Counterparty credit risk

In its dealings in financial assets in general and any cash balances, the group works only with highly-rated bank counterparties. Any cash surpluses are generally managed in short-term interest-bearing deposits.

### 5. Raw materials risk

The Bonduelle Group has always favored the best agricultural lands and the geographical diversification of its sourcing regions when deciding where to locate its production facilities, in order to reduce the climate-related risks inherent to all growing activities.

There is, moreover, no organized market for the agricultural raw materials purchased by the Bonduelle Group. Changes in the prices of agricultural raw materials quoted on a market do, however, have a more or less significant impact on the group's purchase prices, depending on the agricultural alternatives available to producers. In order to ensure long-term relationships with its vegetable suppliers, Bonduelle holds annual negotiations with producers' associations, well in advance of the harvest, that set the producer's net margin per hectare. Bonduelle is therefore obliged to adjust its selling prices to reflect the results of its vegetable purchasing negotiations, which vary between sourcing regions.

The latest periods of inflation affecting raw materials have shown the group's ability to offset these cost increases in its selling prices.

## C. Equity management

The Bonduelle Group always ensures that its financial structure remains optimal by respecting the equilibrium between its net financial debt and its equity, and by maintaining a consistent dividend policy. This is intended to keep the cost of capital to a minimum, to maximize share price and dividend growth for the Shareholders and to maintain sufficient financial flexibility to take advantage of any opportunities that may arise.

At June 30, 2017, the group had equity of 606.5 million euros, on the basis of which, at the Shareholders' Meeting to be held on December 7, 2017, the General Management will propose a dividend of 0.45 euros per share.



## 4.2.2 Equity risk

Each year, the Company buys and sells its own shares, in accordance with the provisions of the information memorandum issued in connection with the share repurchase program as approved by the Shareholders. In descending order of priority, the objectives of this program are to:

- ensure secondary market-making and the liquidity of Bonduelle shares by an investment services provider;
- hold the shares acquired for subsequent use in exchange or as payment in connection with any potential acquisition;
- ensure that sufficient shares are available to cover needs generated by share purchase options and any other form of allocation of shares to employees and/or the Corporate Officers of the group;
- provide coverage for securities giving rights to allocations of Company shares in accordance with applicable regulations;
- cancel any of the shares acquired.

Under this program, at June 30, 2017, the Company held 473,180 treasury shares. Voting rights attached to these shares are suspended, and the shares are recorded as a reduction of Shareholders' equity. The Company is not, moreover, exposed to any equity risks as it does not engage in any cash management transactions involving investments in equity funds or other financial instruments with an equity component.

## 4.2.3 Legal risks

### A. Laws and regulations

Bonduelle complies with all applicable laws and regulations in its relationships with its partners. As a member of the food industry, Bonduelle is subject to national and international regulations concerning food safety, quality control, food products and packaging.

The main legal risks are associated with the manufacture and distribution of food products. Bonduelle considers that it has set up sufficient measures to meet regulatory requirements and prevent and manage these risks.

### B. Intellectual and industrial property

Rigorous measures are employed to protect Bonduelle intellectual property. It is monitored by internal teams assisted by intellectual property consultants, in particular for the Bonduelle, Cassegrain, Globus and Arctic Gardens brands,

who register and renew protection and take action against third parties in the event of trademark infringements.

### C. Other legal risks

Bonduelle's sales and industrial activities are not significantly dependent upon other companies, customers or suppliers, and the group has the assets it needs to for its activities.

To the best of the Company's knowledge, there are no government, court or arbitration proceedings pending or threatened that might have, or that have had, over the past 12 months, a material effect on the financial position or profitability of the Company and/or the group, apart from those mentioned in Note 9.2 to the consolidated financial statements.

## 4.2.4 Industrial and environmental risks

Bonduelle's activities are regulated by numerous provisions concerning water, air, soil and waste. The group's risk management policy seeks above all to:

- ensure the quality and safety of its food products by effectively managing the agricultural and industrial processes;
- reduce to the greatest extent possible the adverse consequences of its activities on the environment and on people.

### A. Agriculture

Agriculture provides the major share of raw materials required to make the group's products. To ensure the quality of its products and protect the environment, as part of its contractual policy, Bonduelle implements a sourcing charter that sets out criteria for selecting agricultural land and crop management, which farmers working with the group must apply (see 2.3.2).

### B. Product quality and safety

Food safety is a key priority of Bonduelle's quality policy. Bonduelle has implemented Hazard Analysis and Critical Control Point procedures (HACCP) to control identified risks at various stages of the preparation of its products. These procedures, which have been developed throughout the group, provide an audit trail of its products from the planting phase to our customers' initial points of delivery. Risk analysis procedures and controls at critical points are deployed



throughout the production process. Bonduelle plants are also subject to certification processes (see 2.5.3). Lastly, a number of audits have been carried out at the sites by both internal and external Auditors on the basis of the various standards.

## C. Natural resources

Continuous efforts are devoted to the optimization of natural resources and environmental protection, focusing on the following areas:

- reducing water consumption (see 2.4.5) and energy consumption (see 2.4.4);
- improving wastewater treatment equipment and plants (see 2.4.5);
- continuing the industrial and green waste management policy (see 2.4.6).

In order to ensure that water is returned in pristine condition to the natural environment, Bonduelle has equipped its industrial facilities with bio-waste treatment plants, agricultural fertilizer systems (after pre-treatment), systems for pre-treatment before discharge into external structures and biogas plants. To make its energy consumption even more efficient, Bonduelle has continued:

- research into the production and use of alternative energies such as biogas, either from the methanation of industrial effluent or from a methanation project including by-products (see 2.4.4);
- packaging-reduction projects (see 2.4.8);
- ISO 50001-certification of its production facilities (see 2.4.4);
- mapping of water use (see 2.4.5).

## 4.2.5 Hedging of non-financial risks

The Company's policies are guided by three strategic objectives set for the Company by the family shareholding group, the stability of which contributes to a long-term approach: sustainability, independence and the individual development of our employees.

The main programs are summarized in the table below: (at July 1, 2017)

Risks	Deductible (in thousands of euros)	Insurers
Losses/Business interruption	30 thousand euros to 200 thousand euros depending on the site	Axa
	3 days of Business interruption with a minimum of 100 thousand euros to 200 thousand euros depending on the site	XL Catlin AIG Generali
Public liability	5 thousand euros	AIG/CHUBB
Contamination and brand image	1,000 thousand euros	HDI/Allianz
Credit risk	97% coverage	Atradius

The primary objective of the non-financial risk management policy is to protect the group's strategic assets. The broad strategic guidelines governing capital expenditure on industrial tools, the development of our processes, and the recruitment and training of our workforce, all take continuous account of this objective of safeguarding our industrial, financial and human resources.

The aim of this approach is to limit industrial or other risks such as those mentioned above to which the group is naturally exposed.

The group's insurance strategy is based on two main principles:

### Risk assessment

The Insurance Department of the group Finance Department is responsible for identifying and assessing all risks, in close cooperation with the operating entities and draws up a revised risk map on an annual basis. The scope and amounts of insurance coverage are set at group level, based on objectives defined by Bonduelle's Executive Management. The insurance programs are negotiated by the group's Insurance Department and placed with top tier insurance companies.

### Transfer of risks

Global comprehensive programs have been set in place to transfer major risks with potentially significant strategic and financial impacts to the insurance market:

- in light of the geographical dispersion and the size of our production facilities and deductible levels, all direct property damage risk has been transferred;
- for other risks, policies have been put in place to the extent permitted by the insurance and reinsurance markets.

Other insurance programs covering less significant risks have also been taken out.





# Consolidated financial statements



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## 5.1 Consolidated income statement

<i>(in thousands of euros)</i>	Notes	At 2016/06/30	At 2017/06/30	<i>Pro forma</i> At 2017/06/30
<b>Revenue</b>	3.1	1,967,655	2,288,124	2,839,191
Purchases and external charges	3.2	(1,421,291)	(1,662,385)	(2,080,676)
Employee benefits expenses	4.1	(361,038)	(426,732)	(533,847)
Depreciation, amortization and impairment		(74,702)	(78,911)	(89,868)
Other operating income	3.3	36,157	27,258	27,788
Other operating expenses	3.3	(43,251)	(39,060)	(40,131)
Gain/loss on sale of consolidated equity investments		0	0	0
<b>Current operating profit</b>		<b>103,531</b>	<b>108,295</b>	<b>122,458</b>
Non-recurring items	3.4	(7,568)	(8,114)	(1,387)
<b>Operating profit</b>		<b>95,963</b>	<b>100,181</b>	<b>121,071</b>
Cost of net debt		(21,651)	(19,121)	(25,881)
Other financial income and expenses		226	918	918
<b>Financial result</b>	5.2	<b>(21,425)</b>	<b>(18,203)</b>	<b>(24,963)</b>
Share of net income from associates		(328)	138	138
<b>Profit before tax</b>		<b>74,210</b>	<b>82,116</b>	<b>96,246</b>
Income tax	6.1	(20,538)	(22,308)	(27,422)
<b>NET INCOME</b>		<b>53,673</b>	<b>59,808</b>	<b>68,824</b>
• Attributable to owners of the Company		53,672	59,868	68,884
• Attributable to non-controlling interests		1	(60)	(60)
<b>BASIC EARNINGS PER SHARE</b>	7.1	<b>1.71</b>	<b>1.9</b>	<b>2.17</b>
<b>DILUTED EARNINGS PER SHARE</b>	7.1	<b>1.69</b>	<b>1.88</b>	<b>2.15</b>

*Pro forma* financial information is presented solely by way of illustration and is not indicative of the Bonduelle Group's future operational activities. Information concerning its preparation can be found in Note 2.2 of this chapter.

### Gains and losses recognized directly in equity

<i>(in thousands of euros)</i>	At 2016/06/30	At 2017/06/30
<b>Net income for the period</b>	<b>53,673</b>	<b>59,808</b>
<b>Items that may be reclassified subsequently to P&amp;L</b>	<b>(15,996)</b>	<b>(8,014)</b>
Cash flow hedge	(1,010)	1,049
Translation adjustments	(15,378)	(8,708)
Tax effects	391	(356)
<b>Items that may not be reclassified subsequently to P&amp;L</b>	<b>(1,187)</b>	<b>787</b>
Actuarial gains and losses on defined benefit plans	(1,652)	1,516
Tax effects	465	(730)
<b>Income and expenses recognized directly in equity</b>	<b>(17,183)</b>	<b>(7,227)</b>
<b>TOTAL RECOGNIZED INCOME AND EXPENSES</b>	<b>36,489</b>	<b>52,581</b>
Attributable to owners of the Company	36,488	52,641
Attributable to non-controlling interests	1	(60)



## 5.2 Consolidated balance sheet

### Assets

<i>(in thousands of euros)</i>	Notes	At 2016/06/30	At 2017/06/30
<b>Non-current assets</b>		<b>743,858</b>	<b>1,084,379</b>
Other intangible assets	8.2	35,178	42,886
Goodwill	8.1	197,269	470,434
Property, plant & equipment	8.3	437,148	505,035
Investments in associates		8,724	324
Other non-current financial assets	5.4	46,380	40,985
Deferred taxes	6.1	12,904	18,613
Other non-current assets	5.3	6,255	6,103
<b>Current assets</b>		<b>911,390</b>	<b>970,608</b>
Inventories and work-in-progress	3.5	579,105	573,052
Trade and other receivables	3.6	305,435	360,978
Tax receivables		9,568	6,821
Other current assets	5.3	7,459	10,059
Other current financial assets	5.3	3,797	10,487
Cash and cash equivalents	5.6	6,026	9,212
<b>TOTAL ASSETS</b>		<b>1,655,248</b>	<b>2,054,987</b>

### Liabilities

<i>(in thousands of euros)</i>	Notes	At 2016/06/30	At 2017/06/30
<b>Shareholders' equity (group share)</b>		<b>560,643</b>	<b>598,915</b>
Share capital		56,000	56,000
Additional paid-in capital		22,545	22,545
Consolidated reserves		482,098	520,370
<b>Non-controlling interests</b>	<b>1.1 B</b>	<b>7,651</b>	<b>7,592</b>
<b>Shareholder's equity</b>		<b>568,294</b>	<b>606,507</b>
<b>Non-current liabilities</b>		<b>389,640</b>	<b>596,409</b>
Financial debts	5.6	327,479	535,646
Employee benefit obligations	4.2	22,458	22,052
Other non-current provisions	9.1	12,619	14,543
Deferred taxes	6.1	13,904	11,317
Other non-current liabilities	5.3	13,180	12,852
<b>Current liabilities</b>		<b>697,314</b>	<b>852,071</b>
Current financial debts	5.6	147,407	163,112
Current provisions	9.1	13,764	16,067
Trade and other payables	3.7	529,763	667,733
Tax payables		4,211	3,108
Other current liabilities	5.3	2,169	2,051
<b>TOTAL LIABILITIES</b>		<b>1,655,248</b>	<b>2,054,987</b>



## 5.3 Consolidated cash flows statement

<i>(in thousands of euros)</i>	At 2016/06/30	At 2017/06/30
<b>Net income</b>	<b>53,673</b>	<b>59,808</b>
Share of net income from associates	328	(138)
Depreciation, amortization and impairment	85,477	73,382
Other components of net income with no cash impact	5,659	(322)
Deferred tax	(2,896)	(1,458)
Accrued interest	(53)	84
<b>Gross cash flows from operating activities</b>	<b>142,187</b>	<b>131,355</b>
Change in working capital requirement	(8,495)	89,881
<b>Net cash flows from operating activities</b>	<b>133,692</b>	<b>221,237</b>
Acquisitions of consolidated companies, net of cash and cash equivalents	0	(376,750)
Disposals of consolidated companies, gross of cash and cash equivalents disposed of	0	0
Changes in scope of consolidation	0	0
Acquisitions of tangible assets	(74,869)	(64,796)
Acquisitions of financial assets	(11)	(54)
Disposals of property, plant and equipment and financial assets	10,360	11,674
Net change in loans and other non-current financial assets	(1,988)	352
<b>Net cash flows from (used in) investing activities</b>	<b>(66,507)</b>	<b>(429,573)</b>
Capital increase	0	0
(Acquisition) Disposal of treasury shares	3,889	797
Increase (Decrease) in non-current financial liabilities	(57,004)	217,648
Increase (Decrease) in current financial liabilities	(19,183)	7,682
Repurchase of 2009 BSAAR	16,517	0
Dividends paid to group and minority Shareholders	(13,714)	(13,791)
<b>Net cash flows from (used in) financing activities</b>	<b>(69,496)</b>	<b>212,337</b>
Impact of exchange rate changes	198	(814)
<b>Change in cash and cash equivalents</b>	<b>(2,113)</b>	<b>3,186</b>
Cash and cash equivalents - opening balance	8,139	6,026
Cash and cash equivalents - closing balance	6,026	9,212
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,113)</b>	<b>3,186</b>

Consolidated statement of changes in equity

## 5.4 Consolidated statement of changes in equity

<i>(in thousands of euros)</i>	In number of shares	Share capital	Additional paid-in capital	Actuarial gains and losses	Treasury shares	Translation reserves	Accumulated income	Shareholders' equity (group share)	Non-controlling interests	Total equity
<b>Equity at July 1, 2015</b>	<b>32,000,000</b>	<b>56,000</b>	<b>22,545</b>	<b>(3,767)</b>	<b>(27,633)</b>	<b>(43,523)</b>	<b>513,999</b>	<b>517,620</b>	<b>7,650</b>	<b>525,270</b>
Income recognized directly through equity				(1,187)		(15,378)	(619)	(17,183)		(17,183)
Net income at 2016/06/30							53,672	53,672	1	53,673
Share purchase options							532	532		532
Puts on non-controlling interests							(78)	(78)		(78)
Changes in scope of consolidation							0	0		0
Treasury shares					4,052		(844)	3,208		3,208
Other				364			(295)	69		69
2009 BSAAR exercised					14,378		2,139	16,517		16,517
Dividends paid							(13,714)	(13,714)		(13,714)
<b>Equity at June 30, 2016</b>	<b>32,000,000</b>	<b>56,000</b>	<b>22,545</b>	<b>(4,590)</b>	<b>(9,203)</b>	<b>(58,901)</b>	<b>554,792</b>	<b>560,643</b>	<b>7,651</b>	<b>568,294</b>
<b>Equity at July 1, 2016</b>	<b>32,000,000</b>	<b>56,000</b>	<b>22,545</b>	<b>(4,590)</b>	<b>(9,203)</b>	<b>(58,901)</b>	<b>554,792</b>	<b>560,643</b>	<b>7,651</b>	<b>568,294</b>
Income recognized directly through equity				787		(8,708)	693	(7,227)		(7,227)
Net income at 2017/06/30							59,868	59,868	(60)	59,808
Share purchase options							442	442		442
Puts on non-controlling interests							(74)	(74)		(74)
Changes in scope of consolidation							0	0		0
Treasury shares					774		15	789		789
Other							(1,734)	(1,734)		(1,734)
Dividends paid							(13,791)	(13,791)		(13,791)
<b>EQUITY AT JUNE 30, 2017</b>	<b>32,000,000</b>	<b>56,000</b>	<b>22,545</b>	<b>(3,803)</b>	<b>(8,428)</b>	<b>(67,608)</b>	<b>600,211</b>	<b>598,916</b>	<b>7,591</b>	<b>606,507</b>

## 5.5 Notes to the annual consolidated financial statements

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### 1. ACCOUNTING PRINCIPLES

#### Note 1.1 Preparation methods

The consolidated financial statements of the Bonduelle Group and its subsidiaries ("the group") for the 2016-2017 fiscal year have been prepared in accordance with the "IFRS" (International Financial Reporting Standards) published by the IASB (International Accounting Standards Board), and whose adoption ruling has been published in the official journal of the European Union.

The notes to the annual consolidated financial statements have been prepared in accordance with IFRS and follow recommendation 2012-v02 of the *Autorité des normes comptables* (ANC - French Accounting Standards Board).

**Standards, updates and interpretations first applicable to fiscal year 2016-2017**

**Applicable to accounting periods starting on, or after, January 1, 2016:**

- IAS 1: Disclosure initiative.
- IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortization.
- IAS 16 and IAS 41: Agriculture: Bearer plants.
- IFRS 11: Accounting for acquisitions of interests in joint operations.



- IAS 27: Equity method in separate financial statements.
- IFRS 5: Change of disposal method.
- IFRS 7: Servicing contracts.
- Amendments to IFRS 7: Offsetting disclosures in condensed interim financial statements.
- IAS 19: Defined benefit plans – Employee contributions.
- IAS 19: Discount rates: regional market issue.
- IAS 34: Disclosure of information “elsewhere in the interim financial report” (but not in interim financial statements).

**IFRS, applicable to accounting periods starting on, or after, January 1, 2018 which were not adopted early for this fiscal year**

- IFRS 9: Financial instruments.
- IFRS 15: Revenue from contracts with customers.

As regards to IFRS 15, according to the work already carried out, the Bonduelle Group does not anticipate any significant changes in terms of revenue recognition.

**1.1.A. Information concerning the group**

Listed on Euronext (Compartment B), Bonduelle SCA is a French limited partnership (*société en commandite par actions*). Bonduelle is a market leader in processed vegetables both within and outside Europe. The Company operates in three business segments: canned, frozen and ready-to-use fresh vegetables (prepared and fresh-cut).

General Management approved the consolidated financial statements in accordance with IFRS and authorized the publication of the approved financial statements closed on June 30, 2017, which will be submitted for approval at the Shareholders' Meeting on December 7, 2017.

**Acquisition of Ready Pac Foods in the US**

On March 21, 2017, the Bonduelle Group announced the acquisition of Ready Pac Foods for an amount of 403 million US dollars, net of debt.

Based in California, Ready Pac Foods is the #1 producer of single-serve salad bowls in the US through its Bistro range. Already well-established in the healthy snacking segment, Ready Pac Foods is currently adding wraps and soup kits to its offer. Ready Pac Foods is also a producer of fresh-cut products, offering packaged salads, fresh-cut fruits, and mixed vegetables to its retail and foodservice customers. With 4 production facilities located in Irwindale (CA), Jackson (GA), Florence and Swedesboro (NJ), it employs circa 3,500 regular employees. Ready Pac Foods generates approximately 870 million US dollars of revenues and operates nationwide in the US.

This transaction is a key milestone in Bonduelle's strategic ambition VegeGo! 2025 of being “the world reference in ‘well-living’ through vegetable products”. This acquisition will strengthen Bonduelle's international footprint and dramatically change its profile, making the US the largest country of operations, continuing a longstanding track record of successful acquisitions in North America, in particular Aliments Carrière, Canada, in 2007 and Allens, USA in 2012, and making of the fresh category, its first business segment.

This acquisition, which is fully compatible with Bonduelle's strong financial profile, perfectly fits with its strategic plan and will strengthen its leadership positions in its core business lines:

- development of Bonduelle's business in the consumer convenience and healthy food segments;
- increasing presence in the fast growing segment of fresh prepared vegetables;
- reinforcement of footprint in North America, of a size, post transaction, equivalent to the European Union in Bonduelle's geographical portfolio.

**Disposal of interest in Gelagri**

On June 23, 2017, the Bonduelle Group divested its minority interests in the Gelagri companies of France and Spain to Triskalia, its joint Shareholder in these companies. Born from the respective contributions of the Shareholders expertise in frozen for private labels, this joint venture enabled, via industrial efficiency gains, a sharp turnaround of the activity in terms of financial performance. Seen as non-strategic, the activity was divested like the UltraCongelados de la Ribera joint venture during last fiscal year.

**1.1.B. Consolidation methods**

The consolidated financial statements fully consolidate the financial statements of all subsidiaries controlled either directly or indirectly by the group.

Control is defined and measured in accordance with IFRS 10, based on three criteria: power of decision, exposure to variable returns and the relationship between power and those returns.

Full consolidation allows recognition of all of assets, liabilities and income statement items of the companies concerned, after elimination of all intercompany transactions and earnings, with the portion of income and equity attributable to group companies (“Group share”) distinguished from the portion concerning the interests of other Shareholders (“Non-controlling interests”). All companies over which Bonduelle does not exercise exclusive control yet still exerts significant influence or joint control are accounted for using the equity method.

Soléal is fully consolidated, as the company is controlled by the group and, from a contractual and financial standpoint, Soléal's sole customer is Bonduelle Europe Long Life (BELL).

The three Gelagri companies are accounted for using the equity method. The percentages of control and ownership are equal to the holdings of preferred shares issued by two out of the three companies. These minority stakes were sold on June 23, 2017.

All consolidated group companies closed their annual financial statements on June 30, 2017, with the exception of the following companies: Bonduelle Kuban, Coubanskie Conservi, Bonduelle do Brasil, SCA des Hureaux, SCA Champignonnières de Dampierre and Gelagri group companies. All these companies were consolidated on the basis of their accounting position as at June 30, 2017.

Some companies over which the Bonduelle Group has direct, or indirect, control or over which it exercises significant influence, could not be consolidated because they were not deemed to be significant.

More especially with regard to Coopérative France Champignon, in view of the latter's trading relations and by-laws and in accordance with IFRS, the Bonduelle Group does not exercise control over the company. France Champignon has not, therefore, been consolidated and the holding appears under "Other non-current financial assets".

Companies are included within the consolidation scope with effect from the date on which control or significant influence is acquired.

Companies are deconsolidated with effect from the date on which control or significant influence is lost.

All income and expenses related to subsidiaries acquired or disposed of during the fiscal year are recognized in the consolidated income statement with effect from the acquisition date or until disposal.

All transactions between consolidated companies and intercompany income (including dividends) are eliminated.

### 1.1.C. Segment reporting

Segment data is reported on the basis of the operating segments used for internal reporting purposes.

The two operating segments are: Europe Zone and Non-Europe Zone.

The Europe Zone covers the following geographical areas: France, Germany, Italy, Iberian Peninsula, Benelux and central Europe.

The Non-Europe Zone covers Eastern Europe, Asia, the Mercosur, North America and Export markets.

The primary indicators published are those used by the group's Executive Management. Revenue, operating profit and non-current assets are presented by geographical region. Revenue is also presented by operating segment.

### 1.1.D. Translation of transactions denominated in foreign currencies and the financial statements of foreign companies

#### Translation of transactions denominated in foreign currencies

Transactions denominated in foreign currencies are valued using the exchange rates applicable on the transaction dates. All receivables and liabilities denominated in foreign currencies recognized in the balance sheet at the end of the period are valued at the closing rates. All foreign exchange gains and losses generated by the translation of transactions denominated in foreign currencies are included under the "financial income" and "financial expenses" headings of the income statement, except for those on borrowings denominated in foreign currencies or other instruments used to hedge long-term equity investments in that same currency, which are included on the line "Accumulated translation adjustments" of the consolidated Shareholders' equity.

#### Translation of the financial statements of foreign companies

The balance sheets of companies with a functional currency other than the euro are translated into euros at the official rate at the end of the fiscal period. In each income statement, income and expenses must be translated at the exchange rate at the date of the transactions. For practical reasons, the yearly arithmetic average exchange rate is used to convert income and expense items. However, if exchange rates record significant fluctuations, a calculation method other than the yearly arithmetic average may be used.

The exchange differences resulting from the application of these various foreign exchange rates are included on the line "Accumulated translation adjustments" in consolidated Shareholders' equity until such time as the foreign holdings to which they pertain are sold or liquidated.

### 1.1.E. Business combinations

All business combinations have been recognized using the acquisition method since July 1, 2009 in accordance with standard IFRS 3 (revised) (Business Combinations), and according to IFRS 3 for acquisitions made before this date.

According to this method, the identifiable assets acquired and liabilities assumed are recognized at their fair value, notwithstanding the exceptions specified in IFRS 3R.

For all combinations formed after July 1, 2009, the extra costs associated with the acquisition are recognized in expenses.

Similarly, from July 1, 2009, any non-controlling interest in the acquiree (minority interest) can either be measured at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable assets acquired and liabilities assumed (IFRS 3 2004), or at its fair value (referred to as the "full goodwill" method). This option is available on a transaction-by-transaction basis.

The difference between the cost of acquisition of the shares and the fair value of the acquired share of identifiable assets and liabilities on the acquisition date is recognized in goodwill.



If the cost of an acquisition is less than the fair value of the net assets of the acquiree, the negative goodwill (badwill) is recognized directly in profit and loss.

The goodwill analysis is finalized during the assessment period, *i.e.* 12 months from the takeover date.

## Note 1.2 Accounting principles

The consolidated financial statements at June 30, 2017 are presented in thousands of euros, and reflect the financial position of the Company and its subsidiaries (hereafter referred to as “the group”).

They have been prepared on the basis of historical costs, with the exception of the assets and liabilities discussed below, which are recognized at fair value.

### 1.2.A. Intangible assets

#### Goodwill

When shares are acquired in companies that are either fully consolidated or accounted for using the equity method, the cost of acquiring the shares is allocated to the assets, liabilities and contingent liabilities acquired measured at their fair value. Any positive difference between the acquisition cost and the group’s share in the fair value of the assets, liabilities and contingent liabilities acquired represents goodwill. These differences are presented on the asset side of the consolidated balance sheet under “Goodwill” for fully-consolidated companies and under “Investments in associates” for companies accounted for using the equity method.

Goodwill relating to foreign companies is recognized in the functional currency of the Company acquired.

Negative goodwill (badwill) is immediately recognized in the income statement as non-recurring items.

#### Other intangible assets

All separately identifiable brands acquired whose useful life is considered to be indefinite are recognized in the consolidated balance sheet under the heading “Other intangible assets”.

Licenses, patents and any other intangible assets acquired are recognized at their acquisition cost under “Other intangible assets” in the consolidated balance sheet. They are amortized on a straight-line basis in accordance with their projected useful life.

All development costs must be capitalized as intangible assets when the Company can prove that they will generate future economic benefits and their costs can be identified.

Development costs for software used within the group are carried as assets in the balance sheet when it is probable that these expenses will generate future economic benefits. These costs are amortized on a straight-line basis over the expected useful life of the software, which may be between one and five years. All other software acquisition and development costs are immediately recognized as expenses.

#### Monitoring of brand values

The main factors used to assess the indefinite nature of the useful life of the brands were their market positioning in terms of sales volume, brand awareness, and their expected long-term profitability.

These values are not amortized but undergo an annual impairment test, in accordance with IAS 36, which includes the monitoring of the indicators cited above.

#### Monitoring of goodwill values

The carrying amount of goodwill is tested for impairment at least once a year; all other intangible assets are tested when other events and conditions suggest that they are likely to have experienced a loss of value. An impairment loss is recognized when the recoverable amount of the intangible assets becomes less than their net carrying amount.

Any impairment is allocated first to the goodwill allocated to the Cash Generating Unit (CGU), and then as a reduction of the net carrying amount of each asset within the CGU.

The recoverable amount of goodwill, which is used to calculate any impairment to be recognized in the financial statements, is the value-in-use estimated on the basis of the present value of future cash flows. If this value-in-use does not cover the assets’ carrying amount, the recoverable amount used (if higher) is their fair value less selling costs.

Cash Generating Units are combinations of subsidiaries that belong to the same business segment and that generate cash flows that are clearly distinct from those generated by other CGUs. The cash flows used to calculate values in use are taken from the CGUs’ five-year strategic plans.

A 1% growth rate is used to extrapolate the predicted cash flows beyond the five-year period included in the strategic plans.

These cash flows are discounted on the basis of a weighted average cost of capital (WACC = 6%) calculated using the market data available for Bonduelle and its business segments.

The WACC is calculated based on a market-based debt of 22% of long-term equity and a risk-free rate of 1.3%.

The group uses the following operating segments to monitor its CGUs for each operating segment: Europe Zone and Non-Europe Zone.

For the Europe Zone:

- canned and frozen vegetables;
- ready-to-use fresh vegetables.

For the Non-Europe Zone:

- canned and frozen vegetables in North and South America;



- canned and frozen vegetables in Eastern Europe;
- ready-to-use fresh vegetables in North America.

The fair value less all related selling costs corresponds to the amount that could be obtained by selling the asset (or group of assets) under arm's length conditions, less all costs related directly to the disposal of the asset(s).

## 1.2.B. Property, plant and equipment

Property, plant and equipment are recorded on the balance sheet at their cost less accumulated depreciation and impairment. The gross value of property, plant and equipment corresponds to their purchase or production cost. It is never remeasured. Purchase or production costs include, where applicable, all costs related to the dismantling or refurbishing of production sites. Borrowing costs are not included in the costs of non-current assets.

Non-current assets held through finance leases are recognized as assets on the balance sheet at the lower of the discounted value of the future minimum payments or the market value when the contract transfers to the group, in substance, most of the risks related to the ownership of the asset. The level of risk transferred is assessed by analyzing the terms of the contract. The financial liability arising from the acquisition of the asset is recorded in the consolidated balance sheet.

Depreciation is calculated on a straight-line basis based on purchase cost, less any residual value, from the date on which the asset is ready to be placed in service. With the exception of certain special cases, residual values are zero.

Useful lives are reviewed periodically, particularly in the case of decisions to move production sites.

- Buildings: 10 to 40 years.
- Plant & equipment, office equipment: 5 to 15 years.
- Other non-current assets: 3 to 10 years.

Where circumstances or events indicate that the value of a fixed asset may have declined, the group examines the recoverable amount of the asset (or group of assets to which it belongs).

The recoverable amount is the higher of the asset's fair value less disposal costs and its value in use. Value in use is estimated by discounting the expected future cash flows of the asset (or group of assets to which it belongs) within the conditions of use planned by the group. Impairment is recognized when the recoverable amount of a fixed asset falls below its net carrying amount.

## 1.2.C. Financial assets

IAS 39 requires financial assets to be classified in one of the following four categories:

- financial assets at fair value through profit or loss (including derivative assets);

- loans and receivables;
- held-to-maturity assets;
- available-for-sale assets.

These categories are used to determine the accounting treatment applied to these assets.

The classification is determined by the group on the day the asset is initially recognized, on the basis of the group's objective in acquiring the assets. All purchases and sales of financial assets are recorded on the transaction date, which is the date on which the group commits to the purchase or sale of the asset.

### Financial assets at fair value through profit or loss

These consist of financial assets held by the group with a view to generating a short-term gain, or any financial assets voluntarily classified in this category. They are measured at their fair value, and all changes are recognized in the income statement. Classified under cash equivalents within the group's current assets, these financial instruments include, where applicable, units or shares in money market funds and derivative assets.

### Loans and receivables

Loans and receivables are financial assets, other than derivatives, with fixed or determinable payments, which are not listed on an active market and which are neither held for trading nor available for sale. These assets are initially measured at fair value, and subsequently stated at their amortized cost using the effective interest rate method. For short-term receivables with no stated interest rate, the fair value is equal to the original invoice value unless the interest expense (at effective interest rate) has a material impact.

Such assets are tested for impairment if there is any evidence of loss of value. Impairment is recognized if the carrying amount is greater than the estimated recoverable amount.

Loans to subsidiaries and affiliates, other loans and receivables and trade receivables are included in this category.

They appear as financial assets and trade receivables.

As part of its financing policy, the group may have recourse to trade receivable securitization programs. Such securitizations are without recourse. The risk is transferred, in full, to the institution purchasing the receivable. As a result, these receivables are no longer recognized as assets in the balance sheet. The group does not retain any ongoing involvement in the derecognized assets.

### Held-to-maturity assets

Held-to-maturity assets are financial assets, other than loans and receivables, with fixed maturities and fixed or determinable payments, which the group intends and is able to hold to maturity. These assets are initially recognized at fair value, and subsequently stated at their amortized cost using the effective interest rate method. They are tested for impairment if there is any evidence of loss of value.



Impairment is recognized if the carrying amount is greater than the estimated recoverable amount.

Held-to-maturity investments are recorded under financial assets. Bonduelle held no such assets at year-end.

#### Available-for-sale assets

Available-for-sale assets are financial assets that cannot be classified in any of the aforementioned categories. They are measured at fair value. Any unrealized gains or losses are recognized in Shareholders' equity until such time as they are sold. However, when there is objective evidence of the impairment of an available-for-sale asset, the accumulated loss is recognized through profit or loss.

Permanent impairment recognized on the variable income securities cannot be reversed at a subsequent reporting date.

For listed securities, fair value corresponds to market price.

For unlisted securities, it is calculated by using recent transactions as benchmarks, or using a valuation technique based on reliable and observable market data. However, when it is not possible to provide a reasonable estimate of the fair value of a security, it is measured at its historical cost. These assets are subsequently tested for impairment to determine whether recovery is possible. This category includes primarily non-consolidated equity securities that do not meet any of the other definitions of financial assets. They are recorded under financial assets.

#### 1.2.D. Financial liabilities

Financial liabilities include:

- bonds;
- accrued interest not yet due;
- outstandings on finance leases;
- borrowings and bank lines;
- derivative liabilities.

Financial liabilities are measured and recognized at their amortized cost using the effective interest rate method. They are recognized at the settlement date.

In accordance with IAS 39 regarding accounting policies for fair value hedging, bonds, which were swapped at the time they were issued, were marked to market. Changes in the fair value of the debt and the associated derivatives are recognized through profit or loss for the period.

#### 1.2.E. Derivative financial instruments

The group uses over-the-counter derivatives to manage exposure to foreign exchange and interest rate risks. Group policy excludes being engaged in speculative transactions on the financial markets.

In accordance with IAS 39, financial derivatives are recognized in the consolidated balance sheet at fair value.

- If the derivative is designated as a fair value hedge for assets or liabilities recognized in the consolidated balance sheet, changes in the fair value of both the derivative and the underlying hedged item are recognized through profit or loss for the same period.
- If the derivative is designated as a cash flow hedge, the change in the value of the effective portion of the derivative is recognized in equity. It is recognized through profit or loss when the hedged item is also recognized through profit or loss. A change in the value of the ineffective portion of the derivative is, however, recognized immediately through profit or loss.
- If the derivative is designated as a hedge of a net investment in foreign operations, the change in the fair value of the effective portion of the derivative is recognized directly through equity. Amounts recognized in this manner are taken to income only when the investment is sold. The ineffective portion is recognized immediately through profit or loss.
- Changes in the fair value of derivatives that do not qualify for the use of hedge accounting are recognized directly through profit or loss for the period. They are listed as "Hedges not eligible for IFRS hedge accounting".

Derivatives are recognized at the transaction date.

IFRS 7.27A distinguishes three levels of methods for determining fair value:

- level 1: quoted prices on an active market for similar instruments with no adjustment;
- level 2: fair value determined based on data observable either directly (such as a price) or indirectly (calculated based on another price), but other than a quoted price on an active market as stated under level 1;
- level 3: fair value determined based on unobservable market data.

The method used by Bonduelle is level 2 in accordance with IFRS 13. Moreover, the market data used in the valuation models includes central bank fixings and data supplied by platforms such as Reuters.

#### 1.2.F. Inventories

Materials inventories are measured at their weighted average unit cost. Inventories of work in progress and finished goods are measured at their production cost, which includes the cost of purchasing the materials used and all direct and indirect production costs (including fixed production costs).

Borrowing costs are not included in the inventory cost. Impairment is deemed necessary in the following cases:

- for raw materials, when the current market price is lower than the inventory value;

– for finished goods and commodities sold as-is, each time the probable net realizable value is lower than the production or purchase cost.

The amount of impairment required to bring inventory to its net realizable value and all inventory losses are recognized as expenses for the period during which the impairment or loss occurred. The sum of any recoveries of inventory impairment resulting from an increase in the net realizable value is recognized as a reduction in the amount of inventories recognized in expenses in the period during which the recovery was made.

Intercompany margins are eliminated.

### 1.2.G. Treasury shares

Bonduelle's shares held by the Company are recognized as a reduction of consolidated equity, on the line "Treasury shares", for an amount corresponding to their cost. Any funds generated by the sale of treasury shares are applied directly as an increase of Shareholders' equity, and therefore any gains or losses on disposal do not impact net income for the year.

### 1.2.H. Cash and cash equivalents

Cash assets consist of all investments with original maturities equal to or less than three months and that can be disposed of immediately. These investments are measured at their market value.

The elements that make up cash and cash equivalents are cash in bank current accounts and potential units or shares in short-term money market funds or redeemable medium-term notes, of which the risk of a change in value is deemed negligible.

### 1.2.I. Investment grants

Investment grants appear in the balance sheet under "Other non-current liabilities". These are listed under "Other operating income" in the income statement and are recognized over the same period as the amortization of the fixed assets that they have made it possible to acquire.

### 1.2.J. Taxes

Income tax expense corresponds to the current tax payable by each consolidated tax entity, adjusted for deferred taxes.

In France, Bonduelle SCA is the company that heads the tax consolidation group that includes Bonduelle SAS, Bonduelle

Europe Long Life SAS, Bonduelle Development SAS, Champilore SAS, Bonduelle Frais Traiteur SAS, Bonduelle Frais France SAS, Bonduelle Traiteur International SAS, Champignonnières des Roches SAS, Champignonnières de la Vienne SAS, Champiland SAS and Euromycel SAS, Coviju2 SAS.

Champignonnières de la Vienne, SAS Champiland, and SAS Euromycel. All current taxes in respect of the period are classified in current liabilities insofar as they have not been settled. Any overpayments of income taxes are classified among balance sheet assets as current receivables.

Deferred taxes are recognized on temporary differences between the carrying amounts of assets and liabilities and their value for tax purposes, with the exception of goodwill. Under the liability method, deferred taxes are calculated on the basis of the income tax rate expected for the fiscal year during which the asset will be realized or the liability settled, and are classified among non-current assets and liabilities. Impacts of changes in tax rates from one year to the next are recognized in the net income of the fiscal year during which the change is recognized. Deferred taxes pertaining to items recognized directly in Shareholders' equity are also recognized in Shareholders' equity.

Total deferred tax assets resulting from temporary differences and tax loss and credit carryforwards must not exceed the estimated value of the tax that may be recovered. The latter is assessed at the end of each fiscal year, based on earnings forecasts for the tax entities concerned. Deferred tax assets and liabilities are not discounted.

All deferred taxes are recognized through profit or loss on the income statement, except those generated by items that are allocated directly to equity. In this case, the deferred taxes are also allocated to equity. This is the case in particular for deferred taxes on brands, when the expected tax rate has just been modified.

### 1.2.K. Retirement, termination and welfare benefit commitments

The group provides its employees with either defined contribution or defined benefit plans.

The group's main obligations under its defined benefit programs consist of retirement benefits and long service awards in France, retirement plans in Germany and termination benefits in Italy.

Breakdown of the various plans:

	France	Germany	Italy
	<b>Termination benefits and long-service awards</b>		
<b>Type of plan</b>		<b>Retirement plans</b>	<b>Termination plans</b>
Discount rate	1.65%	1.65%	1.65%
Return on plan assets	1.65%	NA	NA
Future salary increase	1.95%	1.75%	NA
Retirement age	63 years	65 years	62 years



The group does not have any obligations for future medical benefits.

The same discount rate (1.65%) is used to calculate Bonduelle's obligations under the various plans. It was determined based on AA-rated bond yields of private issuers in the euro zone. The rate of salary inflation presented is an average rate, calculated specifically for each plan.

In accordance with IAS 19, "Employee Benefits", the projected unit credit method is used to calculate pension and other post-retirement benefits under the defined benefit plans, using assumptions about salary inflation, employee turnover, retirement age and life expectancy.

The corresponding actuarial liabilities are recognized either as contributions paid to insurance companies or in the form of provisions.

Under the revised IAS 19, the Bonduelle Group recognizes the actuarial gains and losses generated during the year directly to equity.

Actuarial gains and losses are generated by inter-period changes in the actuarial assumptions used to calculate the value of the liabilities and the assets, and by experience differences corresponding to changes to the database of individual records.

The lines "Impact of discounting" and "Projected return on plan assets" are recognized through net financial expense.

Under defined contribution plans, the group's only obligation is to pay the required premiums. Said premiums are recognized in the income statement for the period.

### 1.2.L. Other non-current and current provisions

Provisions are established for clearly identifiable risks and expenses whose timing or amount is uncertain, when an obligation to a third party actually exists and it is certain or probable that this obligation will result in an outflow of resources without receiving at least equivalent consideration.

In the case of restructuring, an obligation is recognized once its implementation has begun or a detailed plan has been drawn up that has, to a sufficiently clear extent, created a well-founded expectation on the part of the persons in question that the Company will implement the restructuring.

With regard to US companies with workers' compensation programs, compensation claims made and not yet settled on the reporting date, whether carried forward or not, are covered by provisions determined on the basis of the estimated cost of settlement and related processing costs. Where there is enough historical group or market data on

claims made and settled, the Executive Management of such companies, with the help of external actuaries, estimates the risks covered by such companies for claims not yet reported, using the actuarial cost method for claims incurred but not reported (IBNR - Incurred But Not Reported). Such provisions are recognized as provisions for employee-related risks and expenses in the Bonduelle Group financial statements.

### 1.2.M. Revenue

Revenue is recognized when the essential part of the risks and benefits associated with the ownership of the goods have been transferred to the buyer.

Revenue is recognized net of any discounts or rebates accorded to clients and any costs related to co-marketing or referencing agreements, or concerning occasional promotional campaigns invoiced by distributors.

### 1.2.N. Other current operating income and expenses

This line includes other income and expense items not directly related to the group's business.

### 1.2.O. Non-recurring items

Non-recurring items comprise significant items that cannot be considered as inherent to the group's operational activity due to their nature and non-habitual character. They include mainly goodwill, impairment of intangible assets (including goodwill) from consolidated shareholdings, restructuring and reorganization costs, acquisition costs, insurance deductibles and financial losses arising from fraud or fines, as well as the impacts of changes in estimates.

### 1.2.P. Share-based payments

Share purchase options and free shares granted to employees are measured at their fair value on the allocation date. The fair value is calculated using the Black & Scholes option pricing model for stock options and the discounting of share value adjusted for dividends for the free share allocation plans. The fair value of free shares is also calculated on the basis of presence and performance requirements established by the Executive Management. This value is recognized in the income statement for the period during which employee's exercise rights become vested, with the offsetting entry consisting of an equivalent increase in Shareholders' equity. All expenses recognized in relation to options that expire prior to becoming exercisable are reversed in the income statement for the period during which they expire.

## 1.2.Q. Basic earnings per share and diluted earnings per share

Basic earnings per share are calculated by dividing group net income by the average number of shares in issue during the fiscal year.

To calculate diluted earnings per share, the weighted average number of shares is adjusted to reflect the impact of the conversion of any convertible instruments into common shares.

## 1.2.R. Assets and liabilities held for sale and operations discontinued, sold or in the process of being sold

Assets and liabilities held for sale, *i.e.* immediately available for disposal and whose disposal is highly probable, are presented on separate lines of the consolidated balance sheet of the period during which the decision to sell was taken. The consolidated balance sheets of previous periods are not restated. Sale is said to be highly probable when a plan for the sale of the asset (or group of assets) held for sale has been drawn up by the Executive Management and an active search for an acquirer has been initiated.

Assets held for sale are measured at the lowest of their carrying amount or fair value, minus any selling costs, and are no longer depreciated.

Furthermore, net income and cash flow from discontinued operations or operations that have been sold or are in the process of being sold are presented respectively on a separate line of the income statement and the statement of cash flows, for all of the periods presented.

## 1.2.S. Use of estimates

As part of the normal preparation of the consolidated financial statements, the calculation of certain financial data requires the use of assumptions, estimates and assessments. This is especially true for the measurement of intangible assets, deferred taxes on tax loss carryforwards and the calculation of the amount of provisions for risks and charges or provisions for employee benefit and sales commitments. These assumptions, estimates and assessments are based on information and positions existing at the date on which the financial statements were prepared, which may prove, after the fact, to be different from the actual figures.

## 1.2.T. Reclassifications

The presentation of certain items in the financial statements pertaining to prior years may have been modified to make it compliant with the accounting principles adopted for the most recent period presented. No significant reclassifications were made during the fiscal year.

## 1.2.U. Alternative performance indicators

In its financial reporting, the group presents performance indicators not defined by accounting standards. The main performance indicators are as follows:

- **non-recurring items:** Note 1.2-O;
- **net debt:** the Company's credit or debit position with regard to third parties at the end of the operating cycle. It corresponds to current and non-current financial debt adjusted for derivative assets and liabilities and cash and cash equivalents;
- **gearing:** gearing is the ratio of net debt to Shareholders' equity;
- **leverage ratio:** the leverage ratio corresponds to the ratio of net debt to REBITDA. It is an expression of the number of years that the Company would need to pay back its debt based on its REBITDA;
- **gross cash flows from operating activities:** this corresponds to net cash flow generated by operating activities before change in working capital requirement. It corresponds to net income corrected for the share of net income from associates and calculated items (depreciation and amortization and provisions, deferred taxes and other income with no impact on cash flow);
- **current operating margin:** the current operating margin is the ratio of current operating income to revenue;
- **REBITDA:** REBITDA (Recurring earnings before interest, taxes, depreciation and amortization). This is current operating income restated for depreciation, amortization and impairment on property, plant and equipment and intangible assets;
- **operating income:** current operating income adjusted for non-recurring items;
- **current operating income:** current operating income corresponds to net income before financial expense, income tax and share of net income from associates. The group uses current operating profit as its main performance indicator. Current operating profit shall be taken before taking into account non-recurring items. These correspond to material items that are unusual, abnormal and infrequent and do not relate to the Company's underlying performance;
- **ROCCE:** this ratio measures the profitability of capital investments made by Shareholders and funds loaned by banks and other financial partners. It is obtained by dividing current operating profit by capital employed, or the sum of Shareholders' equity and net debt.





## 2. SCOPE OF CONSOLIDATION

### Note 2.1 Changes in the scope of consolidation

On July 1, 2016, Bonduelle Development SAS conducted a transfer of assets to Bonduelle Development SAS (ex-Coviju 1 SAS), then merged with Bonduelle SAS. These transactions did not have any impact on the group's consolidated financial statements.

On July 1, 2016, creation of Bonduelle Kazakhstan.

On March 21, 2017, the Bonduelle Group acquired 100% of Ready Pac Foods. The details of this acquisition are shown in Note 1.1.A. Information concerning the group.

The fair value of the assets acquired and the liabilities assumed are as follows:

<i>(in thousands of euros)</i>	Fair value of net assets acquired at 2017/03/21
Non-current assets	114,945
Current assets	76,946
Non-current liabilities	17,387
Current liabilities	88,144
Assets acquired net of liabilities assumed and repaid at closing (B)	86,361
<b>Goodwill (A-B)</b>	<b>290,407</b>
Fair value of consideration transferred and liabilities assumed (A)	376,768
<b>Cash and cash equivalents</b>	<b>19</b>
<i>Net cash disbursed</i>	376,750
<i>Fair value of consideration transferred and liabilities assumed (A)</i>	376,768
Of which fair value of consideration (Cash)	127,586
Of which liabilities assumed and repaid at closing	249,182

On June 23, 2017, the Bonduelle Group disposed its interest hold in the Gelagri companies. The impact of this transaction calculated on the basis of the financial statements ended December 31, 2016, is 961 thousand euros and is recognized in the financial result.

### Note 2.2 Pro forma financial information

On March 21, 2017, the Bonduelle Group acquired 100% interest in Ready Pac Foods, for 376.8 million euros, net of debt.

Since this acquisition has an impact in excess of 25% on the Bonduelle Groups' main aggregates, this *pro forma* financial information was prepared in accordance with AMF recommendation No. 2013-08, in addition to disclosures under IFRS 3.

The income statement published by the Bonduelle Group for the 2016-2017 fiscal year includes Ready Pac Foods activity from March 21, 2017, *i.e.* for 3 months and 11 days.

This 12-month *pro forma* financial information was prepared to illustrate the impact of the acquisition of Ready Pac Foods

on the Bonduelle Group's 2016-2017 income statement as if said acquisition had taken place on July 1, 2016.

This *pro forma* financial information is presented solely by way of illustration and is not indicative of the Bonduelle Group's future operational activities. In particular, it does not include the cost savings or industrial, commercial and marketing synergies that may result from this acquisition, nor any extraordinary items (such as consolidation costs etc.) that may be incurred following this acquisition.

The *pro forma* financial information was prepared on the basis of the following financial information:

- Bonduelle's audited consolidated financial statements for the fiscal year ended on June 30, 2017, prepared in accordance with the IFRS adopted by the European Union;
- Unaudited Ready Pac Foods historical consolidated financial statements, prepared in accordance with US GAAP for the period from August 1, 2016 to June 30, 2017, with the exception of the financial result and the corporation tax charge estimated as shown in the paragraphs below;



- Ready Pac Foods unaudited consolidated data for July 2016, taken from the audited historical consolidated financial statements for the fiscal year ended on July 31, 2016 and prepared in accordance with US GAAP, with the exception of the financial result and the corporation tax charge estimated as shown in the paragraphs below.

The *pro forma* information was compiled on the basis of different *pro forma* adjustments prepared and calculated based on the information available, the preliminary analysis conducted by Bonduelle's Executive Management and estimates and assumptions that the Company considers reasonable. Only adjustments likely to have an ongoing effect on Bonduelle's consolidated financial statements were recognized.

*Pro forma* adjustments were as follows:

- Measurement period adjustments
  - The Ready Pac Foods previous fiscal year ended on July 31, 2016 and so some operational financial information was recreated to obtain a 12-month fiscal year ending June 30, 2017, the Bonduelle Group's reporting date. The information does, therefore, also include the Ready Pac Foods historical financial statements from August 1, 2016 to June 30, 2017, to which was added the unaudited operational financial information for July 2016 taken from the Ready Pac Foods audited consolidated financial statements for the fiscal year ended July 31, 2016.
  - Non-recurring items, particularly those relating to the acquisition, were restated so as to obtain a clearer view of the business. In particular, acquisition costs of 6.5 million euros were not taken into consideration because they will not have a long-term impact on Bonduelle's consolidated financial statements.
- Income tax was calculated by applying a rate of 36% to Ready Pac Food's profit before tax as it appears in the *pro forma* financial statements and the 34.43% rate payable by French companies on financial and non-recurring items.
- Adjustments to acquisition-related financial expenses
  - The *pro forma* financial result recognizes the acquisition of Ready Pac Foods as if it had taken place on July 1, 2016. As a result, it also includes a *pro forma* adjustment of 9.4 million euros for a theoretical finance cost for the period from July 1, 2016 to March 20, 2017, calculated on the basis of financing put in place for the transaction and the actual finance cost for the period from March 21, 2017 to June 30, 2017.
- Adjustments for accounting standards and methods
  - The application of IFRS and Bonduelle Group accounting methods to items constituting the Ready Pac Foods financial statements failed to show any material differences with the US GAAP used previously.
  - The *pro forma* information takes into consideration the effects, over a full year, of additional depreciation and amortization further to the measurement of net assets at fair value under IFRS 3.

In addition, the Bonduelle Group reserves the right to revise the goodwill over a 12-month period from the date on which control was taken in accordance with the provisions of IFRS 3.

## Notes to the annual consolidated financial statements

<i>(in thousands of euros)</i>	Published 2017/06/30 12 months Bonduelle 3 months Ready Pac Foods	Cancellation of the impacts of the acquisition of Ready Pac Foods over 3 months	Ready Pac Foods operating activities from 2016/07/01 to 2017/06/30	Effects of depreciation and amortization following the re- measurement of fixed assets (IFRS 3)	Theoretical finance cost from 2016/07/01 to 2017/06/30	<i>Pro forma information at 2017/06/30</i>
<b>Revenue</b>	<b>2,288,124</b>	<b>(247,444)</b>	<b>798,512</b>	<b>0</b>	<b>0</b>	<b>2,839,191</b>
Purchases and external charges	(1,662,385)	193,586	(611,878)	0	0	(2,080,676)
Employee benefits expenses	(426,732)	47,114	(154,229)	0	0	(533,847)
Depreciation, amortization and impairment	(78,911)	4,533	(9,301)	(6,190)	0	(89,868)
Other operating income	27,258	(455)	985	0	0	27,788
Other operating expenses	(39,060)	418	(1,488)	0	0	(40,131)
Gain/loss on sale of consolidated equity investments	0	0	0	0	0	-
<b>Current operating profit</b>	<b>108,295</b>	<b>(2,248)</b>	<b>22,602</b>	<b>(6,190)</b>	<b>-</b>	<b>122,458</b>
Non-recurring items	(8,114)	6,727	0	0	0	(1,387)
<b>Operating profit</b>	<b>100,181</b>	<b>4,478</b>	<b>22,602</b>	<b>(6,190)</b>	<b>0</b>	<b>121,071</b>
Cost of net debt	(19,121)	2,640	0	0	(9,400)	(25,881)
Other financial income and expenses	918	0	0	0	0	918
<b>Financial result</b>	<b>(18,203)</b>	<b>2,640</b>	<b>0</b>	<b>0</b>	<b>(9,400)</b>	<b>(24,963)</b>
Share of net income from associates	138	0	0	0	0	138
<b>Profit before tax</b>	<b>82,116</b>	<b>7,118</b>	<b>22,602</b>	<b>(6,190)</b>	<b>(9,400)</b>	<b>96,246</b>
Income tax	(22,308)	(2,442)	(8,137)	2,228	3,236	(27,422)
<b>NET INCOME</b>	<b>59,808</b>	<b>4,676</b>	<b>14,465</b>	<b>(3,961)</b>	<b>(6,164)</b>	<b>68,824</b>
• Attributable to owners of the Company	59,868	4,676	14,465	(3,961)	(6,164)	68,884
• Attributable to non-controlling interests	(60)	0	0	0	0	(60)

## 3. OPERATIONAL FIGURES AND NON-RECURRING ITEMS

### Note 3.1 Segment reporting

<i>(in thousands of euros)</i>	Europe Zone	Non-Europe Zone	Eliminations	Total at 2016/06/30
<b>Income statement</b>				
Revenue	1,287,505	692,792	(12,642)	1,967,655
Current operating profit	48,157	55,374		103,531
Non-current assets	520,354	223,504		743,858

<i>(in thousands of euros)</i>	Europe Zone	Non-Europe Zone	Eliminations	Total at 2017/06/30
<b>Income statement</b>				
Revenue	1,286,677	1,010,857	(9,410)	2,288,124
Current operating profit	49,790	58,505		108,295
Non-current assets	502,510	581,869		1,084,379

### Information by segment

<i>(in thousands of euros)</i>	Canned/Frozen	Fresh	Total at 2016/06/30
Revenue – excluding intercompany	1,556,186	411,469	1,967,655

<i>(in thousands of euros)</i>	Canned/Frozen	Fresh	Total at 2017/06/30
Revenue – excluding intercompany	1,632,615	655,509	2,288,124

### Information by destination geographical area

<i>(in thousands of euros)</i>	At 2016/03/30		At 2017/06/30	
France	617,152	13%	625,129	27%
United States	270,446	14%	534,868	23%
Canada	233,987	12%	278,696	12%
Germany	221,719	11%	214,247	9%
Italy	188,678	10%	192,535	9%
Eastern Europe <sup>(1)</sup>	149,490	8%	154,844	7%
Benelux	80,901	4%	76,054	3%
Central Europe <sup>(2)</sup>	57,424	3%	57,475	3%
Northern Europe	54,194	3%	54,331	2%
Iberian peninsula	40,014	2%	41,151	2%
South America	20,174	1%	23,164	1%
Other	33,477	2%	35,628	2%
<b>TOTAL REVENUE</b>	<b>1,967,655</b>	<b>100%</b>	<b>2,288,124</b>	<b>100%</b>

(1) Russia and other CIS countries.

(2) Eastern European countries that have joined the European Union.

### Note 3.2 Purchases and external charges

<i>(in thousands of euros)</i>	At 2016/03/30	At 2017/06/30
Purchases of goods and other supplies	(1,007,383)	(1,147,712)
Production in inventory	9,133	(28,472)
Changes in inventories of goods and other supplies	9,970	5,147
Other external charges	(433,011)	(491,348)
<b>TOTAL PURCHASES AND EXTERNAL CHARGES</b>	<b>(1,421,291)</b>	<b>(1,662,385)</b>

### Note 3.3 Other operating income and expenses

<i>(in thousands of euros)</i>	At 2016/03/30	At 2017/06/30
Operating services	4,219	3,407
Reversal of provisions and impairment	9,130	7,591
Other operating income	22,808	16,260
<b>TOTAL OTHER OPERATING INCOME</b>	<b>36,157</b>	<b>27,258</b>

<i>(in thousands of euros)</i>	At 2016/03/30	At 2017/06/30
Taxes and duties	(23,765)	(24,495)
Provisions and impairment	(16,963)	(13,058)
Other operating expenses	(2,523)	(1,507)
<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>(43,251)</b>	<b>(39,060)</b>

## Note 3.4 Non-recurring items

<i>(in thousands of euros)</i>	At 2016/03/30	At 2017/06/30
Reorganization and restructuring costs	(6,133)	(957)
Insurance deductibles	0	(410)
Fees and expenses*	(866)	(6,553)
Other (net balance)	(569)	(194)
<b>TOTAL NON-RECURRING ITEMS</b>	<b>(7,568)</b>	<b>(8,114)</b>

\* At 2017/06/30, this item comprised fees and expenses relating to the acquisition of Ready Pac Foods.

## Note 3.5 Inventories and work in progress

<i>(in thousands of euros)</i>	Gross carrying amount	Provisions	Net carrying amount at 2016/06/30	Gross carrying amount	Provisions	Net carrying amount at 2017/06/30
Materials and packaging	135,361	(2,331)	133,029	154,635	(2,176)	152,458
Work-in-progress and finished goods	466,049	(19,974)	446,076	442,793	(22,199)	420,594
<b>TOTAL INVENTORIES AND WORK-IN-PROGRESS</b>	<b>601,410</b>	<b>(22,305)</b>	<b>579,105</b>	<b>597,428</b>	<b>(24,376)</b>	<b>573,052</b>

### Analysis of provisions for impairment of inventories and work-in-progress

<i>(in thousands of euros)</i>	At 2016/06/30	At 2017/06/30
<b>Materials and packaging</b>		
Opening balance	(2,141)	(2,331)
Additions	(1,152)	(377)
Reversal	955	561
Translation adjustments and other	7	(29)
<b>CLOSING BALANCE</b>	<b>(2,331)</b>	<b>(2,176)</b>
<b>Work-in-progress and finished goods</b>		
Opening balance	(15,355)	(19,973)
Additions	(9,887)	(5,320)
Reversal	5,123	2,910
Translation adjustments and other	146	184
<b>CLOSING BALANCE</b>	<b>(19,973)</b>	<b>(22,199)</b>

### Note 3.6 Trade and other receivables

Analysis of trade and other receivables:

<i>(in thousands of euros)</i>	Gross carrying amount	Provisions	Net carrying amount at 2016/06/30	Gross carrying amount	Provisions	Net carrying amount at 2017/06/30
Customers	251,137	(3,623)	247,514	298,031	(3,098)	294,933
Tax and social security receivables	36,964	0	36,964	39,140		39,140
Other receivables	21,320	(363)	20,957	27,729	(824)	26,905
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<b>309,421</b>	<b>(3,986)</b>	<b>305,435</b>	<b>364,900</b>	<b>(3,922)</b>	<b>360,978</b>

### Change in impairment of trade and other receivables

<i>(in thousands of euros)</i>	2016/06/30	2017/06/30
<b>Customers</b>		
Opening balance	(4,916)	(3,623)
Additions	(555)	(88)
Reversal	1,754	654
Translation adjustments and other <sup>(1)</sup>	94	(41)
<b>CLOSING BALANCE</b>	<b>(3,623)</b>	<b>(3,098)</b>
<b>Other receivables</b>		
Opening balance	(6,159)	(363)
Additions	0	(465)
Reversal	0	0
Translation adjustments and other <sup>(1)</sup>	5,796	4
<b>CLOSING BALANCE</b>	<b>(363)</b>	<b>(824)</b>

(1) Inter-account reclassifications.

### Trade and related receivables by maturity

<i>(in thousands of euros)</i>	2016/06/30	2017/06/30
Not yet due	211,900	242,220
Due in		
• less than 30 days	27,101	48,418
• between 30 and 90 days	6,376	2,631
• more than 90 days	2,137	1,664
<b>TOTAL TRADE AND RELATED RECEIVABLES</b>	<b>247,514</b>	<b>294,933</b>

### Note 3.7 Trade and other payables

<i>(in thousands of euros)</i>	At 2016/06/30	At 2017/06/30
Trade payables	367,791	468,276
Amounts payable for acquisition of assets	17,790	22,313
Tax and social security payables	101,271	122,511
Other payables	42,911	54,634
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>529,763</b>	<b>667,733</b>



## 4. EMPLOYEE EXPENSES, HEADCOUNT AND BENEFITS

### Note 4.1 Remuneration and headcount

<i>(in thousands of euros and number of employees)</i>	At 2016/06/30	At 2017/06/30
Employee expense for consolidated companies	(361,038)	(426,732)
Average annual workforce <sup>(1)</sup>	9,961	14,839
Employees with long-term employment contracts	7,100	10,807

(1) At 2017/06/30, Including Ready Pac Foods on a twelve-month basis.

### Note 4.2 Employee benefit obligations

#### 4.2.A. Defined contribution plans

The group is involved in setting up pension plans for its personnel in accordance with the laws and practices of the countries in which group companies operate. Commitments correspond to contributions owing. These stand at 30,025 thousand euros at June 30, 2017, compared with 28,450 thousand euros at June 30, 2016.

#### 4.2.B. Defined benefit plans

In addition, the group is mainly responsible for contractual commitments to pay severance and termination benefits. Commitments are measured using the Projected Credit Unit method.

A description of the plans can be found in Note 1.2.K.

Changes to the financial position of defined benefit plans are as follows:

<i>(in thousands of euros)</i>	2015-2016	2016-2017
<b>Income statement: Retirement expense</b>		
Cost of services rendered during the year	1,207	1,037
Impact of discounting	448	363
Projected return on plan assets	(116)	(74)
(Gains)/Losses from plan wind up	0	0
<b>RETIREMENT (INCOME) EXPENSE RECOGNIZED</b>	<b>1,540</b>	<b>1,326</b>

<i>(in thousands of euros)</i>	2015-2016	2016-2017
<b>Change in the present value of the obligation</b>		
<b>Present value of DBO<sup>(1)</sup> at July 1</b>	<b>26,423</b>	<b>28,333</b>
Cost of services rendered during the year	1,207	1,319
Impact of discounting	448	363
Employee contributions	0	0
Plan reduction	0	(282)
Currency effect	(11)	10
Benefits paid	(1,489)	(1,984)
Actuarial (gains)/losses related to changes in demographic assumptions	542	(1)
Actuarial (gains)/losses related to changes in actuarial assumptions	1,441	(1,220)
Actuarial (gains)/losses related to experience differences	(228)	(196)
<b>PRESENT VALUE OF DBO<sup>(1)</sup> AT JUNE 30</b>	<b>28,333</b>	<b>26,342</b>

(1) DBO: Defined Benefit Obligation.

## Notes to the annual consolidated financial statements

<i>(in thousands of euros)</i>	2015-2016	2016-2017
<b>Change in fair value of plan assets</b>		
<b>Fair value of plan assets at July 1</b>	<b>6,881</b>	<b>5,836</b>
Projected return on plan assets	116	74
Employer contributions	0	0
Employee contributions	0	0
Plan wind up	0	0
Benefits paid	(1,264)	(1,720)
Actuarial (gains)/losses related to experience differences	103	100
<b>FAIR VALUE OF PLAN ASSETS AT JUNE 30</b>	<b>5,836</b>	<b>4,290</b>

<i>(in thousands of euros)</i>	2015-2016	2016-2017
<b>Reconciliation with amount recognized in balance sheet</b>		
<b>Net financial position: surplus/(deficit)</b>	<b>(22,498)</b>	<b>(22,052)</b>
Impact of the limiting of surpluses (IAS 19 #58 asset ceiling)	0	0
<b>(Provision) at June 30</b>	<b>(22,498)</b>	<b>(22,052)</b>
<b>NET ASSETS AT JUNE 30</b>	<b>0</b>	<b>0</b>

<i>(in thousands of euros)</i>	2015-2016	2016-2017
<b>Actuarial gains and losses</b>		
Actuarial (gains)/losses generated at July 1	5,688	6,826
Reclassification	(514)	
Actuarial (gains)/losses generated between July 1 and June 30	1,652	(1,516)

<i>(in thousands of euros)</i>	2015-2016	2016-2017
<b>Change in carrying amounts recognized during the year</b>		
Net opening (liability) asset	(19,542)	(22,498)
Retirement (expense) income	(1,540)	(1,326)
Benefits paid by the employer	226	265
Currency effect	11	(10)
Impact of the limiting of surpluses (IAS 19 #58 asset ceiling)	0	0
Actuarial differences recognized in equity	(1,652)	1,516
<b>NET CLOSING (LIABILITY) ASSET</b>	<b>(22,498)</b>	<b>(22,052)</b>

For the actuarial assumptions at year-end, refer to Note 1.2.K. The assets managed by financial institutions to cover the group's termination benefit obligations are matched to general assets.

At June 30, 2017, the sensitivity of provisions for retirement benefits to the discount rate was as follows: a 0.50 point rise in the discount rate would have reduced the group's liability by 1,604 thousand euros. Conversely, a 0.50 point drop would have increased the group's liability by 1,769 thousand euros.

## Note 4.3 Share-based payments

The Bonduelle SCA General Management is authorized to grant Bonduelle stock options and free shares to certain directors and officers of the group.

The allocation of free shares based on a mechanism of long-term profit-sharing policy based on return on capital employed.

### Description of stock option plans

	Plan 15	Plan 16
Date of Shareholders' Meeting	2009/12/03	2009/12/03
Date of General Management decision	2010/12/07	2011/12/15
Initial number of shares allocated	188,800	207,600
<ul style="list-style-type: none"> <li>Of which number of shares granted to Mr. Christophe Bonduelle, Chairman of Bonduelle SAS and legal representative of Pierre et Benoît Bonduelle SAS, itself General Manager of Bonduelle SCA</li> </ul>	32,000	23,600
<ul style="list-style-type: none"> <li>Of which number of shares granted to the Executive Committee</li> </ul>	87,000	94,400
Number of shares canceled <sup>(1)</sup>	(11,200)	(32,400)
<b>Total number of shares that may be subscribed or purchased</b>	<b>177,600</b>	<b>175,200</b>
Start of option exercise period	2014/12/08	2015/12/16
Date of expiration	2016/12/07	2017/12/15
Subscription price	15.9	15.73
<b>Number of shares subscribed at June 30, 2017</b>	<b>177,600</b>	<b>140,999</b>

(1) Cancellations correspond to shares allocated to persons who have left the group prior to the exercise period and to shares that had not been subscribed for by the time the plan expired.

### Description of free share allocation plans<sup>(1)</sup>

	Plan 3	Plan 4	Plan 5	Plan 6
Date of Shareholders' Meeting	2015/12/03	2015/12/03	2015/12/03	2015/12/03
Date of General Management decision	2015/12/07	2015/12/07	2016/09/16	2016/10/27
Initial number of shares allocated	61,868	61,868	76,801	2,415
<ul style="list-style-type: none"> <li>Of which number of shares granted to Mr. Christophe Bonduelle, Chairman of Bonduelle SAS and legal representative of Pierre et Benoît Bonduelle SAS, itself General Manager of Bonduelle SCA</li> </ul>	19,141	19,141	22,617	0
<ul style="list-style-type: none"> <li>Of which number of shares granted to the Executive Committee</li> </ul>	61,868	61,868	76,801	2,415
<b>Total number of free shares allocated</b>	<b>61,868</b>	<b>61,868</b>	<b>76,801</b>	<b>2,415</b>
Effective allocation date	2017/12/07	2018/12/07	2019/09/16	2018/10/27
Date from which shares can be sold	2017/12/08	2018/12/08	2019/09/17	2018/10/28
<b>Number of shares actually awarded at June 30, 2017</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

(1) Free share grants are based on a long-term profit-sharing scheme. Plans based on return on capital employed representing 50% of salary or fixed compensation at target and contingent on employment on the date of effective attribution. In accordance with the provisions of the AfeP-Medef Code, Corporate Officers do not benefit from any hedging arrangements.



### Valuation of stock option and free share allocation plans

As stated in Note 1.2, Section P, share purchase options and free shares granted to employees are measured at their fair value on the allocation date, based on the Black & Scholes option pricing model for stock options and the discounting of

share value adjusted for dividends for the free share allocation plans. The fair value of free shares is also calculated on the basis of presence and performance requirements established by the Executive Management.

The charge under IFRS 2 for the period was 674 thousand euros.

## 5. FINANCING AND FINANCIAL INSTRUMENTS

### Note 5.1 Management of financial risks

The group has established an organization that provides for centralized management of all of its liquidity, currency, interest rate and counterparty credit risks. The Finance Department has assigned the group Finance and Treasury Department responsibility for risk management, and provided it with all of the expertise and tools needed to participate in the various financial markets as effectively and safely as possible. The organization and procedures utilized are regularly reviewed by the Internal Audit Department and the Statutory Auditors. At meetings held regularly with the Chief Financial Officer and Finance and Treasury Direction, the group's Executive Management validates, on the basis of a report published monthly, the implementation of previously authorized management strategies.

In a rapidly changing global economic environment, characterized by market volatility and changes in financial techniques, the role of the group Finance and Treasury Department is to:

- ensure optimum and sufficient funding to finance the development and growth of the group's activities;
- identify, evaluate and hedge all financial risks in close collaboration with the operations teams.

The objective is to minimize, at the lowest possible cost, the impact of financial market fluctuations on the group's income statement, in order to reduce the capital allocation required to manage these financial risks.

The group prohibits the taking of speculative positions.

#### 5.1.A. Liquidity risk

The group Finance Department is responsible for maintaining sufficient liquidity at all times. It accomplishes this by efficiently managing the group's cash balances and ensuring that the maturity and conditions of the financing obtained are appropriate. In particular, it arranges confirmed lines of credit to maximize the flexibility of the group's financing (see Note 5.6 of the notes to the consolidated financial statements at June 30, 2017).

The Company specifically reviewed its liquidity risk and considers that it is able to meet its future payments.

#### 5.1.B. Market risks

##### Currency risk

##### Risks related to changes in foreign exchange rates

The group publishes its consolidated financial statements in euros, and in 2016-2017, 63% of revenue and 39% of current operating income were denominated in euros.

The share of assets, liabilities, sales and earnings denominated in other currencies – essentially the Polish zloty, Hungarian forint, Russian ruble, Brazilian real and US and Canadian dollars – fluctuates continuously. This means that the group is affected by fluctuations in the value of these currencies relative to the euro when they are translated into euros in the consolidated financial statements. For example, when the euro appreciates against these currencies it reduces the earnings contribution from those subsidiaries whose financial statements are denominated in these currencies.

All sales and expenses of group subsidiaries are generally expressed in their local currency, with the exception of imports, exports and financial transactions covered by centralized and systematic foreign currency hedges, where the type of exposure means that it can be hedged: Bonduelle therefore believes that its local exposure to currency fluctuations, after hedging, is limited.

The group's international growth strategy contributes to increasing the weight of non euro-denominated activities in revenue, operating profit and consolidated net income.

##### Hedging policies for currency risk

The group seeks to hedge, on a budgeted annual basis, all risks relating to the activities of its subsidiaries denominated in a currency other than their functional currency and risks relating to the financing of some subsidiaries operating in countries whose functional currency is not the euro.

The group uses over-the-counter financial instruments only to hedge the financial risks generated by its production and sales activities. All hedges entered into must comply with the objectives and procedures established by the Bonduelle Group's Executive Management. These transactions are centralized within the group Finance and Treasury Department.

The group's policy regarding fluctuations in foreign exchange rates consists of periodically calculating its net exposure to foreign currencies and using financial derivatives to reduce this risk.

The group makes use above all of forward foreign exchange contracts, foreign currency swaps and options entered into with highly-rated bank counterparties. Details of the portfolio as well as an analysis of foreign exchange rate sensitivity appear in Notes 5.2 and 5.5 to the consolidated financial statements at June 30, 2017.

As part of the acquisition of Ready Pac Foods in US dollars, the Bonduelle Group managed the various risks to which it was exposed:

- between February 23, 2017 and March 21, 2017, a transaction risk relating to a firm offer in US dollars subject to approval from the US competition authority. This risk was managed using the derivatives usually used by the group (options, forward transactions);
- as of March 21, 2017, a currency risk associated with the financing of the transaction. Said risk was managed by financing the acquisition entirely in US dollars by means of a bridge loan and a 5-year term loan as described in Note 5.6 on net debt;
- lastly, in relation to the group's management of assets and liabilities in foreign currencies, the choice was made to include a euro-denominated tranche in the USPP bond issue on July 6, 2017. The currency risk associated with the act of repaying the bridge loan issued in US dollars with a euro-denominated USPP was managed at inception by a series of forward foreign exchange transactions making it possible to set the exchange rate for this transaction.

#### Interest rate risk

The interest rate management policy is coordinated, controlled and handled centrally, with the aim of protecting future cash flows and reducing the volatility of finance costs. The group uses various instruments available on the market, especially interest rate options and swaps. Details of the portfolio as well as an analysis of interest rate sensitivity appear in Notes 5.2 and 5.5 to the consolidated financial statements at June 30, 2017.

#### Credit risk

In light of the high credit quality of the group's principal counterparties and the wide dispersion of its customers throughout the world, especially in the mass-market retailing sector, the group considers that it does not have a significant exposure to credit risk. However, most of this risk is covered by a prominent insurer.

Given the high liquidity of the group's trade and related receivables, the fair value of these assets is considered to be equal to their carrying amount.

#### Counterparty credit risk

In its dealings in financial assets in general and any cash balances, the group works only with highly-rated bank counterparties. Any cash surpluses are generally managed in short-term interest-bearing deposits.

#### Raw materials risk

The Bonduelle Group has always favored the best agricultural lands and the geographical diversification of its sourcing regions when deciding where to locate its production facilities, in order to reduce the climate-related risks inherent to all growing activities.

There is, moreover, no organized market for the agricultural raw materials purchased by the Bonduelle Group. Changes in the prices of agricultural raw materials quoted on a market do, however, have a more or less significant impact on the group's purchase prices, depending on the agricultural alternatives available to producers. In order to ensure long-term relationships with its vegetable suppliers, Bonduelle holds annual negotiations with producers' associations well in advance of the harvest, that set the producer's net margin per hectare. Bonduelle is therefore obliged to adjust its selling prices to reflect the results of its vegetable purchasing negotiations, which vary between sourcing regions.

The latest periods of inflation affecting raw materials have shown the group's ability to offset increases in its costs in its selling prices.

#### 5.1.C. Equity management

The Bonduelle Group always ensures that its financial structure remains optimal by respecting the equilibrium between its net financial debt and its equity, and by maintaining a consistent dividend policy. This is intended to keep the cost of capital to a minimum, to maximize share price and dividend growth for the Shareholders and to maintain sufficient financial flexibility to take advantage of any opportunities that may arise.

At June 30, 2017, the group had equity of 606.5 million euros, on the basis of which, at the Shareholders' Meeting to be held on December 7, 2017, the General Management will propose a dividend of 0.45 euros per share.



## Note 5.2 Financial result

The group's financial result at June 30, 2017 amounted to -18.2 million euros, compared with -21.4 million euros the previous year.

<i>(in thousands of euros)</i>		At 2016/06/30	At 2017/06/30
<b>Cost of net debt</b>	<b>A</b>	<b>(21,651)</b>	<b>(19,121)</b>
Cash and cash equivalents		71	176
Interest expense (at effective interest rate)		(21,530)	(19,508)
Gains and losses on liabilities covered by fair value hedges		(1,717)	7,797
Gains and losses on fair value hedging derivatives		1,526	(7,586)
<b>Other financial income and expenses</b>	<b>B</b>	<b>226</b>	<b>918</b>
Foreign exchange gain (loss)		5,440	(645)
Ineffective portion of cash flow hedges		(10)	321
Net gain (loss) on derivatives ineligible for hedge accounting (foreign currency & interest rate risk)		457	319
Other financial income and expenses		(5,661)	924
<b>FINANCIAL RESULT</b>	<b>A+B</b>	<b>(21,425)</b>	<b>(18,203)</b>

The cost of net debt, the main component of the financial result, was down from -21.7 million euros at June 30, 2016 to -19.1 million euros at June 30, 2017.

It comprises interest paid at the effective interest rate (-19.5 million euros), income from cash (+0.2 million euros), and residual inefficiency (-0.2 million euros) calculated as the difference between the gains and losses on debt covered by fair value hedges (+7.8 million euros) and the gains and losses on fair value hedging derivatives (-7.6 million euros). This shortfall was due solely to the effect of interest rate changes.

The interest rate, calculated on the group's average debt in all currencies and restated to account for IFRS impacts, amounted to 2.74% compared to 3.08% the previous year.

The steady drop in the cost of net debt was due to a policy of dynamic hedging of the currency rates in which the group borrows, combined with the continued fall in interest rates in certain foreign currencies (CAD, HUF, PLN, etc.).

The financing raised for the acquisition of Ready Pac Foods on March 21, 2017, only had a limited effect on the financing rate for the fiscal year ended on June 30, 2017. Details of this financing are provided in Note 5.6 on net debt.

Other financial income and expenses (+0.9 million euros) breaks down as follows:

- 0.3 million euros in foreign exchange results corresponding to income from foreign exchange hedges on flows relating to commercial activities and cash in foreign currencies (breaking down as follows: -0.6 million euros in foreign exchange losses, +0.3 million in gains on the ineffective portion of cash flow hedges and gains on instruments not eligible for hedge accounting);
- +1.2 million euros in other financial income and expenses, essentially comprising the recognition in the income statement of the gain on the sale of Gelagri securities (+1 million euros). The remainder breaks down as -0.1 million euros in other expenses and +0.3 million euros in gains on instruments not eligible for hedge accounting.

As required by IFRS 7, the group performed sensitivity analyses to measure its exposure to material changes in interest and foreign exchange rates.

The scope of the interest rate sensitivity analyses included all financial instruments, both debt and derivatives. The analyses were made assuming a uniform shift of +/-50 basis points in all yield curve maturities at the reporting date. The market values of the instruments were obtained from the valuation platforms used by the group's Finance and Treasury Department, and market data are populated using real-time information systems (Reuters, etc.).



### Analysis of sensitivity to interest rates

	Change in interest rates			
	+50 bp		-50 bp	
<i>(in thousands of euros)</i>	Impact on equity	Impact on results	Impact on equity	Impact on results
Interest on debt	0	(2,435)	0	2,435
Mark-to-market valuation of debt	0	1,330	0	(1,358)
<b>Payables</b>	<b>0</b>	<b>(1,105)</b>	<b>0</b>	<b>1,077</b>
Finance income from interest rate derivatives	0	638	0	(638)
Mark-to-market valuation of interest rate derivatives	3,278	(1,225)	(3,027)	1,247
<b>Interest rate derivatives</b>	<b>3,278</b>	<b>(587)</b>	<b>(3,027)</b>	<b>609</b>
<b>TOTAL</b>	<b>3,278</b>	<b>(1,692)</b>	<b>(3,027)</b>	<b>1,685</b>

The same valuation methods used to measure interest rate sensitivity (information systems and valuation platforms, etc.) are used to measure the group's exposure to changes in the currencies it uses for business and financing purposes (USD, HUF, CAD, RUB, PLN, etc.). The scope includes all balance sheet liabilities and receivables, those portions of trade-related flows expected to be generated during the period hedged, and all derivative instruments used to hedge foreign currency exposures.

In accordance with IFRS 7 §23, it is specified that, since this consists primarily of hedges of trading flows denominated in foreign currencies, the flows hedged and the associated hedging instruments generally mature in less than one year.

In the case of longer assets or liabilities, hedges can extend beyond one year though they must not exceed the present limit of 5 years, with the exception of hedges on the USPP bond issued in 2010, for which the hedges run until the bond matures (2022). In this case, the flows (intermediate and final) of hedging instruments run concurrently to the flows of the underlying hedged instruments and their impacts are offset in the income statement every quarter or half-year period according to the defined flow exchange schedules.

For the methods used to prepare the currency fluctuation sensitivity calculations, a variation of +/-5% in the euro against the main currencies has been applied.

### Analysis of sensitivity to changes in exchange rates (excluding subsidiaries' net equity)

	Change in exchange rates			
	+5% variation in the euro against the foreign currency		-5% variation in the euro against the foreign currency	
<i>(in thousands of euros)</i>	Impact on equity	Impact on results	Impact on equity	Impact on results
HUF/EUR	731	216	(802)	(268)
USD/EUR	211	(14)	(235)	10
PLN/EUR	776	(22)	(853)	(6)
RUB/EUR	(743)	14	820	(11)
USD/CAD	346	51	(354)	(83)
<b>TOTAL</b>	<b>1,321</b>	<b>245</b>	<b>(1,425)</b>	<b>(358)</b>

## Note 5.3 Presentation of financial assets and liabilities by category

At 2016/03/30

			Financial assets within the scope of application of IAS 39 on financial instruments			Assets excluded from the scope of application of IAS 39 on financial instruments
	Value on balance sheet	Fair value	Loans and receivables	Fair value through equity	Fair value through income	
<i>(in thousands of euros)</i>						
<b>Non-current assets</b>						
Other non-current financial assets	46,381	46,381	5,843	16,066	24,472	0
Investments in subsidiaries	16,061	16,061	0	16,061	0	0
Derivative assets	24,477	24,477	0	5	24,472	0
Other non-current financial assets	5,843	5,843	5,843	0	0	0
Other non-current assets	6,255	6,255	4,305	0	0	1,950
Other non-current receivables	4,305	4,305	4,305	0	0	0
Prepaid expense	1,950	1,950	0	0	0	1,950
<b>Current assets</b>						
Trade & other receivables	305,435	305,435	305,435	0	0	0
Other current assets	7,459	7,459	629	0	0	6,830
Non-consolidated loans and receivables	600	600	600	0	0	0
Prepaid expense	6,830	6,830	0	0	0	6,830
Other assets	29	29	29	0	0	0
Derivative assets	3,797	3,797	0	1,256	2,541	0
Marketable securities and other investments	224	224	224	0	0	0
Cash and cash equivalents	5,801	5,801	5,801	0	0	0
<b>Financial liabilities within the scope of application of IAS 39 on financial instruments</b>						
	Value on balance sheet	Fair value	Amortized cost	Fair value through equity	Fair value through income	Liabilities excluded from the scope of application of IAS 39 on financial instruments
<i>(in thousands of euros)</i>						
<b>Non-current liabilities</b>						
Financial debts	327,479	327,371	298,567	3,599	25,204	0
Debt excluding derivatives	323,390	323,282	298,567	0	24,715	0
Derivative liabilities	4,089	4,089	0	3,599	490	0
Other non-current liabilities	13,122	13,122	13	0	0	13,109
Prepaid income and other accrual accounts	13,109	13,109	0	0	0	13,109
Miscellaneous debts	13	13	13	0	0	0
<b>Current liabilities</b>						
Trade and other payables	529,763	529,763	529,763	0	0	0
Current financial debts	147,407	147,411	144,120	363	2,929	0
Debt excluding derivatives	144,460	144,464	144,120	0	344	0
Current derivative liabilities	2,947	2,947	0	363	2,585	0
Other current liabilities	2,169	2,169	0	0	0	2,169
Prepaid income and other accrual accounts	2,169	2,169	0	0	0	2,169

At 2017/06/30

	Value on balance sheet	Fair value	Financial assets within the scope of application of IAS 39 on financial instruments			Assets excluded from the scope of application of IAS 39 on financial instruments
			Loans and receivables	Fair value through equity	Fair value through income	
<i>(in thousands of euros)</i>						
<b>Non-current assets</b>						
Other non-current financial assets	40,985	40,985	7,437	16,455	17,092	0
Investments in subsidiaries	16,061	16,061	0	16,061	0	0
Derivative assets	17,486	17,486	0	394	17,092	0
Other non-current financial assets	7,437	7,437	7,437	0	0	0
Other non-current assets	6,103	6,103	2,501	0	0	3,602
Other non-current receivables	2,501	2,501	2,501	0	0	0
Prepaid expense	3,602	3,602	0	0	0	3,602
<b>Current assets</b>						
Trade & other receivables	360,978	360,978	360,978	0	0	0
Other current assets	10,059	10,059	11	0	0	10,049
Non-consolidated loans and receivables	0	0	0	0	0	0
Prepaid expense	10,049	10,049	0	0	0	10,049
Other assets	11	11	11	0	0	0
Derivative assets	10,487	10,487	0	651	9,837	0
Marketable securities and other investments	517	517	517	0	0	0
Cash and cash equivalents	8,694	8,694	8,694	0	0	0

	Value on balance sheet	Fair value	Financial liabilities within the scope of application of IAS 39 on financial instruments			Liabilities excluded from the scope of application of IAS 39 on financial instruments
			Amortized cost	Fair value through equity	Fair value through income	
<i>(in thousands of euros)</i>						
<b>Non-current liabilities</b>						
Financial debts	535,646	535,468	515,456	2,962	17,050	0
Debt excluding derivatives	531,599	531,421	515,456	0	15,965	0
Derivative liabilities	4,047	4,047	0	2,962	1,085	0
Other non-current liabilities	12,401	12,401	771	0	0	11,630
Prepaid income and other accrual accounts	11,630	11,630	0	0	0	11,630
Miscellaneous debts	771	771	771	0	0	0
<b>Current liabilities</b>						
Trade and other payables	667,733	667,733	667,733	0	0	0
Current Financial debts	163,112	163,112	152,531	72	10,509	0
Debt excluding derivatives	152,531	152,531	152,531	0	0	0
Current derivative liabilities	10,581	10,581	0	72	10,509	0
Other current liabilities	2,051	2,051	0	0	0	2,051
Prepaid income and other accrual accounts	2,051	2,051	0	0	0	2,051

**Offsetting financial assets and financial liabilities (IFRS 7 amendment):**

The group subscribes for over-the-counter derivatives with leading banks under agreements which offset payables and receivables in the event of default of one of the contracting parties. These conditional netting agreements do not meet IAS 32 criteria for offsetting derivative assets and liabilities in the balance sheet. They do, however, fall within the scope of disclosures to be made under IFRS 7.13 on the offsetting of financial assets and liabilities. On this basis, the effects of the netting agreements are as follows:

- net amount of derivative assets under IFRS 7.13: +14.8 million euros;
- net amount of derivative liabilities under IFRS 7.13: -1.5 million euros.

The fair value of 17.1 million euros recognized in the balance sheet for derivative assets essentially relates to cross-currency swaps in US dollars. These swaps were introduced to hedge the bond issue in the United States with a nominal value of 145 million US dollars at June 30, 2017.

These transactions are equally distributed among three highly rated bank counterparties.

## Note 5.4 Other non-current financial assets

Analysis of changes in gross carrying amounts and impairment:

<i>(in thousands of euros)</i>	At 2015/06/30	Acquisitions or charges	Disposals or reversals	Other <sup>(4)</sup>	At 2016/06/30
<b>Gross carrying amount<sup>(1)</sup></b>					
Equity securities <sup>(2)</sup>	17,246	0	(110)	0	17,136
Derivative assets	22,715	0	0	1,763	24,478
Other non-current financial assets <sup>(3)</sup>	5,438	959	(321)	8	6,084
	<b>45,398</b>	<b>959</b>	<b>(431)</b>	<b>1,771</b>	<b>47,700</b>
<b>Impairment</b>					
Equity securities <sup>(2)</sup>	1,185	0	(110)	0	1,075
Other non-current financial assets	470	0	(227)	0	243
	<b>1,655</b>	<b>0</b>	<b>(337)</b>	<b>0</b>	<b>1,318</b>
<b>Net carrying amount</b>					
Equity securities <sup>(2)</sup>	16,061	0	0	0	16,061
Derivative assets	22,715	0	0	1,763	24,478
Other non-current financial assets	4,968	959	(94)	8	5,841
	<b>43,743</b>	<b>959</b>	<b>(94)</b>	<b>1,771</b>	<b>46,380</b>

<i>(in thousands of euros)</i>	At 2016/06/30	Entry into scope of consolidation <sup>(3)</sup>	Acquisitions or charges	Disposals or reversals	Other <sup>(4)</sup>	At 2017/06/30
<b>Gross carrying amount<sup>(1)</sup></b>						
Equity securities <sup>(2)</sup>	17,136	0	(0)	(0)	(0)	17,135
Derivative assets	24,478	0	0	0	(6,992)	17,486
Other non-current financial assets	6,084	1,467	483	(136)	(254)	7,644
	<b>47,700</b>	<b>1,467</b>	<b>483</b>	<b>(136)</b>	<b>(7,248)</b>	<b>42,266</b>
<b>Impairment</b>						
Equity securities <sup>(2)</sup>	1,075	0	(0)	(0)	0	1,075
Other non-current financial assets	243	0	0	(37)	0	206
	<b>1,318</b>	<b>(0)</b>	<b>(0)</b>	<b>(37)</b>	<b>0</b>	<b>1,281</b>
<b>Net carrying amount</b>						
Equity securities <sup>(2)</sup>	16,061	0	0	(0)	(0)	16,060
Derivative assets	24,478	0	0	0	(6,991)	17,486
Other non-current financial assets	5,841	1,467	483	(99)	(256)	7,439
	<b>46,380</b>	<b>1,467</b>	<b>483</b>	<b>(99)</b>	<b>(7,247)</b>	<b>40,985</b>

(1) The valuation principles are set out in Note 1.2.

(2) This is the carrying amount of the main holdings of companies that are not consolidated by the group.

The heading primarily contains the Bonduelle Group's minority interests in Coopérative Agricole France Champignon (France), whose net income for the period was not deemed significant. In accordance with IFRS 10 and 11, this company was not consolidated (Note 1.1 B).

(3) At 2017/06/30, the amount of entries to the scope of consolidation corresponded to Ready Pac Foods' financial deposits.

(4) Reclassifications and fair value of derivative assets.



## Note 5.5 Derivative financial instruments

The group uses over-the-counter derivatives to manage exposure to foreign exchange and interest rate risks. Group policy excludes being engaged in speculative transactions on the financial markets.

### 5.5.A. Interest rate derivatives

#### Fair value hedges

Two of the fixed-rate bonds issued by the group were partly swapped to variable rate at the time they were issued. These swaps meet the criteria required for fair value hedge accounting under IAS 39. The portion of the underlying debt and the swaps are recognized in the balance sheet at their market value.

#### Cash flow hedges

In August 2010, the group issued a fixed-rate USPP bond of 145 million dollars. In respect of the share of debt hedged by a derivative instrument converting a USD fixed-rate into a euro fixed-rate, provided the effectiveness of the hedging relationship has been validated using prospective tests, all changes in fair value of these instruments are booked directly to equity.

#### Hedges ineligible for hedge accounting under IFRS

The group's debt also includes outstanding debts swapped into a variable interest rate. The group is therefore exposed to increases in euro interest rates. To hedge this risk, the group has set in place tunnel-type or caps options that protect it against any significant rise in the interest rates. In some cases, these derivatives are not eligible for future cash flow hedge accounting under IAS 39. They have accordingly been classified in held-for-trading instruments, and all changes in their fair value are taken into profit or loss for the period.

### 5.5.B. Foreign currency derivatives

#### Fair value hedges

The group is exposed to changes in the value of the bonds issued in US dollar in 2010 produced by fluctuations in the EUR/USD exchange rate. Derivatives: forward currency

contracts or cross-currency swaps, qualifying for hedge accounting under IAS 39, have been introduced to fully hedge the residual par value of this risk.

#### Cash flow hedges

Most of the group's sales are in euros. However, in certain countries, the group may issue invoices denominated in foreign currencies, mostly the US dollar, Canadian dollar, Hungarian forint, Russian ruble and Polish zloty. The group publishes its financial statements in euros, and changes in the value of these currencies against the euro may impact consolidated net income. To limit the sensitivity of its earnings to changes in exchange rates, the group introduces cash flow hedges using foreign currency forwards and options.

As in previous years, the group introduced foreign currency and interest rate hedges on intra-group financing covering the needs of some of its subsidiaries located outside of the euro zone (Canada, Russia, Brazil, Hungary, Poland and the US). This intra-group financing has been the subject of full and systematic hedging of the foreign exchange risk, so that changes in the underlying value (loan/intra-group borrowings in currencies) are fully offset by changes in inverse values of the hedging item. Typically, cross-currency swaps or futures sales are used for this hedging.

Cross-currency swaps also encompass an interest rate component in the hedging. When it involves hedging changes in the value of future cash flows by freezing them using a fixed rate, this hedging is eligible for cash flow hedge treatment; changes in value are then recorded in equity, then recycled in profit and loss as and when hedged flows occur.

#### Hedges ineligible for hedge accounting under IFRS

Some derivatives introduced by the group to hedge future cash flows do not qualify for hedge accounting under IAS 39. These consist mainly of out-of-the-money options. Under these circumstances, changes in value are recognized directly in profit or loss.



**Derivatives at 2016/06/30**

	Notional amount	Market value		Carrying amount	
		Assets	Liabilities	Assets	Liabilities
<i>(in thousands of euros)</i>					
<b>Interest rate derivatives (A)</b>					
Cash flow hedges <sup>(1)</sup>	255,332	5	3,593	5	3,593
Fair value hedges <sup>(2)</sup>	105,570	7,270	0	7,270	0
Hedges ineligible for hedge accounting under IFRS	7,500	0	490	0	490
<i>o.w. forward contracts: Swaps</i>	7,500	0	490	0	490
<i>o.w. options: Caps</i>	0	0	0	0	0
<i>o.w. options: Floors</i>	0	0	0	0	0
<b>Current portion</b>				<b>344</b>	<b>4</b>
<b>Non-current portion</b>				<b>6,930</b>	<b>4,079</b>
<b>Foreign currency derivatives (B)</b>					
Cash flow hedges	60,160	1,256	369	1,256	369
<i>o.w. forward contracts</i>	42,327	1,084	268	1,084	268
<i>o.w. options</i>	17,833	172	101	172	101
Fair value hedges	130,607	17,547	0	17,547	0
Hedges ineligible for hedge accounting under IFRS	139,076	2,197	2,585	2,197	2,585
<i>o.w. forward contracts</i>	120,631	1,603	1,286	1,603	1,286
<i>o.w. options</i>	18,445	594	1,299	594	1,299
<b>Current portion</b>				<b>3,453</b>	<b>2,944</b>
<b>Non-current portion</b>				<b>17,547</b>	<b>10</b>
<b>TOTAL DERIVATIVES (A + B)</b>					
<b>Current portion</b>				<b>3,797</b>	<b>2,947</b>
<b>Non-current portion</b>				<b>24,477</b>	<b>4,089</b>



## Derivatives at 2017/06/30

	Notional amount	Market value		Carrying amount	
		Assets	Liabilities	Assets	Liabilities
<i>(in thousands of euros)</i>					
<b>Interest rate derivatives (A)</b>					
Cash flow hedges <sup>(1)</sup>	393,696	394	2,964	394	2,964
Fair value hedges <sup>(2)</sup>	233,246	3,093	1,085	3,093	1,085
Hedges ineligible for hedge accounting under IFRS	7,500	0	168	0	168
<i>o.w. forward contracts: Swaps</i>	7,500	0	168	0	168
<i>o.w. options: Caps</i>	0	0	0	0	0
<i>o.w. options: Floors</i>	0	0	0	0	0
<b>Current portion</b>				<b>0</b>	<b>181</b>
<b>Non-current portion</b>				<b>3,488</b>	<b>4,035</b>
<b>Foreign currency derivatives (B)</b>					
Cash flow hedges	52,324	651	70	651	70
<i>o.w. forward contracts</i>	41,326	638	66	637	66
<i>o.w. options</i>	10,998	13	4	13	4
Fair value hedges	127,059	13,999	0	13,999	0
Hedges ineligible for hedge accounting under IFRS	122,275	9,837	10,341	9,837	10,341
<i>o.w. forward contracts</i>	110,491	9,496	9,991	9,496	9,991
<i>o.w. options</i>	11,784	341	350	341	350
<b>Current portion</b>				<b>10,487</b>	<b>10,400</b>
<b>Non-current portion</b>				<b>13,999</b>	<b>12</b>
<b>TOTAL DERIVATIVES (A+B)</b>					
<b>Current portion</b>				<b>10,487</b>	<b>10,581</b>
<b>Non-current portion</b>				<b>17,486</b>	<b>4,047</b>

(1) Including out of the money caps.

(2) Including pre-hedging via bond swap to be issued on July 6, 2017.

**Group's net currency position (excluding exposure on subsidiaries' net equity)**

<i>(in thousands of euros)</i>	2016/06/30					
	USD/EUR	HUF/EUR	USD/CAD	RUB/EUR	PLN/EUR	OTHER
Net position before hedging	140,696	15,629	(44,119)	(10,563)	9,203	(3,320)
Net position after hedging	517	17	6,805	167	(1,236)	(7)

<i>(in thousands of euros)</i>	2017/06/30					
	USD/EUR	HUF/EUR	USD/CAD	RUB/EUR	PLN/EUR	OTHER
Net position before hedging	133,539	15,140	(27,864)	(13,197)	9,377	(6,770)
Net position after hedging	(1,087)	6,401	(393)	(983)	(148)	(1,395)

**Note 5.6 Net debt**

**5.6.A. Analysis of net debt by component**

**At 2016/03/30**

<i>(in thousands of euros)</i>	Nominal	< 6 months	< 1 year	1 to 5 years	> 5 years	Total
Bonds (USPP)	148,235	5,013	15,323	91,497	60,998	172,831
Bonds (EURO PP)	145,000	0	0	144,736	0	144,736
Finance leases	2,418	115	115	2,188	0	2,418
Other bank borrowings	84,927	21,169	40,425	3,332	20,000	84,927
Other borrowings and financial debts	3,237	1,299	1,299	638	0	3,237
Accrued interest	3,145	1,573	1,573	0	0	3,145
Current bank lines	56,556	56,556	0	0	0	56,556
<b>Total gross debt before derivatives</b>	<b>443,518</b>	<b>85,725</b>	<b>58,734</b>	<b>242,392</b>	<b>80,998</b>	<b>467,850</b>
<b>Derivatives – Liabilities</b>		2,351	597	3,403	686	7,037
<i>o.w. derivatives hedging a debt in a fair value hedge</i>		0	0	0	0	0
<i>o.w. other derivatives</i>		2,351	597	3,403	686	7,037
<b>Total gross debt after fair value of derivatives</b>		<b>88,076</b>	<b>59,331</b>	<b>245,795</b>	<b>81,684</b>	<b>474,886</b>
<b>Derivatives – Assets</b>		2,397	1,400	14,800	9,677	28,274
<i>o.w. derivatives hedging a debt in a fair value hedge</i>		13	332	14,795	9,677	24,817
<i>o.w. other derivatives</i>		2,385	1,068	5	0	3,457
Securities	224	224	0	0	0	224
Cash	5,801	5,801	0	0	0	5,801
<b>TOTAL NET DEBT</b>		<b>79,654</b>	<b>57,931</b>	<b>230,995</b>	<b>72,007</b>	<b>440,587</b>

## Notes to the annual consolidated financial statements

**At 2017/06/30**

<i>(in thousands of euros)</i>	Nominal	< 6 months	< 1 year	1 to 5 years	> 5 years	Total
Bonds (USPP)	128,235	0	0	116,033	27,903	143,936
Bonds (EURO PP)	145,000	0	0	144,834	0	144,834
Finance leases	2,530	78	78	793	1,580	2,530
Other bank borrowings	348,039	63,627	44,602	239,810	0	348,039
Other borrowings and financial debts	3,319	1,336	1,336	646	0	3,319
Accrued interest	3,763	3,763	0	0	0	3,763
Current bank lines	37,710	37,710	0	0	0	37,710
<b>Total gross debt before derivatives</b>	<b>668,595</b>	<b>106,514</b>	<b>46,017</b>	<b>502,116</b>	<b>29,483</b>	<b>684,130</b>
<b>Derivatives – Liabilities</b>		10,214	367	2,578	1,469	14,628
<i>o.w. derivatives hedging a debt in a fair value hedge</i>		0	0	0	1,085	1,085
<i>o.w. other derivatives</i>		10,214	367	2,578	384	13,543
<b>Total gross debt after fair value of derivatives</b>		<b>116,728</b>	<b>46,384</b>	<b>504,694</b>	<b>30,952</b>	<b>698,757</b>
<b>Derivatives – Assets</b>		10,298	188	14,113	3,373	27,973
<i>o.w. derivatives hedging a debt in a fair value hedge</i>		0	0	13,719	3,373	17,092
<i>o.w. other derivatives</i>		10,298	188	394	0	10,881
Securities	517	517	0	0	0	517
Cash	8,694	8,694	0	0	0	8,694
<b>TOTAL NET DEBT</b>		<b>97,218</b>	<b>46,196</b>	<b>490,581</b>	<b>27,579</b>	<b>661,572</b>

**5.6.B. Analysis of net debt by interest rate**

<i>(in thousands of euros)</i>	2016/06/30	2017/06/30
<b>Net financial debt</b>	<b>440,587</b>	<b>661,572</b>
<b>Before interest rate hedging</b>		
Fixed rate	326,261	298,381
Floating rate	114,325	363,191
<b>After interest rate hedging</b>		
Fixed rate	324,006	410,104
Floating rate	116,581	251,469

## 5.6.C. Analysis of net debt by currency

<i>(in thousands of euros)/(-) = cash balance</i>	2016/06/30	2017/06/30
EUR	334,198	373,127
USD	26,605	253,832
CAD	56,396	32,809
HUF	24,954	18,886
RUB	(9,849)	(32,127)
BRL	3,576	6,623
PLN	4,707	5,096
KZT	0	3,327
<b>TOTAL</b>	<b>440,587</b>	<b>661,572</b>

## 5.6.D. Net debt\*

<i>(in thousands of euros)</i>	2016/06/30	2017/06/30
<b>Opening balance</b>	<b>512,402</b>	<b>440,587</b>
Increase	14,590	242,379
Repayment, decreases	(88,379)	(20,517)
Changes in scope	0	0
Changes in fair value of debt	24,332	(8,568)
Changes in fair value of derivatives	(21,237)	8,724
Translation adjustments	(1,120)	(1,032)
<b>CLOSING BALANCE</b>	<b>440,587</b>	<b>661,572</b>

\* Including derivatives.

## 5.6.E. Market value of financial assets and liabilities other than derivatives

For all other financial assets and liabilities not appearing in this table, both the market value and the carrying amount are equal to the par value.

<i>(in thousands of euros)</i>	At 2016/06/30		
	Par value	Market value	Carrying amount
<b>Liabilities</b>			
<b>Payables</b>			
Bonds (USPP)	148,235	174,107	172,831
Bonds (EURO PP)	145,000	144,736	144,736
Bank borrowings	87,345	87,345	87,345
Other borrowings and financial debts	3,237	3,237	3,237
Accrued interest	3,145	3,145	3,145
Current bank lines	56,556	56,556	56,556
<b>TOTAL</b>	<b>443,518</b>	<b>469,126</b>	<b>467,850</b>
<i>o.w. debt covered by fair value hedge</i>		120,185	112,858
<i>o.w. debt covered by cash flow hedges</i>		155,468	161,519
<b>Assets</b>			
Cash and securities	6,026	6,026	6,026
<b>TOTAL</b>	<b>6,026</b>	<b>6,026</b>	<b>6,026</b>



	At 2017/06/30		
	Par value	Market value	Carrying amount
<i>(in thousands of euros)</i>			
<b>Liabilities</b>			
<b>Payables</b>			
Bonds (USPP)	128,235	145,176	143,936
Bonds (EURO PP)	145,000	144,834	144,834
Bank borrowings	350,569	350,569	350,569
Other borrowings and financial debts	3,319	3,319	3,319
Accrued interest	3,763	3,763	3,763
Current bank lines	37,710	37,710	37,710
<b>TOTAL</b>	<b>668,595</b>	<b>685,370</b>	<b>684,130</b>
<i>o.w. debt covered by fair value hedge</i>		91,202	86,240
<i>o.w. debt covered by cash flow hedges</i>		238,239	243,067
<b>Assets</b>			
Cash and securities	9,212	9,212	9,212
<b>TOTAL</b>	<b>9,212</b>	<b>9,212</b>	<b>9,212</b>

For all other financial assets and liabilities not appearing in this table, both the market value and the carrying amount are equal to the par value.

### 5.6.F. Analysis of bond issue maturities

Maturity	Notional amount	Currencies	<1 year		1 to 5 years		> 5 years		Total	
			Nominal	Interest*	Nominal	Interest*	Nominal	Interest*	Nominal	Interest*
<b>Public issues</b>	-									
<b>Private issues</b>	2019	145,000	EUR	5,554	145,000	5,554	0	0	145,000	11,107
	2022	145,000	USD	5,698	90,448	13,676	22,612	570	113,060	19,944
	2022	15,175	EUR	723	12,140	1,739	3,035	73	15,175	2,535

\* Amounts expressed in euros and before any rate hedging.

### At June 30, 2017

Issues are subject to financial covenants, principally an early redemption clause should Bonduelle default on its financial debt (cross default), and in the event of failure to comply with the following ratios:

- long-term debt/long-term equity ratio less than or equal to 0.60;
- consolidated current assets/consolidated current liabilities greater than or equal to 1.10.

At June 30, 2017, the group complied with these financial covenants.

### 5.6.G. Liquidity

At June 30, 2017, 35 million euros had been drawn from the 300 million euro RCF (Revolving Credit Facility), maturing in 2021.

On this same date, the group had several confirmed bank credit lines with maturities of up to 5 years, bringing the amount of confirmed bank lines (including RCF) to 440 million euros (460 million euros at June 30, 2016), of which 128 million euros had been drawn at June 30, 2017 (83.5 million euros at June 30, 2016).

The sums drawn from bank loans (including RCF) confirmed beyond a year are reported in the consolidated balance sheet under non-current financial liabilities.

On March 21, Bonduelle announced that it had finalized the acquisition of Ready Pac Foods for a total of 409 million US dollars. This transaction had been funded by a 279 million US dollar bridge loan with an initial term of one year, as well as by a 130 million US dollar amortizable bank loan repayable over 5 years.

Because the process of syndicating the financing proved very popular with both the existing pool of banks as well as with 3 new foreign institutions, and because the margin levels proved to be particularly attractive, Bonduelle decided to increase the portion of bank financing from 130 million US dollars to 200 million US dollars.

At the same time, seeking to extend its debt maturity, on July 6, 2017, Bonduelle issued a new USPP divided into two tranches of 150 million euros and 50 million US dollars respectively, each with a 10-year final maturity. Accordingly, the bridge loan was repaid in full on July 6, 2017.



## 6. INCOME TAX

### Note 6.1 Income tax

#### 6.1.A. Analysis of net income tax expense

Total income tax expenses are analyzed in the following manner:

	At 2016/06/30	At 2017/06/30
Average tax rate	27.55%	27.21%

#### 6.1.B. Reconciliation of income tax expenses and profit before tax

(in thousands of euros)	At 2016/06/30	%	At 2017/06/30	%
Group net income	53,672		59,868	
Non-controlling interests	(1)		60	
Share of net income from associates	(328)		138	
Income tax expense	20,538		22,308	
<b>PROFIT BEFORE TAX</b>	<b>74,538</b>		<b>81,978</b>	
Theoretical tax expense <sup>(1)</sup>	28,324	38.0%	28,225	34.43%
Reconciliation				
Permanent differences	2,369	3.2%	2,227	2.7%
Difference in tax rates (outside of France) <sup>(2)</sup>	(11,660)	-15.6%	(7,050)	-8.6%
Impact of tax loss carryforwards and other	1,505	2.0%	(1,093)	-1.3%
<b>ACTUAL INCOME TAX EXPENSE</b>	<b>20,538</b>	<b>27.6%</b>	<b>22,308</b>	<b>27.2%</b>

(1) In France, the extraordinary tax contribution for which the group is liable is 3.30% for 2016-2017. The theoretical rate of tax, including this extraordinary contribution, was 34.43% in 2016-2017.

(2) The main contributors to the tax rate difference are Canada and Russia.

At June 30, 2017, tax paid amounted to 22,477 thousand euros.

#### 6.1.C. Deferred taxes

##### Deferred taxes

(in thousands of euros)	At 2016/06/30	At 2017/06/30
Provisions and non-current assets	4,109	2,288
Margin in inventory	493	499
Tax loss carryforwards*	6,497	16,096
Accelerated depreciation and regulated provisions	(15,157)	(14,336)
Other**	3,058	2,748
<b>NET DEFERRED TAX ASSETS (LIABILITIES)</b>	<b>(1,000)</b>	<b>7,296</b>

\* Due to income-generating prospect for the companies concerned.

\*\* Variation in tax due to restatements of financial instruments.

## Change in net deferred tax assets (liabilities)

<i>(in thousands of euros)</i>	At 2016/06/30	At 2017/06/30
<b>OPENING BALANCE</b>	<b>(1,780)</b>	<b>(1,000)</b>
Acquisitions and disposals of subsidiaries	0	8,614
Tax recognized in the income statement	2,896	1,458
Taxes recognized directly through equity	(39)	(1,317)
Other variations <sup>(1)</sup>	(2,077)	(458)
<b>CLOSING BALANCE</b>	<b>(1,000)</b>	<b>7,296</b>

(1) Translation adjustments and transfers between lines.

Deferred tax assets relating to tax loss carryforwards are recognized on the basis of business plans prepared over a reasonable timeframe and to the extent that the actual existence of such tax losses is not in any way uncertain.

Tax loss carryforwards for which no deferred tax assets have been recognized due to the uncertainty of recovery associated with a lack of visibility of future profitability or with possible challenge by the local authority, stood at 215.2 million euros at June 30, 2017, compared with 87.6 million euros at June 30, 2016.

## 7. EARNINGS PER SHARE

### Note 7.1 Earnings per share

A dividend of 0.45 euros per share will be proposed to the Shareholders' Meeting to be held on December 7, 2017.

At June 30, 2017, Bonduelle SCA's share capital comprised 32 million shares with a par value of 1.75 euros per share.

<i>(in thousands of euros)</i>	At 2016/06/30	At 2017/06/30
<b>Group net income</b>	<b>53,672</b>	<b>59,868</b>
Number of shares used to calculate:		
• Basic earnings	31,478,244	31,526,820
• Diluted earnings	31,695,280	31,763,973
<b>Earnings per share (in euros)</b>		
• Basic	1.71	1.9
• Diluted*	1.69	1.88

\* Dilution mainly relates to the likelihood of stock options being exercised and free shares being granted. The risk of dilution mentioned above is considered as limited according to the allocation of the treasury shares to the objective of coverage for securities giving rights to allocations of shares.

## 8. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

### Note 8.1 Goodwill

Changes in goodwill were as follows:

<i>(in thousands of euros)</i>	At 2015/06/30	Acquisitions or charges	Disposal, sale or reversal	Other <sup>(1)</sup>	At 2016/06/30
<b>GROSS CARRYING AMOUNT</b>	200,510	0	0	(3,241)	197,269
Impairment					
<b>NET CARRYING AMOUNT</b>	200,510	0	0	(3,241)	197,269

<i>(in thousands of euros)</i>	At 2016/06/30	Acquisitions or charges <sup>(2)</sup>	Disposal, sale or reversal	Other <sup>(1)</sup>	At 2017/06/30
<b>GROSS CARRYING AMOUNT</b>	197,269	290,407	0	(17,243)	470,434
Impairment					
<b>NET CARRYING AMOUNT</b>	197,269	290,407	0	(17,243)	470,434

(1) Translation adjustments.

(2) Acquisition of Ready Pac Foods.

Cash Generating Units (CGUs) presenting indications of impairment or comprising goodwill underwent impairment testing in 2017.

Depending on the CGU in question and the relevance of the assumptions and the availability of comparable benchmarks on the market, the recoverable amount of the assets used by the group is either a value in use or a market value.

The main assumptions used to determine values in use for each CGU are described in Note 1.2 A.

The 2017 impairment tests did not result in the recognition of any goodwill impairment.

The group analyzed the sensitivity of the value obtained to three parameters that are key to the measurement approach taken:

- cash flow discount rate;
- long-term growth rate;
- operating margin rate.

CGUs deemed to be sensitive to one of these three variables are those for which a hike of more than 1 point in the discount rate, or a drop of more than 0.5 points in the long-term growth rate, or a drop of more than 1 point in the operating margin, would result in depreciation.

Any change of these proportions in the discount rate, the long-term growth rate or the operating margin would not result in depreciation of the CGU.



## Note 8.2 Other intangible assets

Analysis of changes in gross carrying amounts and impairment:

<i>(in thousands of euros)</i>	At 2015/06/30	Acquisitions or charges	Disposal, sale or reversal	Other <sup>(1)</sup>	At 2016/06/30
<b>Gross carrying amount</b>					
Trademarks, patents and licenses	26,457	0	0	(118)	26,339
Software	53,397	3,197	(17)	876	57,453
Other	1,656	0	0	(194)	1,462
Property, plant and equipment under construction	1,191	1,534	(1)	(901)	1,823
	<b>82,701</b>	<b>4,731</b>	<b>(18)</b>	<b>(337)</b>	<b>87,077</b>
<b>Depreciation, amortization and impairment</b>					
Trademarks, patents and licenses	2,197	0	0	0	2,197
Software	46,422	2,779	(16)	(16)	49,169
Other	645	4	0	(117)	532
	<b>49,265</b>	<b>2,783</b>	<b>(16)</b>	<b>(133)</b>	<b>51,899</b>
<b>Net carrying amount</b>					
Trademarks, patents and licenses	24,259				24,142
Software	6,975				8,284
Other	1,011				929
Property, plant and equipment under construction	1,191				1,823
	<b>33,436</b>				<b>35,178</b>

<i>(in thousands of euros)</i>	At 2016/06/30	Entry into scope of consolidation <sup>(3)</sup>	Acquisitions or charges	Disposal, sale or reversal	Other <sup>(1)</sup>	At 2017/06/30
<b>Gross carrying amount</b>						
Trademarks, patents and licenses <sup>(2)</sup>	26,339	0	27	(8)	(60)	26,298
Software	57,453	0	2,813	(51)	1,362	61,576
Other	1,462	7,356	0	0	(454)	8,364
Property, plant and equipment under construction	1,823	0	1,238	0	(1,380)	1,681
	<b>87,077</b>	<b>7,356</b>	<b>4,077</b>	<b>(59)</b>	<b>(532)</b>	<b>97,919</b>
<b>Depreciation, amortization and impairment</b>						
Trademarks, patents and licenses	2,197	0	8	(9)	1	2,197
Software	49,169	0	3,149	(39)	3	52,282
Other	532	0	29	0	(8)	553
	<b>51,899</b>	<b>0</b>	<b>3,185</b>	<b>(48)</b>	<b>(4)</b>	<b>55,033</b>
<b>Net carrying amount</b>						
Trademarks, patents and licenses	24,142					24,100
Software	8,284					9,295
Other	929					7,809
Property, plant and equipment under construction	1,823					1,681
	<b>35,178</b>					<b>42,886</b>

(1) Translation adjustments and transfers between lines.

(2) Carrying amounts of trademarks in thousands of euros are as follows: Cassegrain (20,215), Arctic Gardens (2,174), Globus (1,500).

(3) At June 30, 2017, the amount included in the scope of consolidation corresponds to Ready Pac Foods other intangible assets.

### Note 8.3 Property, plant and equipment

Analysis of changes in gross carrying amounts and impairment:

<i>(in thousands of euros)</i>	At 2015/06/30	Acquisitions or charges	Disposal, sale or reversal	Other <sup>(1)</sup>	At 2016/06/30
<b>Gross carrying amount</b>					
Land	51,637	328	(630)	726	52,061
Building	447,244	14,226	(8,381)	(4,221)	448,868
Industrial plant, tools and equipment <sup>(2)</sup>	827,484	27,362	(16,834)	5,815	843,827
Other	53,110	4,834	(2,503)	53	55,494
Property, plant and equipment under construction	20,748	22,353	(28)	(21,946)	21,127
	<b>1,400,223</b>	<b>69,103</b>	<b>(28,376)</b>	<b>(19,573)</b>	<b>1,421,377</b>
<b>Depreciation and amortization</b>					
Land	10,838	737	0	71	11,646
Building	281,301	17,941	(7,703)	(3,942)	287,597
Industrial plant, tools and equipment	614,003	49,571	(14,134)	(10,572)	638,868
Other	39,663	3,592	(2,174)	1,954	43,035
Property, plant and equipment under construction	0	0	0	0	0
	<b>945,805</b>	<b>71,841</b>	<b>(24,011)</b>	<b>(12,489)</b>	<b>981,146</b>
<b>Impairment</b>					
Land	162	302	0	0	464
Building	130	157	0	0	287
Industrial plant, tools and equipment	351	1,731	0	(1)	2,081
Other	0	33	0	0	33
Property, plant and equipment under construction	58	165	0	(4)	219
	<b>701</b>	<b>2,388</b>	<b>0</b>	<b>(5)</b>	<b>3,084</b>
<b>Net carrying amount</b>					
Land	40,637				39,951
Building	165,813				160,984
Industrial plant, tools and equipment	213,129				202,878
Other	13,447				12,426
Property, plant and equipment under construction	20,690				20,908
	<b>453,717</b>				<b>437,148</b>

(1) Change in scope, translation adjustments and transfers between lines.

(2) Of which 73% was in the Europe zone in 2015-2016.



Notes to the annual consolidated financial statements

<i>(in thousands of euros)</i>	At 2016/06/30	Entry into scope of consolidation <sup>(3)</sup>	Acquisitions or charges	Disposal, sale or reversal	Other <sup>(1)</sup>	At 2017/06/30
<b>Gross carrying amount</b>						
Land	52,061	1,276	69	(1,356)	896	52,946
Building	448,868	28,882	4,427	(2,981)	2,229	481,425
Industrial plant, tools and equipment <sup>(2)</sup>	843,827	48,506	26,616	(19,899)	10,469	909,518
Other	55,494	2,644	4,840	(2,184)	1,425	62,219
Property, plant and equipment under construction	21,127	5,742	29,617	(38)	(25,551)	30,897
	<b>1,421,377</b>	<b>87,050</b>	<b>65,569</b>	<b>(26,459)</b>	<b>(10,533)</b>	<b>1,537,005</b>
<b>Depreciation and amortization</b>						
Land	11,646	0	825	(1,032)	(13)	11,427
Building	287,597	0	19,336	(2,723)	(671)	303,539
Industrial plant, tools and equipment	638,868	0	51,580	(17,462)	(2,644)	670,342
Other	43,035	0	3,991	(1,263)	(31)	45,732
Property, plant and equipment under construction	0	0				0
	<b>981,146</b>	<b>0</b>	<b>75,732</b>	<b>(22,480)</b>	<b>(3,358)</b>	<b>1,031,040</b>
<b>Impairment</b>						
Land	464	0	0	(302)	0	162
Building	287	0	126	(189)	0	223
Industrial plant, tools and equipment	2,081	0	61	(1,787)	0	355
Other	33	0	0	(33)		0
Property, plant and equipment under construction	219	0	0	(31)	2	190
	<b>3,084</b>	<b>0</b>	<b>186</b>	<b>(2,342)</b>	<b>2</b>	<b>930</b>
<b>Net carrying amount</b>						
Land	39,951					41,357
Building	160,984					177,662
Industrial plant, tools and equipment	202,878					238,821
Other	12,426					16,488
Property, plant and equipment under construction	20,908					30,707
	<b>437,148</b>					<b>505,036</b>

(1) Change in scope, translation adjustments and transfers between lines.

(2) Of which 69% was in the Europe zone in 2016-2017.

(3) At 2017/06/30, the amount included in the scope of consolidation corresponds to Ready Pac Foods property, plant and equipment.

The gross and net carrying amount of assets acquired or refinanced under finance leases totaled 42.6 and 4.2 million euros respectively at June 30, 2017, compared with 42.2 and 3.9 million euros at June 30, 2016.



## 9. OTHER PROVISIONS AND CONTINGENT LIABILITIES

### Note 9.1 Other provisions

<i>(in thousands of euros)</i>	2016/06/30	Entry into scope of consolidation <sup>(1)</sup>	Charges	Reversals used	Reversals unused	Other <sup>(2)</sup>	2017/06/30
Sales related risks	3,701	0	1,184	(1,108)	(641)	16	3,153
Tax-related risks <sup>(2)</sup>	5,864	0	582	(1,377)	(2,972)	181	2,279
Employee-related risks	3,434	11,641	1,837	(1,538)	(1,045)	(747)	13,583
Restructuring and reorganization	8,080	0	209	(4,547)	0	3	3,745
Agro-industrial risks	2,746	1,397	2,653	(1,362)	(284)	(53)	5,097
Other risks	2,558	0	1,108	(837)	(21)	(55)	2,753
	<b>26,383</b>	<b>13,039</b>	<b>7,573</b>	<b>(10,769)</b>	<b>(4,962)</b>	<b>(654)</b>	<b>30,610</b>

<i>(in thousands of euros)</i>	Current	Non-current	2017/06/30
Sales related risks	1,883	1,269	3,153
Tax-related risks <sup>(3)</sup>	62	2,217	2,279
Employee-related risks	5,581	8,002	13,583
Restructuring and reorganization	3,677	68	3,745
Agro-industrial risks	2,652	2,444	5,097
Other risks	2,212	541	2,753
	<b>16,067</b>	<b>14,543</b>	<b>30,610</b>

(1) The amounts correspond to the entry of Ready Pac Foods in the scope of consolidation and mainly related to an 11,641 thousand euro provision for the workers' compensation program. See Note 1.2.L.

(2) Provisions for tax-related risks relate to tax audits that are presently being conducted, which are provisioned in light of the group's analysis of the cases.

(3) Translation adjustments, changes in scope and transfers between lines.

### Note 9.2 Risks and disputes

Bonduelle is subject to various legal and arbitration proceedings and disputes in the normal course of its business. Bonduelle is also subject to certain claims and/or lawsuits which fall outside the scope of the ordinary course of its business.

The amount of provisions made is based on Bonduelle's assessment of the level of risk on a case-by-case basis, and depends on its assessment of the basis for the claims, the stage of the proceedings and/or disputes and the arguments in its defense, it being specified that the occurrence of events during proceedings may lead to a reappraisal of the risk at any moment.

Following the investigations of the European Commission on anti-competitive practices on the private label canned mushroom market within the European Economic Area and, in relation to these investigations into the non-mushroom canned vegetable market mentioned in the 2012-2013 registration document, the Bonduelle Group filed an application with the Commission for exemption from the fine and obtained conditional immunity. The Bonduelle Group intends to continue to cooperate fully with the Commission and does not anticipate financial sanctions within the context of these other proceedings.

## Note 9.3 Contingent liabilities

<i>(in thousands of euros)</i>	At 2016/06/30	At 2017/06/30
<b>Commitments given</b>		
Guarantees and security deposits given (net of uses)	52,987	40,216
<b>Commitments received</b>		
Guarantees and security deposits received (net of uses)	1,409	2,915

The commitments correspond to our current activities.

### Operating leases

<i>(in thousands of euros)</i>	2017/06/30	2018/06/30	2019/06/30	2020/06/30	2021/06/30	2022/06/30 and later
Commitments under operating leases	33,066	22,664	20,924	17,824	12,155	10,109

### Environment

None of the group's activities generates any major environmental liabilities.

The group occasionally incurs refurbishing costs on closed industrial sites.

**Greenhouse gases:** In the absence of a defined IFRS accounting policy, greenhouse gas quotas are not recognized in the consolidated financial statements. For 2016, the volume of emissions subject to quotas totaled 16,207 tCO<sub>2</sub>e, according to the European accounting system known as the "Emission Trading Scheme" (directive No. 2009-29). Bonduelle met its obligation to surrender its quotas at May 1, 2017.

## 10. OTHER DISCLOSURES

### Note 10.1 Statutory Auditors' fees

French law requires a permanent legal control by two Independent Auditors. The main objective of this audit is to check that the financial statements are consistent, accurate and present a fair view.

The Statutory Auditors are appointed by the Ordinary Shareholders' Meeting for a renewable period of six fiscal years.

Bonduelle SCA's Statutory Auditors are:

#### Mazars

Represented by Mr. Jean-Maurice El Nouchi, 61, rue Henri Regnault - 92400 COURBEVOIE, France.

Substitute: Mr. Jérôme de Pastors, 61, rue Henri Regnault - 92075 PARIS LA DEFENSE, France.

#### Deloitte & Associés

Represented by Mr. Pierre-Marie Martin, 67 rue de Luxembourg - 59777 EURALILLE, France.

Substitute: BEAS, 7/9, Villa Houssay - 92200 NEUILLY-SUR-SEINE, France.

The two Statutory Auditors are legally and financially independent from each other.

The term of the Statutory Auditors appointed by the Combined Ordinary and Extraordinary Shareholders' Meeting of December 6, 2012 will expire at the Shareholders' Meeting held to approve the financial statements for the fiscal year ending June 30, 2018.

The following table presents a detailed analysis of the total fees paid by the group to its Statutory Auditors for the services rendered during fiscal years 2015-2016 and 2016-2017.

	Mazars				Deloitte & Associés				Total			
	2015-2016		2016-2017		2015-2016		2016-2017		2015-2016		2016-2017	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<i>(in thousands of euros)</i>												
Certification of consolidated and statutory financial statements	728	96%	703	96%	704	89%	867	87%	1,432	93%	1,570	91%
Other certification-related services	0	0%	0	0%	37	5%	36	4%	37	2%	36	2%
<b>Total fees for audit-related services</b>	<b>728</b>	<b>96%</b>	<b>703</b>	<b>96%</b>	<b>741</b>	<b>94%</b>	<b>903</b>	<b>91%</b>	<b>1,469</b>	<b>95%</b>	<b>1,606</b>	<b>93%</b>
Tax services	29	4%	33	4%	49	6%	86	9%	49	3%	119	7%
Other	0	0%	0	0%	0%	0%	6	1%	29	2%	6	0%
<b>Total fees for non audit services</b>	<b>29</b>	<b>4%</b>	<b>33</b>	<b>4%</b>	<b>49</b>	<b>6%</b>	<b>92</b>	<b>9%</b>	<b>78</b>	<b>5%</b>	<b>125</b>	<b>7%</b>
<b>TOTAL</b>	<b>757</b>	<b>100%</b>	<b>736</b>	<b>100%</b>	<b>790</b>	<b>100%</b>	<b>995</b>	<b>100%</b>	<b>1,547</b>	<b>100%</b>	<b>1,731</b>	<b>100%</b>

Services other than the certification of the financial statements by the Bonduelle Group Statutory Auditors mainly comprise tax services provided in countries outside the European Union, enabling subsidiaries to meet their

local filing obligations. They are subject, as appropriate, to authorization by the Supervisory Board and an annual review in accordance with Article L. 823-19 of the Commercial Code.

## Note 10.2 Related party transactions

### 10.2.A. Subsidiaries and associates

The list of the group's subsidiaries and associates is provided in Note 10.4.

All transactions between the parent company and its subsidiaries and among the subsidiaries are eliminated on consolidation.

The group's transactions with Huerta Gama and Bonduelle Española were not material.

For Gelagri and OP OASI, recognized using the equity method, the main transactions carried out, as well as their receivables and debts are as follows:

<i>(in thousands of euros)</i>	At 2016/06/30	At 2017/06/30
<b>Balance sheet</b>		
Customers	3,989	5,162
Suppliers	15,329	20,071
<b>Income statement</b>		
Sales	15,465	14,908
Purchases	(97,432)	(92,951)

Transactions with other related parties were not material.

### 10.2.B. Executive Management and control bodies

They consist of the following bodies:

1. the General Management, Pierre et Benoît Bonduelle SAS;
2. the Supervisory Board, consisting of eight members;
3. the Executive Committee, consisting of eight members at June 30, 2017.

The current account with Pierre et Benoît Bonduelle SAS is 3,842 thousand euros in credit.

There are no other significant commitments to the latter.

### 10.2.C. Compensation of the directors and Corporate Officers

#### Short-term benefits

They comprise:

- the compensation of General Management, which is determined according to Article 17 of the Company's Articles of association, in respect of which 1,342 thousand euros was paid for the fiscal year 2016-2017;
- the directors' fees received by the members of the Supervisory Board during the 2016-2017 fiscal year, amounting to 51.7 thousand euros. This compensation is fixed by the Shareholders' Meeting;
- the gross fixed and variable compensation paid to the Executive Committee.

The compensation paid to the Chairman is set by the Board of Directors on the advice of the Remuneration Committee. The compensation paid to other members of the Executive Committee is set by the Chairman on the advice of the Remuneration Committee. The variable portion of compensation is based on the future performance of the group and its subsidiaries, in particular, as measured by the increase in revenue, profitability and cash flows.

<i>(in euros)</i>	2015-2016	2016-2017
Number of Executive Committee members	7	8
Gross compensation paid to the members of the Executive Committee	3,973,877	4,385,130

## Post-employment benefits

In application of the Decree of January 9, 2012, the group has established a supplementary, defined contribution pension plan (Article 83 plan), which is paid for to a significant extent by the beneficiaries concerned, with the group paying the remainder.

This plan is for all Managers who are members of the AGIRC scheme, with gross annual compensation of more than four times the annual French social security ceiling.

The reference compensation set by the plan in question and used to calculate beneficiaries' rights is the basic and variable annual compensation. This reference compensation does not include any sum that cannot be classed as salary within the meaning of Article L. 242-1 of the French Social Security Code, but which may be classed as such at a later date.

Entitlements are acquired on a monthly basis.

The contributions used to fund the defined contribution pension fund amount to 8% of the reference compensation, calculated within the limit of tranches A, B and C.

62.5% of these contributions are paid by the Company and 37.5% by the Corporate Officer.

Within the meaning of Article L. 225-102-1 of the French Commercial Code, it is specified that for Mr. Christophe Bonduelle the estimated lifetime annuity (for retirement at 62 years of age) evaluated on an annual basis on the reporting date, was 12,759 euros per year. This estimate is based on savings built up since the plan was set up.

The additional employer's contribution of 20% applies to the percentage of the contribution paid by the Company.

Contributions are corporation tax deductible, after deduction of the higher of the following: 5% of the annual French social security ceiling or 5% of compensation.

The Company contribution in respect of this plan in fiscal year 2016-2017 was not material.

## Other long-term benefits

None.

## Employment contract termination benefit

These benefits comprise termination benefits and long service awards available to all employees in respect of the collective agreements linked to their employment contracts. For the 2016-2017 fiscal year, these totaled 1,317 thousand euros for Executive Committee members.

## Payment in shares

a) Stock option plans previously allocated.

The stock options allocated to members of the Executive Committee with respect to previous stock option plans are described in Note 4.3 to the consolidated financial statements.

b) Company stock option allocations for the fiscal year for all members of the Executive Committee are described in Note 4.3 to the consolidated financial statements.

c) Options exercised by all the members of the Executive Committee: at June 30, 2017, 9,000 stock options had been exercised by members of the Executive Committee.

There were no acquisitions by the Company with a view to assignment to its employees, nor assignment of treasury shares by the Company to its employees, other than the exercise of stock options and definitive allocation of free shares.

The Bonduelle Group has adopted the principles of the Afep-Medef Code regarding compensation.

## Note 10.3 Subsequent events

### Refinancing of the acquisition of Ready Pac Foods

Bonduelle finalized refinancing in relation to the acquisition of Ready Pac Foods on particularly attractive terms.

This transaction was initially funded by a 279 million US dollar bridge loan with an initial term of one year, as well as by a 130 million US dollar amortizing bank loan repayable over 5 years.

The funds were raised jointly with Crédit Agricole Nord de France and Crédit Agricole CIB.

Because the process of syndicating the financing proved very popular with both the existing pool of banks as well as with three new foreign institutions, and because the margin requirements proved to be particularly attractive, Bonduelle decided to increase the portion of bank financing from 130 million US dollars to 200 million US dollars.

At the same time, seeking to extend its debt maturity, on July 6, 2017, Bonduelle issued a new USPP divided into two tranches of 150 million euros and 50 million US dollars respectively. These two tranches both have a 10-year final term and bring the average maturity of all the group's debt to nearly five years.

Bonduelle, with a presence on the USPP market since 2000, was able to issue this private placement on particularly competitive terms both in euros and in US dollars with an existing pool of investors renewing their confidence in the group, as well as with a new investor.

With this transaction, Bonduelle continued its policy of disintermediation and diversification of its funding streams (banking, USPP, EuroPP, etc.) by once again expanding its platform of both banking and non-banking financial partners, a measure of the independence and competitiveness of the cost of its debt, thus confirming its investment grade profile after the acquisition of Ready Pac Foods.



## Note 10.4 List of group companies - GRI Standard 102-45

Analysis of group companies by consolidation method:

	% interests 2016/06/30	% control 2017/06/30	% interests 2017/06/30
<b>1. FULL CONSOLIDATION</b>			
<b>France</b>			
Bonduelle SAS	100.00%	100.00%	100.00%
Champiloire SAS	100.00%	100.00%	100.00%
Sud Ouest Alliance - Soléal SAS <sup>(1)</sup>	47.85%	100.00%	47.85%
Bonduelle Frais Traiteur SAS	100.00%	100.00%	100.00%
Bonduelle Frais France SAS	100.00%	100.00%	100.00%
Bonduelle Traiteur International SAS	100.00%	100.00%	100.00%
Bonduelle Europe Long Life SAS	100.00%	100.00%	100.00%
Bonduelle Development SAS	100.00%	100.00%	100.00%
SCA Champignonnières de Dampierre	65.00%	65.00%	65.00%
SCA Cultures France Champignon	100.00%	100.00%	100.00%
SAS Champignonnières des Roches	100.00%	100.00%	100.00%
SCA Champignonnières de l'Est	100.00%	100.00%	100.00%
SAS Champignonnières de la Vienne	100.00%	100.00%	100.00%
SCA Champignonnières de Rou Marson	100.00%	100.00%	100.00%
SCA des Champignonnières du Moulin	100.00%	100.00%	100.00%
SCA Culture de la Vienne	100.00%	100.00%	100.00%
SAS Champiland	100.00%	100.00%	100.00%
SAS Euromycel	100.00%	100.00%	100.00%
GIE Champifor	77.06%	77.06%	77.06%
SCA des Hureaux	65.00%	65.00%	65.00%
<b>Outside France</b>			
Bonduelle Northern Europe, Belgium	100.00%	100.00%	100.00%
Bonduelle Nederland, Netherlands	100.00%	100.00%	100.00%
Bonduelle Deutschland GmbH, Germany	100.00%	100.00%	100.00%
BFP GmbH, Germany	100.00%	100.00%	100.00%
Bonduelle Österreich, Austria	100.00%	100.00%	100.00%
Bonduelle Nordic, Denmark	100.00%	100.00%	100.00%
Bonduelle Limited, UK	100.00%	100.00%	100.00%
BUKH Limited, UK	100.00%	100.00%	100.00%
Bonduelle Italia, Italy	100.00%	100.00%	100.00%
Agricola Lombarda, Italy	100.00%	100.00%	100.00%
Bonduelle Iberica SAU, Spain	100.00%	100.00%	100.00%
BF Agricola 4G, Spain	100.00%	100.00%	100.00%
Bonduelle Portugal, Portugal	100.00%	100.00%	100.00%
Bonduelle Polska, Poland	100.00%	100.00%	100.00%
Bonduelle Ceska Republika, Czech Republic	100.00%	100.00%	100.00%
Bonduelle Central Europe, Hungary	100.00%	100.00%	100.00%



## Notes to the annual consolidated financial statements

	% interests 2016/06/30	% control 2017/06/30	% interests 2017/06/30
Bonduelle Kuban, Russia	100.00%	100.00%	100.00%
Coubanskie Conservi, Russia	100.00%	100.00%	100.00%
Bonduelle USA Inc., USA	100.00%	100.00%	100.00%
Bonduelle US Holding, USA	100.00%	100.00%	100.00%
Bonduelle Argentina, Argentina	100.00%	100.00%	100.00%
Primeurop Argentina, Argentina	100.00%	100.00%	100.00%
Bonduelle Do Brasil Produtos Alimenticios, Brazil	100.00%	100.00%	100.00%
Bonduelle Canada Inc, Canada	100.00%	100.00%	100.00%
Bonduelle Kazakhstan TOO, Kazakhstan	-	100.00%	100.00%
Ready Pac Foods Inc, USA	0.00%	100.00%	100.00%
Ready Pac Produce Inc, USA	0.00%	100.00%	100.00%
Missa Bay, LLC, USA	0.00%	100.00%	100.00%
Ready Pac Florence, Partnership, USA	0.00%	100.00%	100.00%
Salad Time, LLC, USA	0.00%	100.00%	100.00%

### 2. EQUITY METHOD

#### France

Gelagri	35.50%	0.00%	0.00%
Gelagri Bretagne	35.50%	0.00%	0.00%

#### Outside France

OP OASI, Italy	35.00%	35.00%	35.00%
Huerta Gama SC, Spain	16.66%	16.66%	16.66%
Gelagri Ibérica, Spain	35.50%	0.00%	0.00%
Bonduelle Española, Spain	50.00%	50.00%	50.00%

(1) See Note 1.1.





## 5.6 Statutory Auditors' report on the consolidated financial statements

*This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.*

*This report includes information specifically required by European regulation or French law, such as information about the appointment of the Statutory Auditors.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

**For the year ended June 30, 2017**

To the General Meeting of Bonduelle

### I. Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying consolidated financial statements of Bonduelle SCA for the year ended June 30, 2017.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations of the group for the year then ended and of its financial position and of its assets and liabilities as at June 30, 2017 in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

### II. Basis for Opinion

#### Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

#### Independence

We conducted our audit in compliance with independence rules applicable to us, for the period from July 1, 2016 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) no. 537/2014 or in the French Code of Ethics for Statutory Auditors.

### III. Justification of assessments – key audit matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period, as well as our responses to those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific elements, accounts or items of the consolidated financial statements.

---

### **Initial consolidation of Ready Pac Foods (see Note 1.1.E "Business combinations", 2.1 "Acquisition of Ready Pac Foods in the United States" and Note 8.1 "Pro forma financial information")**

---

#### ***Risk identified***

On March 21, 2017, Bonduelle acquired a 100% interest in Ready Pac Foods for 376.8 million euros, net of debt.

This transaction was reflected in the recognition of goodwill amounting to 290.4 million euros after allocating the purchase price to assets and liabilities acquired. Purchase price allocation will be finalized within 12 months of the takeover date.

Bonduelle engaged an independent expert to assist with identifying and measuring Ready Pac Foods' main intangible and industrial assets.

In addition, since this acquisition had an impact in excess of 25% on Bonduelle's main aggregates, pro forma financial information was presented in the notes to the financial statements in accordance with AMF recommendation No. 2013-08, in addition to disclosures under IFRS 3.

The initial consolidation of Ready Pac Foods is considered to be a key audit point in terms of the materiality of this acquisition and because the Executive Management was led to make a certain number of judgments in identifying the assets and liabilities acquired and in measuring them at fair value.

#### ***Our response***

Our work consisted mainly in:

- taking the independent expert's report and, with the support of our own specialists, assessing the scope of its work and the relevance of the main assumptions used and conclusions drawn;
- obtaining and reviewing the due diligence report compiled by an independent firm engaged by Bonduelle to identify any overstated assets or understated liabilities or those not taken into consideration when identifying the assets and liabilities acquired;
- assessing the appropriateness of the assumptions and procedures used to measure the assets and liabilities acquired in terms of the criteria specified by the relevant accounting standards;
- verifying the appropriateness of the pro forma financial information supplied in the notes to the consolidated financial statements.

---

### **Financing of the acquisition of Ready Pac Foods (see Notes 5.1.B and 5.6-7)**

---

#### ***Risk identified***

Bonduelle financed the acquisition of Ready Pac Foods, for 409 million dollars, with a bridge loan of 279 million dollars, as well as with a bank loan of an initial 130 million dollars repayable over five years. This bank loan was subsequently increased to 200 million dollars. The bridge loan was refinanced on July 6, 2017, by a USPP for 150 million euros and 50 million US dollars. This funding exposed Bonduelle to a number of risks:

- a transaction risk between February 23, 2017 (date on which the firm offer was made by Bonduelle) and March 21, 2017 (date on which the deal was closed) associated with a firm offer in US dollars submitted for approval by the US antitrust authority;
- as of the acquisition date (March 21, 2017), a currency risk associated with the financing of the transaction;
- between this date and the reporting date, a currency risk associated with a series of forward foreign exchange transactions set up to prepare for repayment of the bridge loan taken out in US dollars, partly by means of a USPP issued in euros (transaction finalized on July 6, 2017).

The financing of the acquisition of Ready Pac Foods is a key audit point because it is a non-current operation, involving complex accounting treatments.

#### ***Our response***

Our work mainly consisted, on the basis of financing agreements and related hedging contracts, and in conjunction with our financial instrument specialists, in:

- verifying compliance with applicable accounting provisions contained in the documentation for the hedge policies implemented by Bonduelle;
- assessing the accounting treatment used for:
  - hedging operations for currency and transaction risks under IAS 32 and IAS 39,
  - financing expenses;
- verifying the appropriateness of the financial information supplied in the notes to the consolidated financial statements.



---

**Measurement of goodwill (see Note I.2.A "Goodwill" and "Monitoring of goodwill values" and Note 8.1)**

---

**Risk identified**

Goodwill amounted to 470 million euros at June 30, 2017 (197 million euros at June 30, 2016), 290 million euros of which relating to the acquisition of Ready Pac Foods in March 2017. Impairment tests conducted by the Executive Management on the goodwill of each Cash Generating Unit (CGU) defined by Bonduelle include a significant number of judgments and assumptions relating, in particular, to:

- future cash flows;
- the discount rates (WACC) and long-term growth rates used to forecast such flows.

Consequently, any change in these assumptions is likely to change the recoverable amount of such goodwill values.

This is why we considered goodwill values to be a key audit point.

**Our response**

We obtained the Executive Management's latest strategic plans as well as the impairment tests for each CGU. Based on this information, we carried out the following procedures:

- we assessed the reasonableness of the key assumptions used to:
  - determine cash flows in line with underlying operational data,
  - the long-term growth of such cash flows;
- we assessed, with the support of our measurement specialists, the discount rates (WACC) used in their various components;
- we obtained and reviewed the sensitivity analyses conducted by the Executive Management. We also made our own sensitivity calculations, to verify that just one unreasonable change of assumption could result in a material goodwill impairment having to be recognized.

---

**Assessment of risks and litigation and other provisions (see Notes I.2.L, 9.1 and 9.2)**

---

**Risk identified**

Bonduelle is subject to various legal and arbitration proceedings and disputes in the normal course of its business. It may also be subject to certain claims and/or lawsuits which fall outside the scope of the ordinary course of its business.

In addition, some commitments made by Bonduelle to its employees are the subject of balance sheet provisions, in particular, coverage of medical expenses ("workers' compensation") in some US subsidiaries.

The outcomes of such proceedings, claims and/or lawsuits and commitments associated with employee medical expenses in certain subsidiaries are dependent on future events and the positions taken by the Company are inherently based on the use of assumptions, assessments or estimates made by the Executive Management.

Assessment of such risks by the Executive Management led Bonduelle to recognize provisions of 30.6 million euros at June 30, 2017 (up from 26.4 million euros at June 30, 2016).

This is a key audit point due to:

- the uncertainty of the outcome of the proceedings instituted;
- the high degree of estimation and judgment used by the Executive Management;
- and, consequently, the potential materiality of their impact on the consolidated result and Shareholders' equity, should such estimates be subject to change.

**Our response**

We reviewed the procedures implemented by Bonduelle so as to identify and record all the risks involved.

We familiarized ourselves with the risk analysis carried out by Bonduelle and discussed the status of each reported or potential material dispute with the Executive Management of the Company and its subsidiaries. We obtained and tested the evidence on which recognition - or the absence of recognition - of the provisions was based, notably exchanges between the Company, its lawyers and other parties involved in the disputes.

We also questioned the Company's lawyers directly to confirm our understanding of disputes that have been settled or which are still ongoing, as well as levels of claims, so as to assess the adequacy of the provisions recognized.

Regarding the assessment of commitments relating to medical expenses ("workers' compensation") for the employees of certain subsidiaries, we reviewed the report compiled by the actuary employed by the Bonduelle Group and assessed the relevance of the methodology used as well as the reasonableness of the main assumptions.

## IV. Specific verification concerning the group presented in the management report

As required by French law, we have also verified in accordance with professional standards applicable in France the information concerning the group presented in the group's management report.

We have no matters to report as its fair presentation and its consistency with the consolidated financial statements.

## V. Report on other legal and regulatory requirements

### Appointment of the Statutory Auditors

#### Deloitte & Associés

Was appointed Statutory Auditors of Bonduelle SCA by the General Meeting of December 7, 2006

As of June 30, 2017, Deloitte & Associés was in its 11<sup>th</sup> year of uninterrupted engagement

#### Mazars

Was appointed Statutory Auditors of Bonduelle SCA by the General Meeting of December 20, 1989

Au June 30, 2017, Mazars was in its 28<sup>th</sup> year of uninterrupted engagement and its 19<sup>th</sup> year since securities of the Company were admitted to trading on a regulated market.

## VI. Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements have been approved by the General Management.

## VII. Statutory Auditors' responsibilities for the audit of the consolidated financial statements

### Objective of an audit and audit approach

Our role is to issue a report on the consolidated financial statements. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As specified by Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which Company's management has conducted or will conduct the affairs of the entity.

As part of an audit in accordance with professional standards applicable in France, we exercise professional judgment throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If we conclude that a material uncertainty exists, we draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, we modify our opinion;
- evaluate the overall presentation of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities included in the consolidation scope to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

## Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular as description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also bring to its attention any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters. We describe these matters in the audit report.

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) N° 537/2014, confirming our independence in the sense of the rules applicable in France as defined in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and or in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Lille and Courbevoie, September 29, 2017

The Statutory Auditors

*French original signed by*

**Deloitte & Associés**  
Pierre-Marie MARTIN

**Mazars**  
Jean-Maurice EL NOUCHI









# Parent company financial statements



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## 6.1 Income statement

<i>(in thousands of euros)</i>	2016/06/30 12 months	2017/06/30 12 months
Revenue excluding tax		
Reversal of depreciation, amortization and provisions and capitalized costs	1,588	2,068
Other operating income	41	0
<b>Operating income</b>	<b>1,629</b>	<b>2,068</b>
Other purchases and external charge	2,444	1,878
Taxes and duties	13	15
Allocations to provisions for risks and expenses	1,588	2,068
Other charges	66	75
<b>Operating expenses</b>	<b>4,111</b>	<b>4,036</b>
<b>Operating profit</b>	<b>(2,482)</b>	<b>(1,968)</b>
Loss transferred		
Financial income from subsidiaries and affiliates	30,049	30,049
Income from other non-current securities and receivables		
Other interest and similar income		
Income from interest on bonds		
Reversal of provisions and capitalized costs		
Net gain on disposals of securities	0	15
<b>Finance income</b>	<b>30,049</b>	<b>30,064</b>
Allocations to provisions on financial assets		
Interest and similar expenses	1,921	710
Interest expense on bonds	5,559	5,554
Net expense on disposals of securities	0	0
<b>Finance costs</b>	<b>7,480</b>	<b>6,264</b>
<b>Financial result</b>	<b>Note 9</b> <b>22,569</b>	<b>23,801</b>
<b>Operating income</b>	<b>20,088</b>	<b>21,833</b>
On revenue transactions	0	14
On capital transactions	2,663	231
Reversal of provisions and capitalized costs		
<b>Non-recurring income</b>	<b>Note 10</b> <b>2,663</b>	<b>245</b>
On revenue transactions		3
On capital transactions	399	118
Non-recurring charges to depreciation, amortization and provisions		
<b>Non-recurring expenses</b>	<b>Note 11</b> <b>399</b>	<b>121</b>
<b>Non-recurring income</b>	<b>2,264</b>	<b>124</b>
Income tax	<b>Note 13</b> (2,187)	(10,481)
<b>NET INCOME FOR THE PERIOD</b>	<b>24,538</b>	<b>32,438</b>

## 6.2 Balance sheet

### Assets

		2016/06/30 Net	2017/06/30	
			Gross	Amortization & provisions
<i>(in thousands of euros)</i>				
Property, plant & equipment	Note 2	12	12	12
Land		12	12	12
Building				
Non-current financial assets	Note 3	591,631	590,857	590,857
Investments in subsidiaries		582,429	582,429	582,429
Loans to subsidiaries and affiliates		37	15	15
Other non-current securities held		9,165	8,414	8,414
Loans				
Other non-current financial assets				
<b>Fixed assets</b>		<b>591,643</b>	<b>590,869</b>	<b>590,869</b>
Receivables		12,141	15,810	15,810
Trade and related receivables				
Other receivables	Note 4	12,141	15,810	15,810
Securities	Note 5	224	517	517
Cash		186	13	13
Prepaid expenses	Note 4	47	44	44
<b>Current assets</b>		<b>12,598</b>	<b>16,384</b>	<b>16,384</b>
<b>TOTAL ASSETS</b>		<b>604,241</b>	<b>607,252</b>	<b>607,252</b>

### Liabilities

		2016/06/30	2017/06/30
		Before allocation	Before allocation
<i>(in thousands of euros)</i>			
Shareholders' equity	Note 6	373,442	392,089
Share capital		56,000	56,000
Additional paid-in capital		22,646	22,646
Reserves			
Revaluation surplus		947	947
Legal reserve		5,600	5,600
Regulated reserves			
Other reserves		28,280	28,280
Retained earnings		235,431	246,177
Net income for the period		24,538	32,438
Provisions for risks and expenses	Note 7	40,788	36,842
Payables		190,011	178,322
Bonds	Note 8	145,000	145,000
Bank borrowings and other liabilities to bank	Note 8		
Miscellaneous borrowing and financial debt Other	Note 8	2,196	1,704
Trade and related payables	Note 8	304	231
Tax and social security payables	Note 8	5	9
Other payables	Note 8	42,505	31,377
<b>TOTAL LIABILITIES</b>		<b>604,241</b>	<b>607,252</b>

## 6.3 Statement of cash flows

<i>(in thousands of euros)</i>	2016/06/30 12 months	2017/06/30 12 months
<b>Operating activities</b>		
Net income for the period	24,538	32,438
Depreciation and amortization		
Allocations to/Reversal of provisions for risks and expenses	1,141	479
Allocations to/Reversal of provisions on non-current financial assets and marketable securities		
Allocations to/Reversals of Tax Provisions	237	(4,425)
<b>Gross cash flows from operating activities</b>	<b>25,917</b>	<b>28,493</b>
Gains on disposals of assets		
<b>Cash flows from operating activities</b>	<b>25,917</b>	<b>28,493</b>
Change in trade and related receivables	8,217	(3,667)
Change in provisions for risks and expenses		
Change in accounts payable and other payables	(38,708)	(11,689)
Change in accrued interest on borrowings	5	
Change in WCR	(30,487)	(15,356)
<b>Net cash flow from/(used in) operating activities</b>	<b>(4,570)</b>	<b>13,137</b>
<b>Investing activities</b>		
Acquisitions of property, plant and equipment and intangible assets		
Acquisitions of non-current financial assets	(4,144)	(5,116)
Disposals of property, plant and equipment and intangible assets		
Disposals or repayments of non-current financial assets	22,575	5,890
<b>Net cash flows from (used in) investing activities</b>	<b>18,432</b>	<b>774</b>
<b>Financing activities</b>		
Dividends	(13,714)	(13,792)
Dividends to be paid		
Changes in Shareholders' equity		
New borrowings (including bank lines)		
Repayments of borrowings		
<b>Net cash flows from (used in) financing activities</b>	<b>(13,714)</b>	<b>(13,792)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>148</b>	<b>119</b>
Cash and cash equivalents - closing balance	410	530
Cash and cash equivalents - opening balance	263	410
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>148</b>	<b>119</b>



## 6.4 Notes to the annual parent company financial statements

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### Note 1 Activity of the Company

Bonduelle SCA is a financial holding company, whose corporate purpose is to:

- acquire and manage all types of securities, investment in equity or other interests in commercial, industrial, financial, investment and agricultural companies;
- provide access to financial markets to raise the funds needed to develop the group's activities.

Bonduelle SCA is the consolidating company of the Bonduelle Group.

The Company received a dividend of 30,049 thousand euros from its subsidiary, Bonduelle SAS, in accordance with the decision of the Ordinary Shareholders' Meeting of November 30, 2016.

#### Accounting principles and policies

The annual financial statements for the period were prepared in accordance with generally accepted accounting principles in France, as defined by the French General Accounting Plan, and the latest regulations issued by the French accounting standards body (ANC).

The basic method used to value the items recognized in the accounts is the historical cost method.

General accounting conventions were applied with due regard for the principle of prudence and in accordance with these basic assumptions:

- going concern;
- consistency of accounting methods;
- independence of fiscal years.

and in compliance with the general rules governing the preparation and presentation of annual financial statements

(ANC Regulation 2016-07 of November 4, 2016, approved by an order dated December 26, 2016).

The main rules and methods used are the following:

#### Change in methods

No notable change in method was applied over the period.

#### Property, plant & equipment

Property, plant and equipment were recognized at their purchase or contribution cost.

Depreciation is calculated on a straight-line method. Normal useful life assumed for buildings is ten years.

#### Non-current financial assets

##### Investments in subsidiaries

Investments in subsidiaries and affiliates and other long-term investments are carried at cost.

A provision for impairment is recognized if the value in use is lower than the carrying amount. The value in use of such investments is determined on the basis of various items such as net assets, the existence of unrealized capital gains and earnings forecasts approved by the Executive Management.

##### Treasury shares

ANC Regulation 2014-03 was applied. This standard concerns the accounting treatment for stock option and share subscription plans and the granting of free shares to employees.

Therefore, treasury shares acquired are now recorded on the basis of their intended use, either in non-current financial assets or in securities.



Treasury shares held under liquidity contracts or for the purpose of use in acquisitions are classified under non-current financial assets.

Treasury shares allocated to the coverage of stock option plans are reclassified into securities at their net carrying amount on the date they are allocated by the General Management.

#### **Treasury shares held under a liquidity contract and for use in acquisitions:**

Treasury shares held under the terms of a liquidity contract or for use in making acquisitions are recognized at purchase price.

At the close of the fiscal year, impairment is recognized if the average market share price for the previous month is lower than the average price paid to purchase the shares held as treasury shares as well as those allocated to stock option plans which are not expected to be exercised.

#### **Receivables**

Receivables are recognized at their face value. A provision is set aside, if needed, to cover any risk of default.

#### **Provisions for risks and expenses**

Provisions are assessed by the Executive Management to take account of the Company's actual obligations (legal or implied), in compliance with French accounting policies and notably the provisions of the ANC Regulation 2014-03 regarding liabilities. Any disputes are evaluated on the basis of the claims made by third parties, which are revised, if applicable, on the basis of the defensive actions taken by the Company.

#### **Translation of foreign currency items**

All receivables and liabilities denominated in foreign currencies are translated at the closing rate of the fiscal year. Any differences arising from changes in exchange rates are recognized in "translation adjustments" in the balance sheet.

#### **Marketable securities**

##### **Treasury shares allocated to stock option plans**

Treasury shares are recorded:

- at purchase price, if acquired to be allocated directly to the cover of stock option plans;
- at net carrying amount on the date they are allocated by the General Management to cover stock option plans, if these

shares had been acquired previously or were taken from treasury shares recorded in non-current financial assets.

The shares are allocated into separate sub-categories based on the likelihood of the stock options being exercised by beneficiaries, in light of the average market share price for the previous month.

Shares allocated to stock option plans that are likely to be exercised are the object of an expense accrued to liabilities if the exercise price is lower than the carrying amount. The probability of an option being exercised is evaluated on a plan-by-plan basis, in light of the conditions of each plan. The total value of this future expense is spread evenly over the vesting period. The corresponding expense is recorded under net operating profit in the Section "charge in provisions for risks and expenses".

This provision is offset by the recognition of an accrued income in the same amount under the group company accounts in respect of the workforce beneficiaries.

The costs incurred are invoiced according to the same rules. They are recorded under net operating profit in the Section "transfer of capitalized costs".

Treasury shares allocated to stock option plans that are unlikely to be exercised by employees are written down if, at the reporting date, the average market share price for the previous month is lower than the average price of all the treasury shares that are unlikely to be exercised and of all shares not initially allocated to the cover of a specific stock option plan.

All of these methods are consistent with ANC Regulation 2014-03.

#### **Other securities**

Marketable securities are recorded at cost.

A provision for impairment is recognized if the value in use is lower than the carrying amount.

#### **Bonds**

In early September 2012, the Company issued a 145 million euro bond in the form of a European Private Placement.

This bond was issued for a period of 6.5 years. It is redeemable in one bullet repayment on March 11, 2019.

#### **Events after the reporting date**

None.



## Note 2 Property, plant and equipment

Analysis of changes in gross carrying amounts and accumulated depreciation:

<i>(in thousands of euros)</i>	At 2016/06/30	Acquisitions or charges	Merger and contribution	Disposals or reversals	At 2017/06/30
<b>Gross carrying amount</b>					
Land	12				12
Building					
	12				12
<b>Depreciation and amortization</b>					
Land					
Building					
<b>Net carrying amount</b>					
Land	12				12
Building					
	12				12

## Note 3 Non-current financial assets

Analysis of changes in gross carrying amounts and provisions:

<i>(in thousands of euros)</i>	Gross carrying amount at 2016/06/30	Acquisitions	Disposals	Repurchases, reclassifications and other	Gross carrying amount at 2017/06/30
<b>Investments in subsidiaries</b>	582,429				582,429
Bonduelle SAS	582,429				582,429
<b>Other non-current receivables</b>	37		(22)		15
Loans to subsidiaries and affiliates					
Other - Cash account with Exane	37		(22)		15
<b>Other non-current financial assets</b>					
Loans					
<b>Treasury shares held:</b>					
• under a liquidity contract <sup>(1)</sup>	425	4,795	(4,938)		282
• in relation to an acquisition	4,579	320		(1,393)	3,507
• coverage of securities conferring rights to allocations of Company shares:					
• coverage of share purchase options	4,160		(929)	1,393	4,624
	591,631	5,116	(5,890)		590,857

(1) The treasury shares held under the liquidity contract are revalued at the year-end share price, shown in the column "Acquisitions".

# 6 PARENT COMPANY FINANCIAL STATEMENTS

Notes to the annual parent company financial statements

<i>(in thousands of euros)</i>	Gross carrying amount at 2017/06/30	Provisions at 2016/06/30	Charges	Reversals	Net carrying amount at 2017/06/30
Investments in subsidiaries	582,429				582,429
Other non-current receivables	15				15
Other non-current financial assets					
Treasury shares held:					
• under a liquidity contract	282				282
• in relation to an acquisition	3,507				3,507
• coverage of securities conferring rights to allocations of Company shares					
• coverage of share purchase options	4,624				4,624
	<b>590,857</b>				<b>590,857</b>
Value at year-end:					
Treasury shares					15,530

<i>(in number of shares)</i>	At 2016/06/30	Increase	Decrease	Reclassification	At 2017/06/30
Treasury shares held:					
• under a liquidity contract	19,616	176,415	187,428		8,603
• in relation to an acquisition	263,104	15,536		(79,216)	199,424
• coverage of securities conferring rights to allocations of Company shares					
• coverage of share purchase options	239,036		53,099	79,216	265,153
	<b>521,756</b>	<b>191,951</b>	<b>240,527</b>		<b>473,180</b>
Average price of transactions over the period		€26.06	€24.39		

## Note 4 Receivables

<i>(in thousands of euros)</i>	Gross value	< 1 year max.	> 1 year
Current assets			
Other client receivables			
O.w. accrued income			
Group and associates			
O.w. accrued income			
Government - Taxes and duties	9,824	9,824	
Other - Receivables from suppliers	2	2	
Group and associates			
Current account Tax consolidation	3,826	3,826	
Other - Miscellaneous receivables <sup>(1)</sup>	2,158	1,234	924
Other - Prepaid expenses	44	44	
	<b>15,854</b>	<b>14,930</b>	<b>924</b>

(1) Stock-options: billing of expenses related to exercise of options to Bonduelle Group companies (see Note 18).





## Note 5 Marketable securities

<i>(in thousands of euros)</i>	At 2016/06/30	At 2017/06/30
Securities held under terms of the liquidity contract (EXANE)	224	517
	<b>224</b>	<b>517</b>

## Note 6 Shareholders' equity

<i>(in thousands of euros)</i>	At 2016/06/30	Allocation Net income 2015-2016	Change	At 2017/06/30
Share capital	56,000			56,000
Additional paid-in capital/merger premium	22,646			22,646
Revaluation surplus	947			947
Legal reserve	5,600			5,600
Regulated reserves				
Other reserves	28,280			28,280
Retained earnings	235,431	10,747		246,177
<b>Net income for the period</b>				
2016/06/30	24,538	(24,538)		
2017/06/30			32,438	32,438
Dividends		13,792		
	<b>373,442</b>		<b>32,438</b>	<b>392,089</b>

Dividends of 13,546 thousand euros were paid out to Shareholders as a whole. 245 thousand euros were paid out to the General Partner, in accordance with Article 25 of the Articles of association.

### Share capital

At June 30, 2017, the share capital was composed of 32,000,000 shares with a par value of 1.75 euros per share, as follows:

- 13,998,770 common shares;
- 18,001,230 shares with double voting rights.

The 32,000,000 shares comprising the Company's share capital represent 49,528,050 voting rights.

## Note 7 Provisions for risks and expenses

<i>(in thousands of euros)</i>	At 2016/06/30	Charges	Reversals		At 2017/06/30
			Used	Unused	
Provision for risks related to stock options	1,588	2,068		1,588	2,068
Provision for taxes – Tax consolidation <sup>(1)</sup>	39,199	1,524	1,266	4,683	34,774
	<b>40,788</b>	<b>3,592</b>	<b>1,266</b>	<b>6,271</b>	<b>36,842</b>

(1) The tax provision is related to the use of tax loss carryforwards and tax credits of the companies in the tax consolidation group.

## Note 8 Payables

(in thousands of euros)	2016/06/30	2017/06/30		
		Gross value	< 1 year max.	> 1 year and < 5 years
Borrowings <sup>(1)</sup>	146,704	146,704	1,704	145,000
Trade and related payables <sup>(2)</sup>	304	231	231	
Tax and social security payables	5	9	9	
Other payables <sup>(3)</sup>	42,998	31,377	31,377	
	<b>190,011</b>	<b>178,322</b>	<b>33,322</b>	<b>145,000</b>

(1) On 2012/09/10, BONDUELLE SCA issued a European Private Placement for 145,000 thousand euros at 3.83% over a term of 6.5 years, with a bullet repayment on 2019/03/11.

The bond was issued to cover the group's financing needs.

(2) Trade payables are payable in under 30 days.

(3) Includes the current account with Bonduelle SAS.

## Note 9 Financial result

(in thousands of euros)	At 2016/06/30	At 2017/06/30
<b>Finance income</b>		
Finance income from subsidiaries and affiliates		
• Bonduelle SAS	30,049	30,049
• Income from loans		
	<b>30,049</b>	<b>30,049</b>
Income from other non-current securities and receivables		
Reversal of provisions and capitalized costs		
Other interest and similar income		
Net gain on disposals of securities	0	15
	<b>30,049</b>	<b>30,064</b>
<b>Finance costs</b>		
Depreciation, amortization and provisions		
Interest and similar expenses	1,921	710
Interest expense on the Euro PP	5,559	5,554
Net expense on disposals of securities	0	0
	<b>7,480</b>	<b>6,264</b>
<b>FINANCIAL RESULT</b>	<b>22,569</b>	<b>23,801</b>



## Note 10 Non-recurring income

<i>(in thousands of euros)</i>	At 2016/06/30	At 2017/06/30
<b>Non-recurring income on revenue transactions</b>		
Fines - Tax audit		14
<b>Non-recurring income on capital transactions</b>		
• Income from disposals of property, plant and equipment		
• Income from disposals of non-current financial assets (profit on treasury shares)	2,663	231
Recoveries of provisions for risks and expenses		
<b>TOTAL NON-RECURRING INCOME</b>	<b>2,663</b>	<b>245</b>

## Note 11 Non-recurring expenses

<i>(in thousands of euros)</i>	At 2016/06/30	At 2017/06/30
<b>Non-recurring expenses on revenue transactions</b>		
Fines - Tax audit		3
<b>Non-recurring expenses on capital transactions</b>		
• Disposals of property, plant and equipment		
• Disposals of non-current financial assets (loss on treasury shares)	399	118
• Disposals of participating interests		
Provisions for risks and expenses		
Non-recurring charges to depreciation, amortization and provisions		
<b>Total non-recurring expenses</b>	<b>399</b>	<b>121</b>
<b>TOTAL NON-RECURRING INCOME</b>	<b>2,264</b>	<b>124</b>

## Note 12 Information on related parties and investments

<i>(in thousands of euros)</i>	Amount concerning companies	
	Related parties	Parties with which the Company has a capital relationship
Investments in subsidiaries:		
gross carrying amount	582,429	
net carrying amount	582,429	
Loans to subsidiaries and affiliates		
Other receivables	2,158	
Other payables	31,321	
Operating liabilities	3	
Finance income from subsidiaries and affiliates		
Finance income	30,049	
Finance costs	557	



## Note 13 Tax breakdown

<i>(in thousands of euros)</i>	Operating income	Non-recurring income	Total
<b>Profit before tax</b>	<b>21,833</b>	<b>124</b>	<b>21,957</b>
Theoretical income tax			
Tax credit			
<b>Total theoretical income tax</b>			
Impact of tax consolidation			6,056
Provision for taxes			4,425
<b>Total income tax expense</b>			<b>10,481</b>
<b>NET INCOME AFTER TAXES:</b>			<b>32,438</b>

## Note 14 Tax consolidation

As parent company, Bonduelle SCA is the head of a tax consolidation group that includes:

Name	Address
Bonduelle SAS	La Woestyne - 59173 Renescure (France)
Bonduelle Europe Long Life SAS	La Woestyne - 59173 Renescure (France)
Bonduelle Development SAS	La Woestyne - 59173 Renescure (France)
Bonduelle Frais Traiteur SAS	La Woestyne - 59173 Renescure (France)
Bonduelle Frais France SA	90, rue André Citroën - 69740 Genas (France)
Bonduelle Traiteur International SAS	67, route de Concarneau BP 27 - 29140 Rosporden (France)
Champiloire SAS	Chantemerle - Bagneux - 49400 Saumur (France)
Euromycol SAS	Chantemerle - Bagneux - 49400 Saumur (France)
Champignonnières des Roches SAS	Chantemerle - Bagneux - 49400 Saumur (France)
Champignonnières de la Vienne SAS	Chantemerle - Bagneux - 49400 Saumur (France)
Champiland SAS	390, rue Joseph Lacoste - 40990 Herm (France)
Coviju 2 SAS	La Woestyne - 59173 Renescure (France)

Under the terms of the tax consolidation agreement, the following method is used to allocate income tax to each of the consolidated companies:

- each company pays Bonduelle SCA an amount equal to the tax they would have paid on their earnings and/or net long-term capital gains had they been taxed on a standalone basis, after deducting all tax credits to which the consolidated companies would have been entitled had they not been consolidated;
- on a standalone basis, Bonduelle SCA did not incur any income tax for the fiscal year ended June 30, 2017.

### Taxable income for the tax consolidation group as a whole and tax loss carryforwards:

Taxable income for the entire tax-consolidated group amounted to a profit of 6,290 thousand euros.

Prior tax losses (7,094 thousand euros) were charged, in full, against the taxable income for the whole year.



## Note 15 Deferred taxes

None.

## Note 16 Directors' and officers' compensation

**Table 1: Summary of the compensation and of the options and shares allocated to each executive Corporate Officer**

(in euros)	FY 2015-2016	FY 2016-2017
<b>Christophe BONDUELLE</b> <sup>(1)</sup> <i>Legal representative of Pierre et Benoît Bonduelle SAS, itself General Manager of Bonduelle SCA</i>		
Compensation due in respect of the fiscal year (details provided in table 2)	880,278	684,981 <sup>(4)</sup>
Value of variable multi-year compensation granted during the fiscal year <sup>(2)</sup>	None	None
Valuation of options granted during the fiscal year (details provided in table 4)	None	None
Valuation of performance shares granted during the fiscal year (details provided in table 6) <sup>(3)</sup>	884,314	475,862
<b>TOTAL</b>	<b>1,764,592</b>	<b>1,160,843</b>

- (1) Bonduelle SCA does not have any employees. The compensation is due under the terms of the corporate functions for Bonduelle SAS. No compensation is given in respect of the role of the legal representative of Pierre et Benoît Bonduelle SAS, General Manager of Bonduelle SCA.
- (2) Long-term profit-sharing scheme. Plan based on return on capital employed representing 50% of salary or fixed compensation at target and contingent on employment on the effective allocation date.
- (3) Maximum number of shares and valuation assuming targets are exceeded.
- (4) This amount does not take into consideration annual variable compensation not calculated on that date.

**Table 2: Summary of compensation of each executive Corporate Officer of the issuer**

(in euros)	FY 2015-2016		FY 2016-2017	
	Amount due	Amount paid	Amount due	Amount paid
<b>Christophe BONDUELLE</b> <i>Legal representative of Pierre et Benoît Bonduelle SAS, General Manager of Bonduelle SCA</i>				
Fixed compensation:	620,000	620,000	680,000	680,000 <sup>(1)</sup>
• Annual variable compensation <sup>(2)</sup>	255,350	255,350	Not calculated	Not applicable
• Multi-year variable compensation <sup>(3)</sup>	82,800	82,800	None	None
Non-recurring compensation	None	None	Not determined	Not applicable
Directors' fees	None	None	None	None
Benefits in kind: car	4,928	4,928	4,981	4,981
<b>TOTAL</b>	<b>963,078</b>	<b>963,078</b>	<b>684,981</b>	<b>684,981</b>

- (1) Fixed compensation is not reviewed on an annual basis but reflects changes in the size of the group and its challenges. Fixed compensation has not increased in the last two fiscal years.
- (2) The components of variable compensation, based mainly on growth in revenue, profitability and qualitative targets, as well as any exceptional compensation are determined by the Bonduelle SAS Board of Directors acting on a proposal from the Compensation Committee after the date the present document was issued.  
The expected level of attainment for the criteria was set in detail by the Board of Directors acting on a proposal from the Compensation Committee, but was not made public for reasons of confidentiality.  
Variable compensation cannot exceed 100% of the fixed compensation.  
Within the context of a compensation policy designed to continually improve group performance, the vast majority of employees receive variable compensation.
- (3) Long-term profit-sharing scheme. Plan based on return on capital employed representing 50% of salary or fixed compensation at target and contingent on employment on the effective allocation date.

**Table 3: Directors' fees and other compensation received by directors and non-executive Corporate Officers**

Corporate Officers (in euros)	Amount paid in fiscal year 2015-2016	Amount paid in fiscal year 2016-2017
<b>Isabelle DANJOU</b>		
Directors' fees	9,900	8,800
Other compensation		
<b>Daniel BRACQUART <sup>(1)</sup></b>		
Directors' fees	9,900	-
Other compensation		
<b>Laurent BONDUELLE</b>		
Directors' fees	4,400	4,400
Other compensation		
<b>Martin DUCROQUET</b>		
Directors' fees	5,500	8,800
Other compensation		
<b>Matthieu DURIEZ</b>		
Directors' fees	5,500	4,400
Other compensation		
<b>Elisabeth MINARD</b>		
Directors' fees	4,400	4,400
Other compensation		
<b>Yves TACK</b>		
Directors' fees	9,900	8,800
Other compensation		
<b>Marie-France TISSEAU</b>		
Directors' fees	9,900	4,400
Other compensation		
<b>Marie-Ange VERDICKT <sup>(1)</sup></b>		
Directors' fees		8,800
Other compensation	-	
<b>Pierre et Benoît BONDUELLE SAS</b>		
Directors' fees		
Other compensation <sup>(2)</sup>	1,730,750	1,341,800
<b>TOTAL</b>	<b>1,790,150</b>	<b>1,394,600</b>

The major share of directors' fees is paid according to attendance rates at Supervisory Board and specialized committees meetings.

(1) Marie-Ange Verdickt was appointed by the Shareholders' Meeting on December 3, 2015, as a member of the Supervisory Board to replace Daniel Bracquart.

(2) The compensation of the General Management is established by Article 17 of the Company's Articles of association and comprises two components:

- an amount equal to 1.5% of the group's share of the consolidated net income of the previous fiscal year;
- additional compensation equal to 1% of the group's share of the consolidated net income of the previous fiscal year, when the latter exceeds 1.5% of total net consolidated revenue.

Compensation is to be paid in equal monthly payments and the net amount is shown below.

**Table 4: Stock subscription or purchase options granted during the fiscal year to each executive Corporate Officer by the issuer and by any other company in the group**

Name of executive Corporate Officer	No. and date of plan	Nature of options (purchase or subscription)	Valuation of the options according to the method used for consolidated financial statements (in euros)	Number of options granted during the fiscal year	Exercise price (in euros)	Exercise period
<b>TOTAL</b>			<b>NONE</b>			

**Table 5: Share subscription or purchase options exercised during the fiscal year by each executive Corporate Officer**

Name of executive Corporate Officer	No. and date of plan	Number of options exercised during the fiscal year	Exercise price (in euros)
<b>TOTAL</b>		<b>NONE</b>	

**Table 6: Performance shares granted to each Corporate Officer during the fiscal year**

Performance shares granted by the Shareholders' Meeting during the fiscal year to each Corporate Officer by the issuer and by any other company in the group (nominative list)	No. and date of plan	Number of shares granted during the fiscal year	Valuation of the shares according to the method used for consolidated financial statements (in euros)	Acquisition date	Availability date	Performance conditions
Christophe BONDUELLE	Plan 5 2016/09/16	22,617	475,862*	2019/09/16	2019/09/17	**
<b>TOTAL</b>		<b>22,617</b>				

On September 16, 2016, the General Management decided to grant free ordinary shares, including 22,617 to Mr. Christophe Bonduelle as authorized by the Shareholders' Meeting of December 3, 2015 in its 13<sup>th</sup> resolution.

In accordance with the provisions of the Afep-Medef Code, Corporate Officers do not benefit from any hedging arrangements.

In addition, in accordance with the provisions of Article L. 225-197-1 of the French Commercial Code, the General Management decided that the executive Corporate Officers of associated companies within the meaning of Article L. 225-197-2 of the French Commercial Code, who are beneficiaries of the plan, shall hold 10% of the free shares granted to them as registered shares until the termination of their duties as executive Corporate Officers.

\* Maximum number of shares and valuation assuming targets are exceeded.

\*\* Free share grants are based on a long-term profit-sharing scheme. Plans based on return on capital employed representing 50% of salary or fixed compensation at target and contingent on employment on the effective allocation date.

**Table 7: Performance shares granted to each Corporate Officer that are now available**

Performance shares vested for each Corporate Officer	No. and date of plan	Number of shares that become available during the fiscal year	Acquisition terms
<b>TOTAL</b>		<b>NONE</b>	

If none of the performance shares allocated become available, the lock-up period provided for by the Afep-Medef Code and set by the Compensation Committee is not applicable.

**Table 8: Historical information on share purchase option grants**

**Information on share purchase options**

Date of Shareholders' Meeting	
Date of General Management decision	
Total number of shares that may be purchased	
Number of shares that may be purchased, including the number that may be purchased by:	
<b>Corporate Officer</b>	
<b>Christophe BONDUELLE</b>	
<i>Legal representative of Pierre et Benoît Bonduelle SAS, itself General Manager of Bonduelle SCA</i>	
Start of option exercise period	See Note 18
Date of expiration	
Purchase price	
Exercise conditions (when the plan has several portions)	
Number of shares purchased at June 30, 2017 (most recent date)	
Total number of share purchase options canceled or expired	
Share purchase options remaining at fiscal year-end	

The exercise of share purchase options previously granted is not subject to performance criteria.

**Table 9: Ten largest employee share subscription or purchase options granted, other than to directors or Corporate Officers, and options exercised by them**

	Total number of options granted/ shares subscribed or purchased
Options granted during the fiscal year by the issuer and by any company included in the scope of allocation of options, to the ten employees of the issuer and of any company included in that scope, who were granted the greatest number of options	None
Options held on the issuer and the companies referred to above, exercised, during the fiscal year, by the ten employees of the issuer and of those companies who purchased or subscribed the greatest number of shares in this way	24,600



**Table 10: Historical information on free share grants**

Information on free share grants	Free Share Plan 3	Free Share Plan 4	Free Share Plan 5	Free Share Plan 6
Date of Shareholders' Meeting	2015/12/03	2015/12/03	2015/12/03	2015/12/03
Date of the General Management meeting	2015/12/07	2015/12/07	2016/09/16	2016/10/27
Total number of free shares granted	61,868	61,868	76,801	2,415
including the number granted to Christophe BONDUELLE <i>Legal representative of Pierre et Benoît Bonduelle SAS, General Manager of Bonduelle SCA</i>	19,141	19,141	22,617	0
including the number of shares granted to the Executive Committee	61,868	61,868	76,801	2,415
Date of share acquisition <sup>(1)</sup>	2017/12/07	2018/12/07	2019/09/16	2018/10/27
End of holding period	2017/12/07	2018/12/07	2019/09/16	2018/10/27
Number of shares definitively acquired at June 30, 2017	0	0	0	0
Total No. of shares canceled or expired	0	0	0	0
Remaining free shares granted at fiscal year-end	61,868	61,868	76,801	2,415

(1) Free share grants are based on a long-term profit-sharing scheme. Plans based on return on capital employed representing 50% of salary or fixed compensation at target and contingent on employment on the effective allocation date.  
In accordance with the provisions of the Afep-Medef Code, Corporate Officers do not benefit from any hedging arrangements.

**Table 11**

Executive Corporate Officers	Employment contract <sup>(1) (2)</sup>		Supplementary retirement plan <sup>(3)</sup>		Indemnities or benefits due or likely to be due for termination of appointment or change in current function <sup>(4)</sup>		Indemnities related to a non-competition clause <sup>(4)</sup>	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>Christophe BONDUELLE</b> <i>Legal representative of Pierre et Benoît Bonduelle SAS, General Manager of Bonduelle SCA</i> Chairman of Bonduelle SAS		X	X		X		X	
Appointment starts <sup>(5)</sup>								
Appointment ends <sup>(5)</sup>								

(1) Mr. Christophe Bonduelle's employment contract with Bonduelle SAS was suspended with effect from December 31, 2009.

(2) Please note that a mentoring agreement between Bonduelle SAS and Christophe Bonduelle was signed as part of his employment contract. This contract is currently suspended but will be reactivated once his term of office as Chairman of Bonduelle SAS comes to an end. This agreement provides for a special mentoring payment to be made on the day that his salaried employment comes to an end, in the form of a cash sum or a free share grant from Bonduelle SCA, the vesting of which is conditional upon (i) the attainment of all specified targets and missions and (ii) the performance by Mr. Christophe Bonduelle of the duties listed in his employment contract for at least 2 years from the end of his term of office as Chairman of Bonduelle SAS.

The methods used to calculate this payment were set by the Bonduelle SAS Board of Directors acting on a proposal from the Compensation Committee.

(3) The group has established a supplementary, defined contribution pension plan (Article 83-plan), which is paid for to a significant extent by the beneficiaries concerned, with the group paying the remainder. The group contribution in respect of this plan in fiscal year 2016-2017 was not material.

(4) Indemnities or benefits due or likely to be due for termination of appointment equal to two years' compensation (reference salary + 50% of variable compensation).

The indemnity payable shall be determined on the basis of the annual performance observed over the last three years prior to departure and, more specifically, on the basis of the average level of attainment of variable compensation over the last three years prior to effective termination of the Office.

The indemnity for termination of appointment includes indemnities under the non-competition clause, which the Company does not have the option to waive. This indemnity is not due in the case of resignation or retirement of Mr. Christophe Bonduelle. Bonduelle SAS employees are granted termination benefits and long-service awards. For Mr. Christophe Bonduelle, these amount to 622,132 euros.

(5) Open ended appointment since his appointment at the Bonduelle SAS Shareholders' Meeting on December 28, 2010.



## Note 17 Off-balance sheet commitments

	At 2017/06/30
Off-balance sheet commitments	none

## Note 18 Information regarding stock option and free share plans

### A. Stock options plans

	Plan 15	Plan 16
Date of Shareholders' Meeting:	2009/12/03	2009/12/03
Date of General Management decision	2010/12/07	2011/12/15
Initial number of shares that may be purchased	188,800	207,600
Including the number of shares that may be purchased by Mr. Christophe Bonduelle, the legal representative of Pierre et Benoît Bonduelle SAS, General Manager of BONDUELLE SCA	32,000	23,600
<b>Number of shares canceled <sup>(1)</sup></b>	<b>(11,200)</b>	<b>(32,400)</b>
Total number of shares that may be purchased	177,600	175,200
Start of option exercise period	2014/12/08	2015/12/16
Date of expiration	2016/12/07	2017/12/15
Purchase price	15.90	15.73
Share price (basis for employer contribution to stock option plans)	2.92	2.74
<b>NUMBER OF SHARES PURCHASED AT JUNE 30, 2017</b>	<b>177,600</b>	<b>140,999</b>
Total number of shares that may be purchased at June 30, 2017	0	34,201

(1) Cancellations represent shares allocated to persons who have left the group prior to the exercise period or that had not been purchased to by the time the plan expired.

### B. Free share plans

	Plan 3	Plan 4
Date of Shareholders' Meeting:	2015/12/03	2015/12/03
Date of General Management decision	2015/12/07	2015/12/07
Initial number of shares allocated	61,868	61,868
Including number of shares granted to Mr. Christophe Bonduelle, legal representative of Pierre et Benoît Bonduelle SAS, itself General Manager of Bonduelle SCA	19,141	19,141
Including the number of shares granted to the Executive Committee	61,868	61,868
<b>Total number of free shares allocated</b>	<b>61,868</b>	<b>61,868</b>
Effective allocation date <sup>(1)</sup>	2017/12/07	2018/12/07
Date from which shares can be sold	2017/12/08	2018/12/08
Share price (basis for employer contribution to stock option plans)	33.04	33.04
<b>NUMBER OF SHARES DEFINITELY ACQUIRED AT JUNE 30, 2017</b>		
Total no. of shares canceled or expired	0	0
Remaining free shares granted at fiscal year-end	61,868	61,868



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	Plan 5	Plan 6
Date of Shareholders' Meeting:	2015/12/03	2015/12/03
Date of General Management decision	2016/09/16	2016/10/27
Initial number of shares allocated	76,801	2,415
Including number of shares granted to Mr. Christophe Bonduelle, legal representative of Pierre et Benoît Bonduelle SAS, itself General Manager of Bonduelle SCA	22,617	
Including the number of shares granted to the Executive Committee	76,801	2,415
<b>Total number of free shares allocated</b>	<b>76,801</b>	<b>2,415</b>
Effective allocation date <sup>(1)</sup>	2019/09/16	2018/10/27
Date from which shares can be sold	2019/09/17	2018/10/28
Share price (basis for employer contribution to stock option plans)	33.04	33.04
<b>NUMBER OF SHARES DEFINITELY ACQUIRED AT JUNE 30, 2017</b>		
Total no. of shares canceled or expired	0	0
Remaining free shares granted at fiscal year-end	76,801	2,415

(1) Free share grants are based on a three-year long-term profit-sharing scheme. Plans based on return on capital employed representing 50% of salary or fixed compensation at the target and contingent on employment on the effective allocation date.

### C. Other information on the stock option plans

#### A. Expense recognized during the fiscal year and the prior fiscal year

The profit and loss made on stock options are recorded under net non-recurring income.

Options exercised during the fiscal year did not generate any income.

#### B. Contingent liabilities

A provision for risks and expenses was recorded at the end of the fiscal year, on June 30, 2017, in the amount of 2,068 thousand euros (Plan 16 and Free Share Plans 3,4, 5 and 6).

This provision is covered by accrued income in the same amount recorded under miscellaneous receivables (see Notes 1 and 4).

This accrued income corresponds to the amount that will be passed on to the subsidiaries whose employees are beneficiaries of stock options when the options are exercised under the plans concerned.

## 6.5 Information regarding subsidiaries and affiliates

(in thousands of euros) Company	Number of shares held	Currencies	Capital <sup>(1)</sup>	Shareholders' equity other than share capital and net income for the period <sup>(1)</sup>	Capital interest (in %)	Carrying amount of shares		Advances made by the Company	Security deposits given	Revenue for the year ended, excluding tax	Previous year-end result	Dividends received by the Company during the fiscal year
						Gross	Net					
<b>A. Holdings with a gross value in excess of 1% of the parent's share capital</b>												
1. Subsidiaries (>50% held)												
Bonduelle SAS	2,347,598	EURO	234,761	407,111	100	582,429	582,429			31,868	19,850	30,049
2. Between 10% and 50%												
<b>B. Holdings with a gross value not in excess of 1% of the parent's share capital</b>												
1. French subsidiaries												
2. Foreign subsidiaries												
3. Investments in French companies												

(1) In the company's local currency.



## 6.6 Five-year financial summary

(in thousands of euros)	2013/06/30	2014/06/30	2015/06/30	2016/06/30	2017/06/30
<b>Financial position at year-end</b>					
Share capital	56,000	56,000	56,000	56,000	56,000
Number of shares issued in units	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000
<b>Total income from operations</b>					
Revenues of subsidiaries	39,000	30,015	30,002	30,049	30,049
Revenue excluding tax					
Income before taxes, employee profit-sharing, depreciation, amortization and provisions	37,489	23,633	21,632	23,493	22,437
Income tax	(1,189)	58	(5,701)	(2,187)	(10,481)
Employee profit-sharing					
Earnings after taxes, employee profit-sharing, depreciation, amortization and provisions	38,601	24,210	27,739	24,538	32,438
Dividends paid	12,000	12,000	13,760	13,760	14,400
<b>Earnings from operations per share</b> <i>(in euros)</i>					
Earnings after taxes and employee profit-sharing but before depreciation, amortization and provisions	1.21	0.74	0.85	0.80	1.03
Earnings after taxes, employee profit-sharing, depreciation, amortization and provisions	1.21	0.76	0.87	0.77	1.01
Dividend paid per share	0.38	0.38	0.43	0.43	0.45

(1) Proposal submitted to the Shareholders' Meeting.

### Proposed allocation of net income

The General Management asks the Shareholders' Meeting to allocate the net income for the year of 32,438,424.38 euros as follows:

– profits for the fiscal year	32,438,424.38 euros
– retained earnings	<u>246,177,190.09 euros</u>
– distributable income	278,615,614.47 euros
– allocation to the General Partner	324,384.24 euros
– shareholder dividend	14,400,000.00 euros
– retained earnings	263,891,230.23 euros

And to approve payment of a dividend for fiscal year 2016-2017 of 0.45 euros per share; the entire amount thus distributed is eligible for the 40% tax credit referred to in Article 158-3-2 of the French General Tax Code.

The dividend will be paid on January 9, 2018.

## 6.7 Statutory Auditors' report on the financial statements

### For the year ended June 30, 2017

*This is a free translation into English of the Statutory Auditors' report on the financial statements of the company issued in French and it is provided solely for the convenience of English speaking users.*

*This report includes information specifically required by European regulation or French law, such as information about the appointment of the Statutory Auditors.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the general meeting of Bonduelle

### I. Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying financial statements of Bonduelle SCA for the year ended June 30, 2017.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at June 30, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee

### II. Basis for Opinion

#### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

#### Independence

We conducted our audit in compliance with independence rules applicable to us, for the period from July 1, 2016 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics for Statutory Auditors.

### III. Justification of Assessments - Key Audit Matters

In accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period, as well as our responses to those risks.

We determined that it was not key point of audit to communicate in our report.



## IV. Verification of the Management Report and of the Other Documents Addressed to Shareholders

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report and in the other documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

## V. Report on Other Legal and Regulatory Requirements

### Appointment of the Statutory Auditors

#### Deloitte & Associés

Was appointed Statutory Auditors of Bonduelle SCA by the General Meeting of December 7, 2006

As of June 30, 2017, Deloitte & Associés was in its 11<sup>th</sup> year of uninterrupted engagement.

#### Mazars

Was appointed Statutory Auditors of Bonduelle SCA by the General Meeting of December 20, 1989

Au 30 June 30, 2017, Mazars was in its 28<sup>th</sup> year of uninterrupted engagement and its 19<sup>th</sup> year since securities of the Company were admitted to trading on a regulated market.

## VI. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements have been approved by the General Management.



## VII. Statutory Auditors' Responsibilities for the Audit of the Financial Statements

### Objective of an audit and audit approach

Our role is to issue a report on the financial statements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified by article L. 823-10-1 of the French Commercial Code (Code de commerce), the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which company's management has conducted or will conduct the affairs of the entity.

As part of an audit in accordance with professional standards applicable in France, we exercise professional judgment throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If we conclude that a material uncertainty exists, we draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, we modify our opinion;
- Evaluate the overall presentation of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular as description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also bring to its attention any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters. We describe these matters in the audit report.

We also provide the Audit Committee [with the declaration referred to in Article 6 of Regulation (EU) N° 537/2014, confirming our independence in the sense of the rules applicable in France as defined in particular by articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de commerce) and or in the French Code of ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Lille and Courbevoie, September 29, 2017

The Statutory Auditors

French original signed by

**Deloitte & Associés**

Pierre-Marie Martin

**Mazars**

Jean-Maurice El Nouchi

## 6.8 Statutory Auditors' report on regulated agreements and commitments

*This is a free translation into English of the Statutory Auditors' report on regulated agreements and commitments issued in French and it is provided solely for the convenience of English speaking users.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

In our capacity as your company's Statutory Auditors, we hereby report to you on regulated agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms, conditions and reasons underlying company's interest of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of article R. 226-2 of the French commercial code, it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R. 226-2 of the French commercial code in relation to the implementation during the year of agreements and commitments already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with the guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) for this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

### Agreements and commitments submitted to the approval of the shareholders' meeting

In accordance with article L. 226-10 of the French commercial code, we have been informed of the following agreements and commitments previously authorized by the Supervisory Board.

#### **Bonduelle SCA's guarantee of a Bond issued by Bonduelle SAS (USPP 2017)**

**Companies involved:** Bonduelle SAS, for which Bonduelle SCA directly or indirectly holds over 10% of the voting rights and Pierre & Benoît Bonduelle SAS, General Partner of Bonduelle SCA and Chief Executive Officer of Bonduelle SAS.

**Nature, corporate purpose and terms:** On June 28, 2017, your Supervisory Board authorized Bonduelle SCA to stand surety for Bonduelle SAS in connection with the refinancing of the debt related to the acquisition of Ready Pac Foods.

On July 6, 2017, Bonduelle SAS issued a private placement in the United States (USPP) divided into two tranches of € 150 million and \$ 50 million, respectively, for a period of ten years.

This surety is non-interest bearing.



## Agreements and commitments previously approved by the Shareholders' Meeting

In accordance with article R. 226-2 of the French commercial code, we have been informed of the following agreements and commitments approved in prior years and which remained current during the last year.

### Bonduelle SCA's guarantee of a Bond issued by Bonduelle SAS (USPP 2010)

**Companies involved:** Bonduelle SAS, for which Bonduelle SCA directly or indirectly holds over 10% of the voting rights and Pierre & Benoît Bonduelle SAS, General Partner of Bonduelle SCA and Chief Executive Officer of Bonduelle SAS.

**Nature, corporate purpose and terms:** On August 3 and September 2, 2010, Bonduelle SAS issued a 12-year bond in the United States, by private placement, in two tranches, in the total amount of 165 million dollars US. Bonduelle SCA stood surety for the bond issue. This surety is non-interest bearing.

This agreement was reviewed by your Supervisory Board at its meeting on September 29, 2017. Noting that the economic conditions of this agreement have not changed, it is not necessary to resubmit it for approval to the next General Assembly.

Lille and Courbevoie, 09/29/2017

The Statutory Auditors

**Deloitte & Associés**

Pierre-Marie Martin

**Mazars**

Jean-Maurice El Nouchi









# Information on the Company and the share capital

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Information regarding the share capital

## 7.1 Information regarding the share capital

### 7.1.1 Historical information on the share capital

Year	Transaction	Par value	Additional paid-in capital	Successive amounts	Total No. of shares
1993/01/01 <i>(in francs)</i>				307,392,400	439,132
1995	Repurchase of 68,068 shares	(47,467,600)	(95,295,200)	259,744,800	371,064
1997	Capitalization of reserves and increase in nominal value from FFR 700 to FFR 760	22,263,840		282,008,640	371,064
	Division of the nominal share value from FFR 760 to FFR 40			282,008,640	7,050,216
	Integration of Financière Bonduelle Dalle and issue of 146,325 new shares	5,853,000	6,303,103	287,861,640	7,196,541
	Contribution of Bonduelle SA shares by the Bonduelle Valeurs fund	10,372,880	14,938,800	298,234,520	7,455,863
	Contribution of Bonduelle SA shares by employees and others	7,142,720	10,675,640	305,647,240	7,641,181
1998 <i>(in euros)</i>	Issue of 358,819 shares	14,352,760	30,499,615	320,000,000	8,000,000
2001	Capitalization of FFR 47,335,920 from additional paid-in capital into share capital, in view of the conversion to the euro			56,000,000	8,000,000
2005	Share capital increase following the merger with Montecourt	2,068,948	17,269,806.14	58,068,948	8,295,564
2005	Cancellation of the Company's shares received under the terms of the merger with Montecourt	(2,068,948)	(17,269,806.14)	56,000,000	8,000,000
2012	Share capital increase following the merger with L'Angevaine	1,596,000	13,933,080	57,596,000	8,228,000
	Share capital increase following the merger with La Houssaie	539,588	4,710,603.23	58,135,588	8,305,084
	Share capital increase following the merger with La Marjolaine	646,170	5,641,043.42	58,781,758	8,397,394
	Share capital increase following the merger with Pecarrère	359,464	3,138,125.23	59,141,222	8,448,746
	Capital reduction by cancellation of treasury shares of the Company received through mergers	3,124,709	(27,278,709.57)	56,016,513	8,002,359
	Capital reduction by cancellation of treasury shares	16,513		56,000,000	8,000,000
2013	Reduction of the par value of the share by exchanging each existing common share with a par value of 7 euros for four new shares each with a par value of 1.75 euros			56,000,000	32,000,000



## 7.1.2 Amount of the share capital

At August 31, 2017, the share capital amounted to 56 million euros.

It is divided into 32 million common shares of 1.75 euros each, all fully paid up and of the same class, representing

49,995,908 theoretical voting rights and 49,528,332 voting rights exercisable at the Shareholders' Meeting.

This difference relates to the 467,576 treasury shares, which do not carry voting rights.

Please note that the difference between the number of shares and voting rights is due to the existence of a double voting right.

## 7.1.3 Delegations and authorizations granted to the General Management for share capital increases

Type of resolution	Date of Shareholders' Meeting	Authorization term granted to the General Management	Date of expiration	Observation	Use during previous fiscal years	Use during the fiscal year 2016-2017
Delegation of authority to the General Management to increase the share capital by the capitalization of reserves, net income and/or additional paid-in capital. Maximum of 17.5 million euros in par value (10 million shares or 31.25% of the share capital).	2016/12/01 (11 <sup>th</sup> resolution)	26 months	2019/01/31		-	-
Delegation of authority to the General Management to issue common shares and/or common shares giving access to common shares and/or giving rights to allocations of debt securities and/or securities giving access to common shares, with preemptive subscription rights maintained. Maximum of 17.5 million euros in par value (10 million shares or 31.25% of the share capital).	2016/12/01 (12 <sup>th</sup> resolution)	26 months	2019/01/31		-	-
Delegation of authority to the General Management to issue common shares and/or common shares giving rights to allocations of other common shares or debt securities and/or securities giving access to common shares, with suspension of preemptive subscription rights by public offering and/or as consideration for securities as part of a public exchange offer. Maximum of 17.5 million euros in par value (10 million shares or 31.25% of the share capital). Common ceiling with delegation that follows.	2016/12/01 (13 <sup>th</sup> resolution)	26 months	2019/01/31		-	-
Delegation of authority to the General Management to issue common shares giving access to common shares or to allocations of debt securities and/or securities giving access to common shares, with suspension of preemptive subscription rights by private placement. Maximum of 17.5 million euros in par value (10 million shares or 31.25% of the share capital). Maximum of 20% of the share capital per year. Common ceiling with delegation that precedes it.	2016/12/01 (14 <sup>th</sup> resolution)	26 months	2019/01/31		-	-

Information regarding the share capital

Type of resolution	Date of Shareholders' Meeting	Authorization term granted to the General Management	Date of expiration	Observation	Use during previous fiscal years	Use during the fiscal year 2016-2017
Authorization, in the event of an issuance with suspension of preemptive subscription rights, to set, within a limit of 10% of the share capital per year, the issue price, which shall not be lower, at the General Management's discretion, than either the average of the closing share price of the Company on the Euronext Paris market recorded over a maximum period of six months prior to the issuance, or the weighted average price of the Company shares on the Euronext Paris market recorded over the last three trading days prior to the issuance, with a maximum discount of 15%.	2016/12/01 (15 <sup>th</sup> resolution)	26 months	2019/01/31		-	-
Authorization to increase the amount of the issues in the event of excess demand.	2016/12/01 (16 <sup>th</sup> resolution)	26 months	2019/01/31		-	-
Delegation of authority to the General Management to increase the share capital by issuing common shares and/or securities granting access to equity, within the limit of 10% of the share capital, as consideration for contributions in kind of shares or securities giving access to equity.	2015/12/03 (11 <sup>th</sup> resolution)	26 months	2018/02/02		-	-
Delegation of authority to the General Management to increase the share capital by issuing common shares and/or securities giving access to equity with suspension of preemptive subscription rights for the benefit of participants in a company savings plan in application of Articles L. 3332-18 et seq. of the French Labor Code. Maximum of 3% of the amount of the share capital at the time of the decision of the General Management to perform this increase.	2016/12/01 (17 <sup>th</sup> resolution)	26 months	2019/01/31		-	-
Authorization granted to the General Management for the purpose of allocating free shares, whether existing and/or to be issued, to employees and/or certain Corporate Officers of the Company or of affiliated companies, waiver by the Shareholders of their preemptive subscription rights. Maximum of 3% of the share capital as of the day of the Shareholders' Meeting, with the specification that the total number of free shares that may be allocated to Corporate Officers of the Company may not exceed 1% of the share capital within this overall amount.	2015/12/03 (13 <sup>th</sup> resolution)	38 months	2019/02/02		123,736	79,216



Information regarding the share capital

Type of resolution	Date of Shareholders' Meeting	Authorization term granted to the General Management	Date of expiration	Observation	Use during previous fiscal years	Use during the fiscal year 2016-2017
Authorization granted to the General Management for the purpose of granting share subscription and/or share purchase options to employees and/or certain Corporate Officers of the Company or affiliated companies, waiver by the Shareholders of their preemptive subscription rights. Maximum of 3% of the share capital as of the day of the Shareholders' Meeting, with the specification that the total number of options that may be allocated to Corporate Officers of the Company may not give the right to subscribe or purchase a number of shares exceeding 1% of the share capital within this overall amount.	2015/12/03 (12 <sup>th</sup> resolution)	38 months	2019/02/02		-	-

## 7.1.4 Potential share capital

### Summary table of convertible instruments outstanding at August 31, 2017

Convertible instruments	Maximum No. of shares that may be issued	Maximum potential dilutive effect (as a % of the share capital)
<b>SHARE PURCHASE OPTIONS AND FREE SHARES GRANTED</b>	<b>232,953</b>	<b>0.73*</b>

\* Based on capital of 32,000,000 shares.

## 7.2 Shareholder structure – GRI Standard 102-5

### 7.2.1 Analysis of share capital and voting rights

At June 30, 2015

2015	Number of shares	%	Theoretical voting rights	%	Voting rights exercisable at Shareholders' Meetings	%
La Plaine SAS <sup>(1)</sup>	7,155,904	22.36%	14,311,808	29.59%	14,311,808	30.59%
Pierre et Benoît Bonduelle SAS <sup>(2)</sup>	1,695,372	5.30%	3,380,408	6.99%	3,380,408	7.23%
<b>Total Pierre et Benoît Bonduelle SAS</b>	<b>8,851,276</b>	<b>27.66%</b>	<b>17,692,216</b>	<b>36.58%</b>	<b>17,692,216</b>	<b>37.82%</b>
Other family Shareholders - Acting in concert <sup>(3)</sup>	5,833,302	18.23%	10,276,034	21.25%	10,276,034	21.97%
<b>Sub-total concert</b>	<b>14,684,578</b>	<b>45.89%</b>	<b>27,968,250</b>	<b>57.83%</b>	<b>27,968,250</b>	<b>59.79%</b>
Other family Shareholders - Not acting in concert	2,032,085	6.35%	3,756,146	7.77%	3,756,146	8.03%
<b>Total family Shareholders</b>	<b>16,716,663</b>	<b>52.24%</b>	<b>31,724,396</b>	<b>65.60%</b>	<b>31,724,396</b>	<b>67.82%</b>
Total treasury shares	1,582,218	4.94%	1,582,218	3.27%	0	0.00%
Total mutual funds	1,070,911	3.35%	2,079,311	4.30%	2,079,311	4.44%
Total free float	12,630,208	39.47%	12,976,010	26.83%	12,976,010	27.74%
<b>TOTAL</b>	<b>32,000,000</b>	<b>100.00%</b>	<b>48,361,935</b>	<b>100.00%</b>	<b>46,779,717</b>	<b>100.00%</b>

(1) La Plaine SAS is 53.33% controlled by Pierre et Benoît Bonduelle SAS, with the remainder held by family Shareholders, none of whom holds more than 5% of the share capital or voting rights.

(2) Bonduelle SCA is a société en commandite par actions (French limited partnership with shares, or SCA). The General Partner is the SAS (French simplified joint stock company) Pierre et Benoît Bonduelle, whose shares are owned by family Shareholders. Pierre et Benoît Bonduelle SAS is the General Manager of Bonduelle SCA.

(3) Signatories of the pact for all shares held.

At June 30, 2016

2016	Number of shares	%	Theoretical voting rights	%	Voting rights exercisable at Shareholders' Meetings	%
La Plaine SA <sup>(1)</sup>	7,155,904	22.36%	14,311,808	28.60%	14,311,808	28.90%
Pierre et Benoît Bonduelle SAS <sup>(2)</sup>	2,379,220	7.44%	4,064,256	8.12%	4,064,256	8.21%
<b>Total Pierre et Benoît Bonduelle SAS</b>	<b>9,535,124</b>	<b>29.80%</b>	<b>18,376,064</b>	<b>36.73%</b>	<b>18,376,064</b>	<b>37.11%</b>
Other family Shareholders - Acting in concert <sup>(3)</sup>	5,853,294	18.29%	11,646,280	23.28%	11,646,280	23.52%
<b>Sub-total concert</b>	<b>15,388,418</b>	<b>48.09%</b>	<b>30,022,344</b>	<b>60.00%</b>	<b>30,022,344</b>	<b>60.63%</b>
Other family Shareholders - Not acting in concert	2,014,559	6.30%	4,012,136	8.02%	4,012,136	8.10%
<b>Total family Shareholders</b>	<b>17,402,977</b>	<b>54.39%</b>	<b>34,034,480</b>	<b>68.02%</b>	<b>34,034,480</b>	<b>68.73%</b>
Total treasury shares	521,756	1.63%	521,756	1.04%	0	0.00%
Total mutual funds	1,104,113	3.45%	2,123,513	4.24%	2,123,513	4.29%
Total free float	12,971,154	40.53%	13,355,826	26.69%	13,355,826	26.98%
<b>TOTAL</b>	<b>32,000,000</b>	<b>100.00%</b>	<b>50,035,575</b>	<b>100.00%</b>	<b>49,513,819</b>	<b>100.00%</b>

(1) La Plaine SA is 53.33% controlled by Pierre et Benoît Bonduelle SAS, with the remainder held by family Shareholders, none of whom holds more than 5% of the share capital or voting rights.

(2) Bonduelle SCA is a société en commandite par actions (French limited partnership with shares, or SCA). The General Partner is the SAS (French simplified joint stock company) Pierre et Benoît Bonduelle, whose shares are owned by family Shareholders. Pierre et Benoît Bonduelle SAS is the General Manager of Bonduelle SCA.

(3) Signatories of the pact for all shares held.

**At June 30, 2017**

2017	Number of shares	%	Theoretical voting rights	%	Voting rights exercisable at Shareholders' Meetings	%
La Plaine SA <sup>(1)</sup>	7,155,904	22.36%	14,311,808	28.62%	14,311,808	28.90%
Pierre et Benoît Bonduelle SAS <sup>(2)</sup>	2,379,220	7.44%	4,064,256	8.13%	4,064,256	8.21%
<b>Total Pierre et Benoît Bonduelle SAS</b>	<b>9,535,124</b>	<b>29.80%</b>	<b>18,376,064</b>	<b>36.75%</b>	<b>18,376,064</b>	<b>37.11%</b>
Other family Shareholders - Acting in concert <sup>(3)</sup>	5,829,808	18.22%	11,652,826	23.31%	11,652,826	23.53%
<b>Sub-total concert</b>	<b>15,364,932</b>	<b>48.02%</b>	<b>30,028,890</b>	<b>60.06%</b>	<b>30,028,890</b>	<b>60.64%</b>
Other family Shareholders - Not acting in concert	1,969,197	6.15%	3,895,014	7.79%	3,895,014	7.86%
<b>Total family Shareholders</b>	<b>17,334,129</b>	<b>54.17%</b>	<b>33,923,904</b>	<b>67.85%</b>	<b>33,923,904</b>	<b>68.50%</b>
Total treasury shares	473,180	1.48%	473,180	0.95%	0	0.00%
Total mutual funds	1,106,971	3.46%	2,148,802	4.30%	2,148,802	4.34%
Total free float	13,085,720	40.89%	13,455,344	26.90%	13,455,344	27.16%
<b>TOTAL</b>	<b>32,000,000</b>	<b>100.00%</b>	<b>50,001,230</b>	<b>100.00%</b>	<b>49,528,050</b>	<b>100.00%</b>

(1) La Plaine SA is 53.33% controlled by Pierre et Benoît Bonduelle SAS, with the remainder held by family Shareholders, none of whom holds more than 5% of the share capital or voting rights.

(2) Bonduelle SCA is a société en commandite par actions (French limited partnership with shares, or SCA). The General Partner is the SAS (French simplified joint stock company) Pierre et Benoît Bonduelle, whose shares are owned by family Shareholders. Pierre et Benoît Bonduelle SAS is the General Manager of Bonduelle SCA.

(3) Signatories of the pact for all shares held.

As far as the Company is aware, no other Shareholder currently owns, directly or indirectly, solely or jointly, more than 5% of the share capital or voting rights. No significant changes in the Shareholder base took place between the end of the fiscal year and the date this document was established. The Company is controlled as described above. The measures taken to protect against abusive exercise of control are:

- the presence of independent directors on the Board of Directors of Bonduelle SAS;
- the presence of independent members on the Supervisory Board of Bonduelle SCA;
- the presence of specialized committees;
- the existence of a substantial free float.

The Company conducted a EUROCLEAR study on the bearer shares on June 30, 2017. This study involved 8,812 bearer Shareholders. It revealed that 22% of the share capital is held by bearer Shareholders residing in France and its overseas departments, while 17% of the share capital is held by bearer Shareholders residing abroad and in France's overseas territories. When the analysis is made by type of holder, the study shows that 7% of the share capital is held by private individual bearer Shareholders and 32% of the share capital is held by institutional investors.

## 7.2.2 Stock Market Code of Conduct

In line with its values, the Bonduelle Group put in place governance rules many years ago, and in 2008 adopted the principles of the Afep-Medef corporate governance code. In this area, and in line with the recommendations of the *Autorité des marchés financiers* (French financial markets authority -

AMF), in September 2011, the group introduced a Stock Market Code of Conduct, available at [www.bonduelle.com](http://www.bonduelle.com).

## 7.2.3 Shareholders' agreements

A first lock-up agreement was signed on May 26, 1998 by 102 family Shareholders "with the purpose of creating a stable and long-lasting core shareholding". Under this agreement, the signatories undertook to hold a portion of their shares for ten years. This agreement expired on May 26, 2008.

A second agreement was entered into by 144 family Shareholders with the purpose of stabilizing the volume of shares traded on the market, ensuring continuity in the Company's management and maintaining the undertaking to cooperate in a partnership and oversee its administration (*affectio societatis*) by the family shareholding group. This agreement was signed on March 27, 1998 for five years and has subsequently been renewed every year; each party to the agreement may withdraw from the agreement one year prior to each renewal date.

A third agreement, canceling and replacing the previous agreements and with modifications made to certain provisions, was set in place in 2008 for an initial period of five years, renewable every year upon the expiration of that period. Each party may withdraw from the agreement one year prior to each renewal date. The *Autorité des marchés financiers* (AMF) considered that, under the provisions of this agreement, the signatories were acting in concert <sup>(1)</sup>.

In light of these agreements, the joint action observed by the *Autorité des marchés financiers* accounted at June 30, 2017 for 48.02% of the Company's share capital and 60.06% of the 50,001,230 theoretical voting rights.

(1) *Autorité des marchés financiers* opinion No. 214C0595.

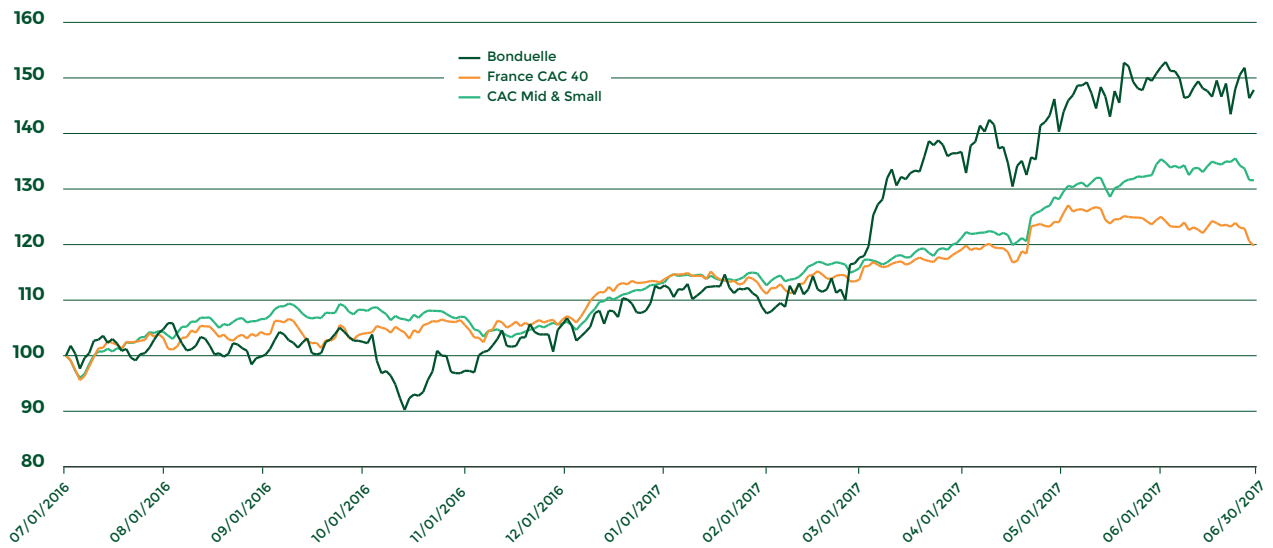


## 7.3 Bonduelle share and dividend information

### 7.3.1 Share price performance

#### Change in the Bonduelle share price in relation to the CAC 40 and CAC Mid & Small indexes

(basis 100, July 2016)





## Stock market data

Share price	2013-2014	2014-2015	2015-2016	2016-2017
High (in euros)	22.78	26.52	27,-	33.94
Low (in euros)	17.17	18,-	21.1	20.03
Last share price (in euros)	21.41	22.80	21.68	32.82
Market capitalization at June 30 (in millions of euros)	685.12	729.60	693.76	1,050.24
Average daily trading volume (in euros)	330,184	257,382	316,323	493,653

Stock Exchange: Euronext Paris  
 Market segment: Euronext French stocks  
 Type: Compartment B  
 ISIN code: FR 0000063935  
 Reuters code: BOND.PA

Bloomberg code: BON FP  
 Shares outstanding: 32,000,000  
 Indexes: CAC Mid & Small, CAC All Shares, CAC All Tradable  
 Eligible for: deferred settlement service (SRD) long only

## 7.3.2 Dividends

The following dividends were paid during the previous five fiscal years:

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Dividend per share (eligible for tax credit) (in euros)	0.375	0.375	0.43	0.43	0.45
Total dividends paid (in thousands of euros)	12,000*	12,000*	13,760*	13,760*	14,400*

\* Including the amount of unpaid dividends on treasury shares allocated to retained earnings.

The Company intends to pay out a limited proportion of its net income each year, so that it can finance its investments and external growth.

## 7.4 Description of the share repurchase program

Pursuant to the provisions of the delegated regulation of March 8, 2016 supplementing EC regulation (EU) No. 596/2014 of the European parliament and of the Council with technical regulatory standards regarding the terms applicable to share repurchase programs and to stabilization measures, the purpose of this description is to describe the goals and methods of the Company's program to repurchase its own shares. This program will be submitted for the authorization of the Shareholders' Meeting of December 7, 2017. The notice of the meeting is to be published in the BALO of October 30, 2017.

### 7.4.1 Analysis by intended use of treasury shares held at August 31, 2017

Number of shares held directly and indirectly: 467,576 shares representing 1.46% of the Company's share capital.

Number of shares held by intended use:

- ensure liquidity of Bonduelle shares under AMAFI-compliant liquidity contract: 7,199;
- acquisition-related transactions: 199,424;
- coverage for share purchase option plans and other types of share allocations to employees: 260,953;
- coverage of securities conferring rights to allocations of Company shares: 0;
- cancellation: 0.

### 7.4.2 Detailed description of the share repurchase program

- **Authorization of the program:** Shareholders' Meeting of December 7, 2017
- **Securities involved:** common shares
- **Maximum portion of the share capital that may be repurchased under the authorization:** 10% (or 3.2 million shares on the present date), it being specified that this limit shall be evaluated on the repurchase date to reflect any capital increases or decreases during the term of the program. The number of shares taken into account for the calculation of this limit corresponds to the number of shares purchased, less the number of shares sold under the liquidity contract during the program.

As the Company may not hold more than 10% of its own share capital, in light of the number of shares already held as of August 31, 2017 (467,576 shares or 1.46% of the share capital), the maximum number of shares that may be purchased will be 2,732,424 (i.e. 8.54% of the share capital), subject to the sale or cancellation of some or all of the shares already held.

- **Maximum purchase price:** 60 euros
  - **Maximum program amount:** 192,000,000 euros
  - **Methods used:** These share purchases may be made using all available methods, including block purchases, and at such times as the General Manager chooses.
- The Company reserves the right to use options or derivative instruments in accordance with all applicable regulations.

– **Objectives:**

- ensure secondary market trading or liquidity for Bonduelle shares through an investment service provider on the basis of a liquidity contract compliant with the Code of Ethics of the French Association of Financial Market Professionals (AMAFI) recognized under the regulations, it being specified that in this context, the number of shares used in calculating the aforementioned limit is the number of shares purchased less the number of shares resold,
- hold the shares acquired for subsequent use in exchange or as payment in connection with any potential acquisition,
- ensure that sufficient shares are available to cover needs generated by share purchase option plans and/or free share plans (or similar plans) granted to employees and/or Corporate Officers of the group, as well as any share awards as part of a company or group savings plan (or similar plan), employee profit sharing and/or any other form of allocation of shares to employees and/or Corporate Officers of the group,
- provide coverage for securities giving rights to allocations of Company shares in accordance with applicable regulations,
- potentially cancel any of the shares acquired subject to the authorization to be granted by the 10<sup>th</sup> resolution of this Extraordinary Shareholders' Meeting,

- **Term of the program:** 18 months from the Shareholders' Meeting of December 7, 2017, i.e. until June 6, 2019.

For further information:

[finance@bonduelle.com](mailto:finance@bonduelle.com)

Phone: +33 (0)3 20 43 60 60



## 7.5 General information regarding the Company

### Legal name – GRI Standard 102-1

Bonduelle

### Registered office – GRI Standard 102-3

“La Woestyne”

59173 – Renescure (France)

Phone: +33 (0)3 28 42 60 60

### Administrative head office

Rue Nicolas Appert

BP 30173

59653 – Villeneuve d’Ascq (France)

### Business structure – GRI Standard 102-5

Bonduelle is a *société en commandite par actions* (French limited partnership with shares), governed by the French Commercial Code.

### Date of incorporation and term

The Company was established on January 19, 1972 for a period of 99 years expiring on January 18, 2071, except in the event of early liquidation or extension.

### Corporate registration number

The Company is registered with the Dunkerque Trade and Companies Registry under number 447 250 044.

Its APE industry code is: 6420 Z

### Fiscal year

From July 1 to June 30 each year.

### Corporate purpose

#### (Article 2 of the Articles of association)

The purpose of the Company, in France and in all countries is:

- owning and managing securities and ownership rights issued by any French or foreign company;
- entering into any financial and industrial investments;
- managing companies;
- and more generally, entering into any transactions that may contribute to its development.

The Company may enter into any transaction compatible with, related to and/or contributing to the above purpose.

### Corporate documents concerning the last three fiscal years

The Articles of association, financial statements and reports, minutes of Shareholders’ Meetings and other corporate documents are available at the Company’s registered and administrative head offices.

### Appropriation of net income

#### (Article 25 of the Articles of association)

The meeting approves the financial statements for the fiscal year just ended, and where applicable, the consolidated financial statements, and notes whether there is any distributable income.

Within the limit of its distributable income, the Company pays the General Partner 1% of the net income of the year.

If income available for distribution for a period is not sufficient to pay all or part of the above percentage of earnings due to the General Partner, such amount will be carried forward and payable the following year or in future years until fully paid off.

Amounts payable to the General Partner will be paid at times and locations indicated by the General Management within nine months following the close of the fiscal year.

After payment of amounts due to the General Partner, Shareholders are entitled to the balance of income available for distribution. The appropriation of this income is decided by the Ordinary Shareholders’ Meeting upon a motion by the General Partner.

Upon the recommendation of the Supervisory Board, the meeting may grant Shareholders the choice of receiving all

## General information regarding the Company

or part of the final or interim dividend in cash or shares, as provided by law.

Upon a motion by the Supervisory Board, the Shareholders' Meeting may elect to deduct amounts it deems appropriate from the balance of the earnings reverting to Shareholders as retained earnings for Shareholders or allocate such amounts to one or more non-interest bearing extraordinary, general or special reserves, to which the General Partners, in this capacity, shall have no rights.

Upon a motion by the General Partner, such reserve or reserves may, by a decision of the Ordinary Shareholders' Meeting, be distributed to Shareholders or allocated to fully or partially redeem the shares. Fully redeemed shares are replaced by dividend-bearing shares that confer the same rights as existing shares except the right to redemption of capital.

Such reserve or reserves may also be capitalized.

Dividends are payable at the times and in the places determined by the General Management, within a maximum period of nine months from the end of the fiscal year, unless this period is extended by court order.

## Shareholders' Meetings

### (Article 23 of the Articles of association)

Shareholders' Meetings are called according to the legally prescribed conditions.

Shareholders' Meetings are to be held at the Company's registered office, or any other place mentioned in the notice convening the Shareholders' Meeting.

The right to participate in Shareholders' Meetings is dependent on the registration of the securities in the name of the Shareholder or his or her intermediary, under the terms and conditions established by applicable regulations, either in the Company's Shareholder register or in the bearer securities register maintained by the authorized intermediary.

Any persons invited by the General Management or by the Chairman of the Supervisory Board are also allowed to attend meetings.

The General Partner is represented by one of its legal representatives or by any person, who may or may not be a Shareholder, mandated by one of the latter.

Shareholders who take part in meetings through videoconferencing or other telecommunications media enabling their identification and permitted under the conditions stipulated by applicable laws and regulations shall be considered to be present in the calculation of the quorum and majority, provided the General Management elects to use such means of participation prior to sending the notice convening the Shareholders' Meeting.

Meetings are presided over by the Chairman of the Supervisory Board or, if the latter is not available, the Vice Chairman of the Supervisory Board or, if the latter is not available, by the General Management.

Ordinary and Extraordinary Shareholders' Meetings ruling under the conditions prescribed by law, exercise their functions in accordance with the law.

Except for the appointment and dismissal of members of the Supervisory Board, the appointment and dismissal of Statutory Auditors and the approval of regulated agreements, no decision of the meetings will be valid unless it is approved in writing by the General Partner no later than the end of the Shareholders' Meeting that approved said decision.

The Company's General Management has full powers to record such approval, and shall append the document manifesting such approval to the minutes of the meeting in question.

## Shareholding structure – Exceeding statutory thresholds

### (Article 11 of the Articles of association)

Any natural person or legal entity, acting alone or in concert, who acquires a number of shares or voting rights representing more than one of the thresholds established by law, must comply with the disclosure provisions provided for by that law within the allotted time period. This same disclosure is also required each time the ownership of share capital and/or voting rights falls below one of the statutory thresholds.

Moreover, any natural person or legal entity, acting alone or in concert, who acquires or ceases to hold, in any manner, a number of shares equal to 2% or 4% of the share capital or voting rights, is required to notify the Company, within 15 days after each of the aforementioned thresholds has been crossed, of its total holdings of shares and/or other securities giving access to the share capital, and all attached voting rights. For the purposes of applying this obligation under the Articles of association, the shareholding thresholds are calculated under the same conditions as the statutory shareholding thresholds.

Failure to comply with this obligation under the Articles of association will result in a loss of voting rights for those undisclosed shares exceeding the aforementioned thresholds in any Shareholders' Meeting held until two years have elapsed from the date on which the situation is rectified, where there is a request, contained in the meeting minutes, by one or more Shareholders holding at least 5% of the share capital.

For more information on share ownership: see table 7.2.1 "Analysis of share capital and voting rights".



## Double voting right (established by the Extraordinary session the Combined Ordinary and Extraordinary Shareholders' Meeting of October 24, 1997 in its 10<sup>th</sup> resolution - Article 12 of the Articles of association)

Holders of fully paid-up shares registered in the name of the holder for more than three years shall be entitled to double voting rights. Double voting rights shall apply at all Ordinary and Extraordinary Shareholders' Meetings.

The legal provisions concerning double voting rights are set out below:

- in the event of an increase in the share capital by capitalization of reserves, net income or additional paid-in capital, double voting rights shall be attributed from the date of issue to registered shares allotted free of charge to a Shareholder as a result of their ownership of existing shares that are already entitled to double voting rights. (Article L. 225-123 of the French Commercial Code);
- any share converted into a bearer share or whose ownership is transferred loses the double voting rights assigned in application of Article L. 225-123. However, the transfer of shares as a result of inheritance, liquidation of a community of assets between spouses or *inter vivos* gifts to a spouse or relative whose degree of relationship is sufficiently close, does not result in the loss of entitlement to the right acquired and does not interrupt the qualification period mentioned in the first paragraph of Article L. 225-123. Unless otherwise stipulated in the Company's Articles of association, the same shall apply to the assignment of double voting rights in the event of a transfer following a merger or split involving a company that holds shares in the Company.

A merger or split of the Company shall have no effect on the double voting rights that may be exercised within the beneficiary company or companies, provided that this is established in the latter's Articles of association (Article L. 225-124 of the French Commercial Code).

## Separation of voting rights between the usufructuary and the bare owner (Article 12 of the Articles of association)

The Articles of association currently provide that, unless there is an agreement notified to the Company, where there is a separation of ownership rights, voting rights shall belong to the bare owner, except in the case of collective decisions relating to the appropriation of income, when voting rights shall belong to the usufructuary.

However, holders of shares where there is a separation of ownership rights may agree between themselves how to assign the voting rights for Shareholders' Meetings. In this event, they must make their agreement known to the Company by certified letter with return receipt sent to the registered office and addressed to the General Management.

The Company shall be required to respect this agreement for all collective decisions made after one month has elapsed following the initial presentation of the certified letter with return receipt, with the postmark being taken as proof of the date of initial presentation.

Notwithstanding the provisions set out above, the bare owner has the right to participate in all collective decisions of Shareholders.

## Identification of bearer shares (Article 9 of the Articles of association)

The Company may, at any time and in accordance with legal and regulatory provisions, request information from the central securities depository to enable it to identify the holders of bearer shares providing, immediately or in the future, the right to vote in Shareholders' Meetings, as well as the quantity of securities held by each of them and, where applicable, the restrictions that may apply to these securities.

## General Management (Article 15 of the Articles of association)

The Company is managed and administrated by one or more General Managers, who may be General Partners or not affiliated with the Company. If there is more than one General Manager, all provisions of the present Articles of association concerning the "General Manager" shall be applicable to each of them, acting as a group or separately.

The General Manager may be a natural person or a legal entity, including the General Partner itself.

General Managers who are a natural person are appointed for a period of three years, expiring at the end of the annual Ordinary Shareholders' Meeting held to approve the financial statements for the second fiscal year following the one during which the General Manager was appointed. General Managers who are a legal entity are appointed for an indefinite period.

During the term of the Company, the General Partner has sole authority to appoint the General Manager(s).

The General Manager's functions shall end subsequent to his/her/its death, permanent disability, interdiction, court-ordered reorganization or liquidation, dismissal or resignation, or on his/her 75<sup>th</sup> birthday.

The Company shall not be dissolved in the event that the functions of a General Manager are terminated, regardless of the reason.

Any General Manager wishing to resign must provide the General Partner and the Supervisory Board with at least six months' prior notice, by certified mail, unless the General Partner authorizes a shorter period after evaluating the reasoned opinion of the Supervisory Board.

The General Partner is responsible for ordering the dismissal of any General Manager.



General information regarding the Company

## Powers of the General Management

(Article 16 of the Articles of association)

### Relationships with third parties

The General Management has full powers to act in the Company's name under any circumstances. It exercises these powers within the limits of the Company's corporate purpose and any powers granted explicitly by law to the Supervisory Board and to the Shareholders' Meeting.

### Relationships between partners

Insofar as relationships between the Company's partners are concerned, the General Management has full powers to take all managerial actions in the interest of the Company and in compliance with the powers granted by the present Articles of association to the General Partner in the article entitled "Responsibilities and powers of the General Partner" and to the Supervisory Board in the article entitled "Powers of the Supervisory Board".

### Delegations

The General Management may grant, at its sole discretion, all delegations of powers that it deems necessary for the proper running of the Company and the group.

With the approval of the General Partner, it may grant general limited or unlimited powers to one or more of the Company's Managers, who are then given the title of Chief Executive Officer.

## Compensation of General Management

(Article 17 of the Articles of association)

The annual gross compensation in accordance with these Articles of association of the General Management is made up of two components:

- an amount equal to 1.5% of the group's share of the consolidated net income of the previous fiscal year;
- additional compensation equal to 1% of the group's share of the consolidated net income of the previous fiscal year, when the latter exceeds 1.5% of net consolidated revenue.

Compensation is to be paid in 12 equal monthly payments.

This compensation is split equally among the General Managers, unless they have agreed otherwise.

If one or more General Managers are legal entities, all compensation shall be split equally among this or these legal entity General Managers, unless they have agreed otherwise.

Any additional compensation paid to the General Management must be approved by the Ordinary Shareholders' Meeting, with the approval of the General Partner.

## Supervisory Board

(Article 18 of the Articles of association)

The Company has a Supervisory Board comprising between 3 and 18 members selected from among the Shareholders who do not qualify as General Partners, who are not the legal representative of the General Partner, nor the Manager of Pierre et Benoît Bonduelle SAS.

The members of the Supervisory Board may be natural persons or legal entities.

When they are appointed, legal entities must appoint a permanent representative, who is subject to the same conditions and obligations and has the same responsibilities as if he or she were a member of the Supervisory Board in his or her own right, notwithstanding the joint liability of the legal entity that he or she represents. This person is appointed permanent representative for as long as the term of appointment of the legal entity that he or she represents.

If the legal entity revokes the mandate of its representative, it must notify the Company of such revocation, immediately, by certified mail, as well as of the identity of its new permanent representative. The same shall apply in the event of the death, resignation or prolonged inability to serve of the permanent representative.

The members of the Supervisory Board are appointed and their mandates renewed by the Ordinary Shareholders' Meeting. The General Partner may, at any time, propose the appointment of one or more new members of the Supervisory Board.

A third of the Supervisory Board members are re-appointed every three years at an annual Ordinary Shareholders' Meeting. Every appointment, whether it be in replacement of an existing member of the Supervisory Board or not, is valid through the next renewal of the Supervisory Board membership in question.

No one may be appointed member of the Supervisory Board if, having exceeded the age of 75, his or her appointment would increase to more than one-third the proportion of Supervisory Board members who have already exceeded this age.

The members of the Supervisory Board may be dismissed by decision of the Ordinary Shareholders' Meeting only at the joint suggestion for just cause of the General Partner and the Supervisory Board.

In the event that one or more members of the Supervisory Board should die or resign, the Supervisory Board may appoint a temporary replacement within three months from the date on which the vacancy is created.

Should no more than two members of the Supervisory Board remain active, the active member(s), or, if not, the General Manager or the Statutory Auditor(s), must immediately convene an Ordinary Shareholders' Meeting in order to fill the vacant memberships.



## Supervisory Board deliberations (Article 19 of the Articles of association)

From among its members, the Supervisory Board appoints a Chairman, who must be a natural person, and a Vice Chairman.

It also appoints a Secretary, who is not required to be a member of the Supervisory Board.

In the absence of the Chairman, his or her functions are performed by the Vice Chairman.

The Supervisory Board is convened by either its Chairman or by the General Management, as often as required in the interest of the Company and at least twice per year, in the registered office or any other place indicated in the meeting notice.

Meeting notices are distributed by all means serving as valid proof for commercial purposes, at least seven working days prior to the meeting. This time requirement may be reduced subject to the unanimous approval of the Chairman or the Vice Chairman of the Supervisory Board, the General Partner and the General Manager.

Any member of the Supervisory Board may, by all means serving as valid proof for commercial purposes, give proxy to one of his colleagues to represent him at a meeting of the Supervisory Board. No member may hold more than one proxy during a single meeting. These provisions also apply to the permanent representative of a legal entity member of the Supervisory Board.

The Supervisory Board may only deliberate if at least half of its members are present or represented.

Decisions require a majority of the votes of the members present or represented.

The rules of procedure may establish that all members of the Supervisory Board that participate in the meeting by means of videoconferencing or telecommunications are considered present for the purposes of calculating the quorum and the majority, within the conditions established by all laws and regulations applicable to French corporations (*sociétés anonymes*).

The General Manager must be invited to and may participate in the meetings of the Supervisory Board, although he may not cast a vote.

The deliberations of the Supervisory Board are recorded in minutes maintained in a special initialed register, and signed by the Chairman and the Secretary.

## Powers of the Supervisory Board (Article 20 of the Articles of association)

The Supervisory Board is responsible for the permanent control of the management of the Company. It is therefore vested with the same powers as the Statutory Auditors, and is provided at the same time as the latter with the same documents. Also, the General Management must provide the Supervisory Board, at least once per year, with a detailed review of the operations of the Company.

The Supervisory Board may make suggestions to the General Management regarding all questions of general interest to the Bonduelle Group and regarding the allocation of income proposed to the Shareholders' Meeting.

Every year at the Annual Ordinary Shareholders' Meeting, the Supervisory Board presents the Shareholders with a report in which it signals any irregularities or inaccuracies observed in the financial statements for the year and comments on the management of the Company.

This report and the other documents required by law are placed at the disposal of the Shareholders, who may consult them at the Company's registered office once the Shareholders' Meeting has been convened.

The Supervisory Board may convene a Shareholders' Meeting as many times as it deems appropriate.

The functions of the Supervisory Board do not impinge in any way upon those of the General Management, and do not engender any liability for any acts of management or their consequences.

## Compensation of the Supervisory Board (Article 21 of the Articles of association)

On the recommendation of the General Partner, the Supervisory Board may be allocated annual compensation in respect of directors' fees, the amount of which is determined by the Ordinary Shareholders' Meeting and remains unaltered until such time as the meeting shall decide otherwise.

The Supervisory Board divides these directors' fees among its members in the proportions that it deems appropriate.

## Changes to Shareholders' rights

Shareholders' rights may be modified under the conditions laid down by current regulations.

## Modifications to the share capital

The share capital may be modified under the terms and conditions provided by the laws and regulations in effect.

## Provisions relating to a change in control

The Articles of association do not contain any provisions that may have the effect of delaying, postponing or prohibiting a change in control.

General information regarding the Company

## Important events or developments in the Company

### 1853-1926

#### Origins: birth of a legend

The Company was founded by two individuals: Louis Bonduelle-Dalle (1802-1880) and Louis Lesaffre-Roussel (1802-1869). Both came from farming families in the Nord department of France.

In 1853, the two men decided to build a grain and juniper distillery in Marquette-lez-Lille.

In 1862, they bought a farm in Renescure (France) which they converted into a grain alcohol distillery.

### 1926-1946

#### Canning business takes off

In 1926, they installed their first pea sheller and autoclaves in the family farm at Woestyne.

Bonduelle started canning 20 hectares of peas, corresponding to annual production of approximately 120 tonnes.

In 1936, they expanded the farm to 230 hectares, and the canning plant also grew considerably.

### 1947-1962

#### From cottage industry to thriving industry: a brand attentive to consumer needs

Business recovered quickly after the war. It broke away from the sales network of La Rochefortaise, which had been marketing its products until then, and launched its own brand.

In 1957, Bonduelle decided to can a mixture of peas and carrots. This was a first for the canning industry, and established the Company's commercial success.

### 1963-1974

#### Sharp expansion

In 1968, advances in technology enabled the Company to freeze vegetables, a development which would become a great success.

In the late 1960s and early 1970s, several European subsidiaries were created: in Germany (1969), Italy (1972) and the United Kingdom (1973). Subsidiaries in other countries soon followed.

By 1973, more than half of Bonduelle's revenues were generated outside France.

### 1975-1984

#### Period of expansion: beyond Picardie

Bonduelle embarked on a business development drive that took it to the south west of France, the Oise department north of Paris and then Belgium.

This geographical expansion led the Company to invest in two new sectors: corn and mushrooms.

In 1980, Bonduelle acquired Marie-Thumas, the largest vegetable canning company in Belgium and a leading brand in this market for 100 years.

In 1983, Bonduelle optimized its production capacity with 350,000 tonnes of canned goods and 9,000 tonnes of frozen foods, thereby effectively confirming its position as the European leader in the processed vegetable sector.

### 1985-1993

#### Conquering Europe

Creation of subsidiaries in Spain (1986) and Portugal (1988).

At the end of 1989, Bonduelle acquired Cassegrain.

The group started expanding into Eastern Europe, marketing its products in the former East Germany, the Czech Republic and, beginning in 1992, Poland.

In 1986, the Renescure (France) and Bordères (France) production facilities obtained ISO 9002 certification, followed soon after by the group's other production sites.

### 1994-1999

#### Growth within and beyond Europe, the group's third business line: fresh foods, and its initial public offering

In 1995, the brand adopted a new visual identity as a symbol of renewal: a shining sun and a band of greenery that conjured up nature, pleasure, and well-being.

Bonduelle opened a sales subsidiary in Brazil in 1994, then another in Argentina in 1996 and began its development in Russia.

Further technological advances enabled Bonduelle to develop its expertise into the prepared fresh vegetables segment. It acquired a majority stake in Salade Minute.

In 1998, the Bonduelle brand expanded into the fresh foods market in France and signed a partnership agreement with Cielo e Campo, Italy's number two in the fresh-cut range. In June 1999, Bonduelle's fresh-cut vegetables appeared on Italian supermarket shelves.

In the spring of 1998, the group was listed on the Second Marché of the Paris Stock Exchange.





In November 1999, Bonduelle took part in the vegetable canning industry consolidation in France by acquiring the assets of Avril/Cirio France (French private labels).

To raise its profile, Bonduelle decided to sponsor the construction of a multi-hull yacht in October 1999 and chose skipper Jean Le Cam from Brittany to compete in sailing races. The values evident in this sport are a perfect fit for Bonduelle: nature, well-being, technology and vitality.

## 2000 to 2012

### Growth and continued expansion

#### 2000

- Organization of the group into a federation of subsidiaries;
- Takeover of Cielo e Campo (fresh foods, Italy), already a partner since 1998;
- Creation of Bonduelle Frische (fresh foods, Germany).

#### 2001

- Merger of Cielo e Campo/Ortobell (Italian fresh foods market leader), which contributed its two plants in San Paolo d'Argon (Bergamo - Italy) and Battipaglia (Salerno - Italy), which was under construction.

#### 2003

- Acquisition of Vita, the market leader in fresh-cut vegetables in Germany and its plants in Reutlingen and Wanzleben;
- 150<sup>th</sup> anniversary;
- Acquisition of the Békéscsaba plant in Hungary;
- Acquisition of Michel Caugant - creation of a sixth subsidiary;
- Sports sponsorship: launch of the program to build a single-hull boat and participation in the Vendée Globe Challenge in 2004.

#### 2004

- The Novotitarovskaya plant opens in Russia.

#### 2006-2007

##### Conquering North America

In June 2006, the Bonduelle Group acquired a minority shareholding in Aliments Carrière, the leading producer of canned and frozen vegetables in Canada.

#### 2007-2008

On July 12, 2007, the Bonduelle Group took full control of the Canadian canned and frozen vegetables leader, thereby establishing a long-term presence in North America.

#### 2008-2009

In November 2008, Bonduelle acquired La Corbeille, a Belgian producer and distributor of canned vegetables that focuses on the private label sector in Northern Europe.

#### 2009-2010

##### Bonduelle, European leader in processed mushrooms

During this period, the group acquired the France Champignon group, Europe's leading producer of processed mushrooms (revenue of around 200 million euros).

France Champignon produces and sells mushrooms in all formats (canned, fresh, pasteurized and dried) and of all kinds (white mushrooms and wild mushrooms) in Europe.

#### 2010-2011

##### Operations in Brazil

###### *Industrial operations and commercial development in Brazil*

The group has had a presence in Brazil since the mid-1990s, in both canned and frozen vegetables, mainly through the use of imported products, and enjoys good market shares and strong recognition.

The industrial operations in Brazil, which began in September 2010, include the construction of a canning plant (primarily for peas and corn) in the Brasilia region. This region enjoys clement weather conditions that greatly extend the annual growing period, thereby reducing capital requirements (production facilities and inventory carrying costs).

Marketing of local products commenced in November 2010, with production having begun in September 2010.

#### 2011-2012

##### Three acquisitions that will enhance the group's international scope

In the second half of the 2011-2012 fiscal year, the group announced three acquisitions, in Hungary, Russia and the United States.

In Hungary and Russia, the acquisitions of production assets from Kelet-Food and the commercial and agro-industrial assets of Cecab will secure the supply of high-growth markets in Central and Eastern Europe, by strengthening the group's commercial presence in these regions.

In the United States, the acquisition of the Allens frozen business will enable the subsidiary Bonduelle North America to expand its presence in the country, and to become a key player in the frozen food sector in North America.

General information regarding the Company

## 2012 to today

### VegeGo! an ambition for 2025

2012 saw Bonduelle initiate a new phase in its development to define a vision for the group to 2025. A process involving the family Shareholders, the members of the Executive Committee, 300 Managers and external experts culminated in the launch of VegeGo! at the end of 2012.

A visionary and collaborative program, the aim of VegeGo! is to position the Bonduelle Group as "the world reference in 'well-living' through vegetable products", wholeheartedly embracing its responsibilities to Shareholders, employees, partners, customers and the environment.

Organized since 2013 in business units, each dedicated to a technology/geographic region pairing, the group promotes autonomous and flexible operational entities that are responsible for executing its development strategy.

## 2012-2016

### All-time high activity and profitability

Now operating on an international scale with one-third of its sales in France, one-third in Europe outside France and one-third outside Europe, Bonduelle celebrated its 160<sup>th</sup> year in the agro-industrial business in 2012-2013, and its 15<sup>th</sup> year on the financial markets. In 2014-2015, the group achieved a historic high in revenue and current operating profit, a record that it has surpassed in 2015-2016 at constant exchange rates.

## 2016-2017

### A key milestone toward VegeGo!

In March 2017, Bonduelle acquired the US leader in snacking salads, Ready Pac Foods, creating a 5<sup>th</sup> business unit named Bonduelle Fresh Americas. This activity is experiencing strong growth, strengthening the group's international presence and is economical in resources. As such, it has transformed the group's profile, making the United States the country with the largest activity and ready-to-use fresh vegetables the group's leading activity.

The group crossed the symbolic threshold of 2 billion euros in revenue during the fiscal year.

In 2017, Bonduelle is celebrating the 70<sup>th</sup> anniversary of its brand, now present in over 100 countries.



THE BONDUELLE  
GROUP

CORPORATE  
SOCIAL  
RESPONSIBILITY

CORPORATE  
GOVERNANCE

REPORT OF  
THE GENERAL  
MANAGEMENT

CONSOLIDATED  
FINANCIAL  
STATEMENTS

PARENT COMPANY  
FINANCIAL  
STATEMENTS

INFORMATION ON  
THE COMPANY AND  
THE SHARE CAPITAL

ADDITIONAL  
INFORMATION

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# Additional information



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FOR MORE INFORMATION,  
PLEASE VISIT:  
[BONDUELLE.COM](http://BONDUELLE.COM)

## 8.1 Person responsible for the registration document and the annual financial report

### 8.1.1 Persons responsible for the information

General Manager: the Company "Pierre et Benoît Bonduelle SAS", whose registered office is at "La Woestyne" - (59173), France, represented by its Chairman Mr. Christophe Bonduelle.

### 8.1.2 Declaration by those responsible

I hereby declare that, after taking every reasonable measure to this end, the information contained in this registration document is, to the best of my knowledge, accurate and does not include any omissions that would change its meaning.

I hereby declare that, to the best of my knowledge, the financial statements have been prepared in compliance with all applicable accounting standards and provide a true and fair view of the assets, financial position and earnings of the Company and all entities included within its scope of consolidation, and that the information contained in the management report, the various sections of which are set out in the cross-reference table on pages 256 and 257, presents a true and fair view of trends in the revenues, earnings and financial position of the Company and all companies included within its scope of consolidation, as well as a description of the primary risks and uncertainties to which they are exposed.

The Independent Auditors have provided me with a letter of completion of work in which they indicate that they have audited the information relating to the financial position and the financial statements presented in this document, as well as to the document as a whole.

The historical financial information presented in this document is the subject of an Independent Auditors' report, presented on pages 195 to 199.

In accordance with Article 28 of European (EC) Regulation 809/2004, the following items are included by reference in this registration document:

- the report of the accounting firms Mazars and Deloitte & Associés on the consolidated financial statements for the fiscal year ended June 30, 2016 and the corresponding historical data found in the financial report included in registration document No. D. 16-0913, which was filed with the *Autorité des marchés financiers* (French financial markets authority) on October 19, 2016;
- the report of the accounting firms Mazars and Deloitte & Associés on the consolidated financial statements for the fiscal year ended June 30, 2015 and the corresponding historical data found in the financial report included in registration document No. D. 15-0971, which was filed with the *Autorité des marchés financiers* (French financial markets authority) on October 20, 2015.

On October 18, 2017

The General Manager

**Pierre et Benoît Bonduelle SAS**

*Represented by its Chairman, Mr. Christophe BONDUELLE*



## 8.2 Independent Auditors

French law requires a permanent legal control by two Independent Auditors. The main objective of this audit is to check that the financial statements are consistent, accurate and present a fair view.

The Auditors are appointed by the Ordinary Shareholders' Meeting for a renewable period of six fiscal years.

Bonduelle SCA's Statutory Auditors are:

### **Mazars**

Represented by Mr. Jean-Maurice El Nouchi, 61, rue Henri-Regnault - 92400 COURBEVOIE (France).

Substitute: Mr. Jérôme Depastors, 61, rue Henri-Regnault - 92075 PARIS LA DÉFENSE (France).

### **Deloitte & Associés**

Represented by Mr. Pierre-Marie Martin, 67 rue de Luxembourg - 59777 EURALILLE (France).

Substitute: BEAS, 7/9 Villa Houssay - 92200 NEUILLY-SUR-SEINE (France).

The two Statutory Auditors are legally and financially independent from each other.

The term of the Statutory Auditors appointed by the Combined Ordinary and Extraordinary Shareholders' Meeting of December 6, 2012 will expire at the Shareholders' Meeting held to approve the financial statements for the fiscal year ending June 30, 2018.

## 8.3 Documents available to Shareholders and to the public

The Bonduelle Group provides its Shareholders and the general public with several sources of information. The review of operations and corporate responsibility, published in French and English, reviews the highlights of the year and sets out the group's strategy, as well as providing a detailed business review. It also provides information on the activities carried out in relation to Corporate Social Responsibility. These reports, and the registration document, which sets out all of the annual financial statements, can be viewed and downloaded from the "Investors" section on [www.bonduelle.com](http://www.bonduelle.com). This website also provides real-time information on share prices, as well as access to all the data pertaining to the group's current events and news.

Since 1998, an annual letter to Shareholders has provided a summary of key financial information and recent events concerning the group and its activities, particularly in respect of the latest product launches. This newsletter is now sent to all Shareholders (both bearer and registered) based on the most recent update of the Shareholder register. It can be downloaded in French or English from the "Investors" Section of the Bonduelle website.

The group's management also meets with investors at group meetings and individual presentations, both in France and elsewhere.

A detailed presentation of the group is available on its website.



### 8.3.2 Financial releases schedule

#### For fiscal year 2016-2017

2017/12/07 Annual Shareholders' Meeting

#### For fiscal year 2017-2018

2017/11/06 Q1 revenue

2018/02/05 H1 revenue

2018/03/01 H1 results - the embargo\* period will commence on 2018/02/14

2018/05/02 Q3 revenue

2018/08/06 Annual revenue

2018/10/01 Annual results - the embargo\* period will commence on 2018/09/16


2018/12/06 Annual Shareholders' Meeting



### 8.3.1 Contact

The Bonduelle Group  
 Finance Department  
 Rue Nicolas Appert - BP 30173  
 59653 Villeneuve-d'Ascq Cedex  
 France  
 Phone: +33 (0)3 20 43 60 60  
 Fax: +33 (0)3 20 43 60 00  
 Email: [finance@bonduelle.com](mailto:finance@bonduelle.com)

Find out more: <http://www.bonduelle.com>

Find out about the group's current events and news on  [@Bonduelle\\_Group](https://twitter.com/Bonduelle_Group), and about its financial news on [@BonduelleCFO](https://twitter.com/BonduelleCFO).

\* In accordance with the recommendations of the *Autorité des marchés financiers* (French financial markets authority), a decision was taken to introduce an embargo period: a period of 15 calendar days preceding the annual and half-yearly results during which no new information on Bonduelle's business conduct and results will be disclosed to financial analysts and investors.



## 8.4 Cross-reference tables

### 8.4.1 Registration document cross-reference table

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N/A: Not applicable



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N/A: Not applicable

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Cross-reference tables



**Content Index**  
Groupe Bonduelle



### 8.4.4 Cross-reference table between the Company's Corporate Social Responsibility chapter and the Global Reporting Initiative (GRI) Standards Content Index and Article 225 of the Grenelle II Act - GRI Standard 102-55

GRI Standards	Disclosure	Art. 225 Grenelle II	Cross reference between the GRI Standards Content Index and the registration document	External verification	Page no.	Omissions
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	102-2: Activities, brands, products, and services		1.7 Our activities 1.6 Group organization structure 1.5 Bonduelle worldwide		20 18 16	
	102-3: Location of headquarters		7.5 General information regarding the Company - Registered office		239	
	102-4: Location of operations		1.6 Group organization structure 1.5 Bonduelle worldwide		18 16	
	102-5: Ownership and legal form		7.5 General information regarding the Company - Legal form 7.2 Shareholder structure		239 234	
	102-6: Markets served		1.7 Our activities 1.5 Bonduelle worldwide		20 16	
	102-7: Scale of the organization		1.1 2016-2017 key figures 1.6 Group organization structure 2.7.7 Results of all indicators 2.7.7 Results of all indicators - B. Natural Resources		4 18 89 91	
	102-8: Information on employees and other workers	Total workforce and breakdown of employees by gender, age and region	2.7.7 Results of all indicators - E. Human resources	2.7.6 Assurance report	95	
	102-9: Supply chain		2.3.1 Challenges and targets 2.4.1 Challenges, objectives and assessment 2.5.1 Challenges and targets		36 45 59	
	102-10: Significant changes to the organization and its supply chain		2.1.1 CSR: a corporate vision for a more responsible world		24	
	102-11: Precautionary Principle or approach	Resources dedicated to preventing risks	3.5 Internal control and risk management procedures		124	
	102-12: External initiatives		2.2.2 Bonduelle stakeholders and forms of dialog 2.1.4 Ethical business practices - Transparency requirements		32 30	
	102-13: Membership of associations		2.2.2 Bonduelle stakeholders and forms of dialog 2.8.4 Professional bodies		31 107	
	<b>Strategy</b>					
102-14: Statement from senior decision-maker	<ul style="list-style-type: none"> <li>Company's arrangements to take environmental issues into account</li> <li>Training and information for employees on environmental protection</li> </ul>		2.1.2 A pioneering approach 2.8.3 Materiality matrix - Materiality matrix		26 106	
<b>Ethics</b>						
102-16: Values, principles, standards, and norms of behavior			2.8.2 Bonduelle Group ethics charter		100	





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GRI 102: General Disclosures 2016	<b>Governance</b>					
	102-18: Governance structure		3.1 Administrative, management and supervisory bodies		110	
	<b>Stakeholder engagement</b>					
	102-40: List of stakeholder groups	Conditions for dialog with stakeholders	2.2.2 Bonduelle stakeholders and forms of dialog		32	
	102-41: Collective bargaining agreements	<ul style="list-style-type: none"> <li>Compliance with the provisions of the fundamental conventions of the ILO (Nos. 87 and 98)</li> <li>Overview of collective Agreements</li> </ul>	2.6.5 Social dialog		76	
	102-42: Identifying and selecting stakeholders	Conditions for dialog with stakeholders	2.8.3 Materiality matrix - Materiality matrix		106	
			2.2.1 Regular involvement		31	
			2.2.2 Bonduelle stakeholders and forms of dialog		32	
	102-43: Approach to stakeholder engagement	<ul style="list-style-type: none"> <li>Conditions for dialog with stakeholders</li> <li>Support, partnership and sponsorship actions with stakeholders</li> </ul>	2.2.2 Bonduelle stakeholders and forms of dialog		32	
			2.2.1 Regular involvement		31	
	102-44: Key topics and concerns raised	Conditions for dialog with Stakeholders	2.2.2 Bonduelle stakeholders and forms of dialog		32	
			2.2.1 Regular involvement		31	
	<b>Scope of the report</b>					
	102-45: Entities included in the consolidated financial statements		1.6 Group organization structure		18	
			5.5 Notes to the annual consolidated financial statements - Note 10.4 List of group companies		193	
			2.7.3 Scope		83	
	102-46: Defining report content and topic Boundaries		2.8.3 Materiality matrix		105	
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			2.7.1 Context and objective		82	
			2.7.2 Procedures		82	
			2.7.4 Indicators		84	
	102-49: Changes in reporting		2.7.3 Scope - Change in scope during the fiscal year		83	
	102-50: Reporting period		2.7.1 Context and objectives		82	
			2.7.5 2017 Reporting schedule		86	
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	102-52: Reporting cycle		2.7.5 2017 Reporting schedule		86	
102-53: Contact point for questions regarding the report		2.7.5 2017 Reporting schedule		86		
102-54: Claims of reporting in accordance with the GRI Standards		2.1.4 Ethical business practices - Transparency requirements		30		
		2.7.1 Context and objectives		82		
102-55: GRI Content Index		8.4 Cross-reference table - Cross-reference table between the Bonduelle Group Corporate Social Responsibility report, the Global Reporting Initiative (GRI) Standards Content Index and Article 225 of the Grenelle II Act		258		
102-56: External assurance		2.7.6 Assurance report		87		



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GRI Standards	Disclosure	Art. 225 Grenelle II	Cross reference between the GRI Standards Content Index and the registration document	External verification	Page no.	Omissions	
	<b>Specific information:</b>	<b>Economic category, indirect economic impacts aspect</b>	<b>Correspondence with Bonduelle's material issues: Relation with producers</b>				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach 2.7.3 Scope		106 27 83		
	103.2: The management approach and its components		2.3.4 Agro-ecological transformation by Bonduelle with its partners 2.2.1 Regular involvement 2.3.1 Challenges, objectives and assessment		42 31 36		
	103-3: Evaluation of the management approach		2.1.3 CSR governance		27		
GRI 203: Indirect Economic Impacts 2016	203-2: Significant indirect economic impacts	<b>Territorial, economic and social impact of the Company's activity in terms of employment and regional development</b>	2.3.2 The Bonduelle Group's vegetable sourcing model 2.6.4 Compensation and benefits policy 2.6.5 Social dialog 2.6.9 Participation in the life of local communities and mobilization of employees		39 76 76 80		
	<b>Specific information:</b>	<b>Societal category, anti-corruption aspect</b>	<b>Correspondence with Bonduelle's material issues: Business ethics practices</b>				
	GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach 2.7.3 Scope		106 27 83	
		103.2: The management approach and its components		2.1.4 Ethical business practices		29	
103-3: Evaluation of the management approach			2.1.3 CSR governance		27		
GRI 205: Anti-corruption 2016	205-2: Communication and training about anti-corruption policies and procedures	<b>Initiatives undertaken to prevent all forms of corruption</b>	2.1.4 Ethical business practices - anti-corruption program		29		
	<b>Specific information:</b>	<b>Environmental category: raw materials aspect</b>	<b>Correspondence with Bonduelle's material challenges: Packaging quality and safety</b>				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach 2.7.3 Scope		106 27 83		
	103.2: The management approach and its components	<b>Training and information for employees on environmental protection</b>	2.5.2 Group policy and methods used 2.4.1 Challenges, objectives and assessment 2.4.8 Responsible product and packaging design and the fight against food waste		60 45 54		
	103-3: Evaluation of the management approach		2.1.3 CSR governance		27		
GRI 301: Materials 2016	301-2: Recycled input materials used	<ul style="list-style-type: none"> <li>Raw material consumption and measures taken to improve efficiency in their use</li> </ul>	2.7.7 Results of all indicators - B. Natural Resources	2.7.6 Assurance report	93		



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GRI Standards	Disclosure	Art. 225 Grenelle II	Cross reference between the GRI Standards Content Index and the registration document	External verification	Page no.	Omissions
	<b>Specific information:</b>	<b>Environmental category: energy aspect</b>	<b>Correspondence with Bonduelle's material challenges: Energy conservation</b>			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> <li>Adaptation to the consequences of climate change</li> <li>Energy consumption, measures taken to improve energy efficiency and use of renewable energy sources</li> </ul>	2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach 2.7.3 Scope		106	27 83
	103.2: The management approach and its components	<ul style="list-style-type: none"> <li>Adaptation to the consequences of climate change</li> <li>Energy consumption, measures taken to improve energy efficiency and use of renewable energy sources</li> </ul>	2.4.2 Group policy and methods used 2.4.1 Challenges, objectives and assessment 2.4.4 Zero energy loss for the industrial activity		47 45	49
	103-3: Evaluation of the management approach	<ul style="list-style-type: none"> <li>Adaptation to the consequences of climate change</li> <li>Energy consumption, measures taken to improve energy efficiency and use of renewable energy sources</li> </ul>	2.1.3 CSR governance		27	
GRI 302: Energy 2016	302-1: Energy consumption within the organization	<ul style="list-style-type: none"> <li>Energy consumption, measures taken to improve energy efficiency and use of renewable energy sources</li> <li>Environmental evaluation or certification processes</li> </ul>	2.7.7 Results of all indicators - B. Natural Resources	2.7.6 Assurance report	91	
	302-4: Reduction of energy consumption		2.4.4 Zero energy loss for the industrial activity		49	
	<b>Specific information:</b>	<b>Environmental category, water aspect</b>	<b>Correspondence with Bonduelle's material challenges: Water conservation</b>			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary	Water consumption and water supply according to local constraints	2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach 2.7.3 Scope		106	27 83
	103.2: The management approach and its components	Water consumption and water supply according to local constraints	2.4.2 Group policy and methods used 2.4.1 Challenges, objectives and assessment 2.4.5 Preservation of water resources through sustainable and integrated management of the water cycle	2.7.6 Assurance report	47 45	50
	103-3: Evaluation of the management approach	Water consumption and water supply according to local constraints	2.1.3 CSR governance		27	
GRI 303: Water 2016	303-1: Water withdrawal by source	Water consumption and water supply according to local constraints	2.7.7 Results of all indicators - B. Natural Resources	2.7.6 Assurance report	91	

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GRI Standards	Disclosure	Art. 225 Grenelle II	Cross reference between the GRI Standards Content Index and the registration document	External verification	Page no.	Omissions
	<b>Specific information:</b>	<b>Environmental category: emissions aspect</b>				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> <li>Adaptation to the consequences of climate change</li> <li>Water consumption and water supply according to local constraints</li> </ul>	2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach 2.7.3 Scope		106 27 83	
	103.2: The management approach and its components	<ul style="list-style-type: none"> <li>Adaptation to the consequences of climate change</li> <li>Water consumption and water supply according to local constraints</li> </ul>	2.4.2 Group policy and methods used 2.4.1 Challenges, objectives and assessment 2.4.3 The group's carbon footprint group and energy transition		47 45 47	
	103-3: Evaluation of the management approach	<ul style="list-style-type: none"> <li>Adaptation to the consequences of climate change</li> <li>Water consumption and water supply according to local constraints</li> </ul>	2.1.3 CSR governance		27	
GRI 305: Emissions 2016	305-1: Direct (Scope 1) greenhouse gas emissions	Significant items relating to greenhouse gas emissions, in particular linked to the use of goods and services produced	2.7.7 Results of all indicators - B. Natural Resources	2.7.6 Assurance report	93	
	305-2: Energy indirect (Scope 2) greenhouse gas emissions	Significant items relating to greenhouse gas emissions, in particular linked to the use of goods and services produced	2.7.7 Results of all indicators - B. Natural Resources	2.7.6 Assurance report	93	
	<b>Specific information:</b>	<b>Environmental category: effluents and waste aspect</b>	<b>Correspondence with Bonduelle's material challenges: Water pollution; Use of agricultural inputs</b>			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach 2.7.3 Scope 2.7.4 Indicators		106 27 83 86	
	103.2: The management approach and its components		2.4.2 Group policy and methods used 2.4.1 Challenges, objectives and assessment 2.4.5 Preservation of water resources through sustainable and integrated management of the water cycle 2.4.6 Waste management: zero loss and circular economy		47 45 50 52	
	103-3: Evaluation of the management approach		2.1.3 CSR governance		27	
GRI 306: Effluents and waste 2016	306-1: Water discharge by quality and destination	Measures for the prevention, reduction or remediation of discharges into air, water or soil that severely impact the environment	2.7.7 Results of all indicators - B. Natural Resources	2.7.6 Assurance report	92	
	306-2: Waste by type and disposal method	Measures to prevent, recycle and reuse, other forms of recovery and elimination of waste	2.7.7 Results of all indicators - B. Natural Resources	2.7.6 Assurance report	91, 92	
	<b>Specific information:</b>		<b>Correspondence with Bonduelle's material challenges: Legal compliance</b>			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach 2.7.3 Scope		106 27 83	
	103.2: The management approach and its components		2.8.1 Ethics Committee 2.8.2 Bonduelle Group ethics charter		100 100	
	103-3: Evaluation of the management approach		2.1.3 CSR governance		27	
GRI 307: Environmental Compliance 2016	307-1: Non-compliance with laws and regulations in the social and economic area		2.1.4 Ethical business practices		29	



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GRI Standards	Disclosure	Art. 225 Grenelle II	Cross reference between the GRI Standards Content Index and the registration document	External verification	Page no.	Omissions
	<b>Specific information:</b>	<b>Environmental category: supplier evaluation aspect</b>	<b>Correspondence with Bonduelle's material challenges: Relations with producers</b>			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach 2.7.3 Scope		106 27 83	
	103.2: The management approach and its components		2.3.1 Challenges, objectives and assessment		36	
	103-3: Evaluation of the management approach		2.1.3 CSR governance		27	
GRI 308: Supplier Environmental Assessment 2016	308-1: New suppliers that were screened using environmental criteria		2.4.10 Responsible purchasing 2.7.7 Results of all indicators		57, 58 89	
	<b>Specific information</b>	<b>Social category, employment aspect</b>				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary	Work time organization	2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach 2.7.3 Scope		106 27 83	
	103.2: The management approach and its components	<ul style="list-style-type: none"> <li>Work time organization</li> <li>Organization of social dialog</li> </ul>	2.6.2 Human resources policies and means implemented 2.6.5 Social dialog		70 76	
	103-3: Evaluation of the management approach		2.1.3 CSR governance		27	
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	Hires and dismissals	2.7.7 Results of all indicators - E. Human resources	2.7.6 Assurance report	96	
	<b>Specific information:</b>	<b>Social category, health and safety in the workplace aspect</b>	<b>Correspondence with Bonduelle's material challenges: Health and safety in the workplace</b>			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach 2.7.3 Scope		106 27 83	
	103.2: The management approach and its components		2.6.2 Human resources policies and means implemented		70	
		Workplace health conditions	2.6.3 Safety and working conditions		74	
	103-3: Evaluation of the management approach		2.1.3 CSR governance		27	
GRI 403: Occupational Health and Safety 2016	403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<ul style="list-style-type: none"> <li>Frequency rate and severity of workplace accidents and occupational illnesses</li> <li>Absenteeism</li> </ul>	2.7.7 Results of all indicators - E. Human resources	2.7.6 Assurance report	98	
	403-4: Health and safety topics covered in formal agreements with trade unions	<ul style="list-style-type: none"> <li>Summary of agreements signed with labor unions or employee representatives on workplace health and safety</li> <li>Safety in the workplace</li> </ul>	2.6.5 Social dialog 2.6.3 Safety and working conditions		76 74	

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GRI Standards	Disclosure	Art. 225 Grenelle II	Cross reference between the GRI Standards Content Index and the registration document	External verification	Page no.	Omissions
	<b>Specific information:</b>	<b>Social category, education and training aspect</b>				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach 2.7.3 Scope		106 27 83	
	103.2: The management approach and its components		2.6.2 Human resources policies and means implemented 2.6.5 Training and developing potential		70 76	
	103-3: Evaluation of the management approach		2.1.3 CSR governance		27	
GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee	Total number of training hours	2.7.7 Results of all indicators - E. Human resources	2.7.6 Assurance report	98	
	404-3: Percentage of employees receiving regular performance and career development reviews	Training policies implemented	2.7.7 Results of all indicators - E. Human resources 2.6.6 Development and training for women and men		99 78	
	<b>Specific information:</b>	<b>Social category, diversity and equal opportunities aspect</b>				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach 2.7.3 Scope		106 27 83	
	103.2: The management approach and its components	Anti-discrimination policy	2.6.2 Human resources policies and means implemented 2.6.7 Diversity		70 79	
	103-3: Evaluation of the management approach		2.1.3 CSR governance		27	
GRI 405: Diversity and Equal Opportunity 2016	405-1: Diversity of governance bodies and employees	<ul style="list-style-type: none"> <li>Measures taken to promote gender equality</li> <li>Measures taken to promote the employment and integration of disabled persons</li> </ul>	2.7.7 Results of all indicators - E. Human resources 3.1.2 Bonduelle SCA 2.6.7 Diversity		96 111 79	
	<b>Specific information:</b>	<b>Human rights category, freedom of association aspect</b>	<b>Correspondence with Bonduelle's material challenges: Compliance with international labor commitments</b>			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach 2.7.3 Scope		106 27 83	
	103.2: The management approach and its components		2.6.2 Human resources policies and means implemented 2.6.8 Human rights 2.1.4 Ethical business practices		70 79 29	
	103-3: Evaluation of the management approach		2.1.3 CSR governance		27	
GRI 407: Freedom of Association and Collective Bargaining	407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<ul style="list-style-type: none"> <li>Promotion and compliance with the provisions of the fundamental conventions of the International Labour Organization pertaining to freedom of association and collective bargaining</li> <li>Extent of subcontracting and incorporating environmental and social issues into relationships with suppliers and subcontractors</li> <li>Incorporation of environmental and social challenges into the purchasing policy</li> </ul>	2.6.8 Human rights 2.6.5 Social dialog 2.4.10 Responsible purchasing/ Engagement, evaluation and support of suppliers in other categories		79 76 58	



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GRI Standards	Disclosure	Art. 225 Grenelle II	Cross reference between the GRI Standards Content Index and the registration document	External verification	Page no.	Omissions
	<b>Specific information:</b>	Human rights category, child labor aspect	Correspondence with Bonduelle's material challenges: Compliance with international labor commitments			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach 2.7.3 Scope		106	
	103.2: The management approach and its components	<ul style="list-style-type: none"> <li>Promotion of and compliance with the stipulations of the fundamental conventions of the International Labour Organization pertaining to the elimination of discrimination in respect of employment and occupation</li> <li>Anti-discrimination policy</li> </ul>	2.6.2 Human resources policies and means implemented		70	
			2.6.8 Human rights 2.1.4 Ethical business practices		79 29	
103-3: Evaluation of the management approach		2.1.3 CSR governance		27		
GRI 408: Child Labor 2016	408-1: Operations and suppliers at significant risk for incidents of child labor	<ul style="list-style-type: none"> <li>Promotion of and compliance with the provisions of the fundamental conventions of the International Labor Organization pertaining to the elimination of child labor</li> <li>Extent of subcontracting and incorporating environmental and social issues into relationships with suppliers and subcontractors</li> <li>Incorporation of environmental and social challenges into the purchasing policy</li> </ul>	2.6.8 Human rights		79	
			2.4.10 Responsible purchasing		57	
	<b>Specific information:</b>	Human rights category, forced labor aspect				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach 2.7.3 Scope		106	
	103.2: The management approach and its components		2.6.2 Human resources policies and means implemented		70	
			2.6.8 Human rights 2.1.4 Ethical business practices		79 29	
103-3: Evaluation of the management approach		2.1.3 CSR governance		27		
GRI 409: Forced or Compulsory Labor	409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	<ul style="list-style-type: none"> <li>Promotion and compliance with the provisions of the fundamental conventions of the International Labour Organization pertaining to the elimination of forced or compulsory labor</li> <li>Extent of subcontracting and incorporating environmental and social issues into relationships with suppliers and subcontractors</li> <li>Incorporation of environmental and social challenges into the purchasing policy</li> </ul>	2.6.8 Human rights		79	
			2.4.10 Responsible purchasing		57	



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GRI Standards	Disclosure	Art. 225 Grenelle II	Cross reference between the GRI Standards Content Index and the registration document	External verification	Page no.	Omissions
	<b>Specific information:</b>	<b>Human rights category, investment aspect</b>	<b>Correspondence with Bonduelle's material challenges: Compliance with international labor commitments</b>			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach 2.7.3 Scope		106 27 83	
	103.2: The management approach and its components		2.6.2 Human resources policies and means implemented 2.6.8 Human rights 2.4.10 Responsible purchasing		70 79 57	
	103-3: Evaluation of the management approach		2.1.3 CSR governance		27	
GRI 412: Human Rights Assessment 2016	412-3: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Initiatives to promote human rights	2.4.10 Responsible purchasing/ Engagement, evaluation and support of suppliers in other categories 2.6.8 Human rights		58 79	
	<b>Specific information:</b>	<b>Societal category, local communities aspect</b>				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach 2.7.3 Scope		106 27 83	
	103.2: The management approach and its components		2.6.2 Human resources policies and means implemented 2.6.9 Participation in the life of local communities and mobilization of employees - 2.5.7 The Louis Bonduelle Foundation		70 80 65	
	103-3: Evaluation of the management approach		2.1.3 CSR governance		27	
GRI 413: Local communities 2016	413-1: Operations with local community engagement, impact assessments, and development programs	Territorial, economic and social impact of the Company's activity on neighboring and local populations	2.5.7 Louis Bonduelle Foundation - projects supported in 2016-2017 2.6.9 Participation in the life of local communities and mobilization of employees		66 80	
	<b>Specific information:</b>	<b>Products category, consumer health and safety aspect</b>	<b>Correspondence with Bonduelle's material challenges: Product quality and safety; Nutritional composition of products;</b>			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach		106 26	
	103.2: The management approach and its components		2.7.3 Scope 2.5.2 Group policy and methods used		83 60	
	103-3: Evaluation of the management approach		2.1.3 CSR governance		27	
GRI 416: Customer Health and Safety 2016	416-1: Assessment of the health and safety impacts of product and service categories	Fair practices: Measures taken to ensure consumer health and safety	2.5.3 Quality and traceability 2.5.4 Nutritional quality 2.7.7 Results of all indicators - D Quality		61 64 94	



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GRI Standards	Disclosure	Art. 225 Grenelle II	Cross reference between the GRI Standards Content Index and the registration document	External verification	Page no.	Omissions
	<b>Specific information:</b>	Product category, product and service labeling aspect	Correspondence with Bonduelle's material challenges: Product quality and safety; Nutritional composition of products			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach		106 27	
	103.2: The management approach and its components		2.7.3 Scope 2.5.2 Group policy and methods used		83 60	
	103-3: Evaluation of the management approach		2.1.3 CSR governance		27	
GRI 417: Marketing and Labeling 2016	417-1: Requirements for product and service information and labeling	Fair practices: Measures taken to ensure consumer health and safety	2.5.2 Group policy and methods used 2.5.3 Quality and traceability 2.5.4 Nutritional quality		60 61 64	
	<b>Specific information:</b>		Correspondence with Bonduelle's material challenges: Legal compliance			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		2.8.3 Materiality matrix - Materiality matrix 2.1.2 A pioneering approach		106 27	
	103.2: The management approach and its components		2.7.3 Scope 2.5.2 Group policy and methods used		83 60	
	103-3: Evaluation of the management approach		2.1.3 CSR governance		27	
GRI 419: Socioeconomic Compliance 2016	419-1: Non-compliance with laws and regulations in the social and economic area		2.1.4 Ethical business practices		29	

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GRI Standards	Disclosure	Art. 225 Grenelle II	Cross reference between the GRI Standards Content Index and the registration document	External verification	Page no.	Omissions
<b>Other material challenges faced by Bonduelle</b>						
Not applicable	Legal compliance and integration of CSR challenges in relations with customers		2.2.2 Bonduelle stakeholders and forms of dialog 2.1.4 Ethical business practices		32 29	
<b>Other non-material challenges for which Bonduelle has indicators</b>						
<b>Challenge</b>						
Not applicable	Protecting biodiversity	Measures taken to conserve or develop biodiversity	2.3.1 Challenges, objectives and assessment 2.3.3 Group policy and methods used 2.3.4 Agro-ecological transformation by Bonduelle with its partners 2.4.7 Land management to develop a long-term vision 2.4.1 Challenges, objectives and assessment 2.7.7 Results of all indicators - B. Natural Resources		36 40 42 53 45 93	
Not applicable	Food Traceability	Fair practices: Measures taken to ensure consumer health and safety	2.5.2 Group policy and methods used 2.5.3 Quality and traceability		60 61	
Not applicable	Food safety	Land use	2.3.1 Challenges, objectives and assessment 2.3.3 Group policy and methods used 2.4.1 Challenges, objectives and assessment 2.7.7 Results of all indicators - B. Natural Resources 2.7.7 Results of all indicators - A. Agronomy		36 40 45 90 89	
Not applicable	Employee development Remuneration and Development	Remuneration and Development	2.7.7 Results of all indicators - E. Human resources 2.6.1 Challenges, objectives and assessment 2.6.4 Compensation and benefits policy 2.6.6 Development and training for women and men		95 68 76 77	
Not applicable		<ul style="list-style-type: none"> <li>Territorial, economic and social impact of the Company's activity on neighboring and local populations</li> <li>Account taken of noise pollution</li> </ul>	2.4.7 Land management to develop a long-term vision		53	
Not applicable		Amount of provisions and guarantees for environmental risks	5.5 Notes to the annual consolidated financial Statements - Note 9.3 Contingent liabilities		189	

This document was prepared jointly by the Finance Department and the External Communications, CSR and Corporate Marketing Department.

We would like to thank our farmer partners and our employees for their contributions to this document.

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